**ADDENDUM NO. 1**

Lease Rate, Annual Increase, Renewals and Purchase Option

This Addendum No. 1 (“**Addendum**”) is made and entered into effective as of the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 202\_\_, as an addendum to the Standard Commercial/Industrial Building Lease dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 202\_\_ (the “**Lease**”), between Hollingsworth Investments VIII, a Tennessee general partnership (“**Lessor**”), and AGS America Inc, an Alabama corporation (“**Lessee**”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [corp/LLC/general partnership] (“**Guarantor**”), for a 126,824 square foot building located at 1521 Mountain Road, Andersonville, Tennessee 37705, being 12.94 +/- acres in the David Jones Industrial Park (collectively, the building and land shall be referred to as the “**Premises**”).

WITNESSETH:

WHEREAS, Lessor and Lessee entered into the Lease as stated above. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Lease; and

WHEREAS, Guarantor has read, understands and approves the changes made to the Lease herein and executes this Addendum to acknowledge his, her or its agreement that the changes herein will not change or limit his, her or its guaranty of the Lease; and

WHEREAS, Lessee and Lessor desire to further amend the Lease as provided herein.

NOW, THEREFORE, in consideration of the terms, conditions and mutual promises contained herein, and in the Lease, as amended hereby, the parties hereto agree as follows:

1. **EARLY OCCUPANCY FOR FREE**

Upon the Lease and Addendum being fully executed, appropriate damage deposit received, Lessee has provided proof that the utilities have been transferred, proof insurance has been secured with a copy of the insurance policy and certificate on insurance naming Lessor as additional insured, the Lessee may occupy the facility pre-term rent free (“**Early Occupancy**”). Prior to Early Occupancy, the parties will walk through the facility together and once completed will execute an Acceptance of Premises and Acknowledgment of Lease Commencement notice. During Early Occupancy, the Lessee shall be subject to all of the terms and conditions of the Lease.

1. **LEASE AND RENT COMMENCEMENT DATES**

Although the Lessee may take possession of the Premises during Early Occupancy, Lessee will not be responsible for January 2022 through March 2022 rent. The Lease and Rent shall commence on the Lease Commencement Date of April 1, 2022, as set forth in the Lease.

1. **LEASE RATE**

Annual Triple Net Lease Rate is as follows:

First Year Rate: $5.78/square foot/year. Upon the first anniversary date of the Lease Commencement Date and for all consecutive anniversaries thereafter, the lease base rental rate will be adjusted each year by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) published closest to the anniversary of the Lease Commencement Date, but not less than three percent (3%).

1. **BUILDING CHANGES**

 Lessor is aware that the Lessee will make changes to the building and add equipment and trade fixtures to the Premises at Lessee’s expense for a light manufacturing and distribution facility. All changes must meet all codes, regulations and zoning requirements for the jurisdiction. Except as set forth in Section 8 of the Lease, all building changes must be submitted with construction plans and specifications to Lessor for prior written consent, which consent will not be unreasonably withheld.

Premises to be delivered where-is, “As Is, Where Is,” except for Lessor’s Warranties as described in Section 8 of this Addendum.

1. **RENEWALS FOR THE PREMISES**

Lessor hereby grants to Lessee three (3) successive five (5) year renewals under the same terms and conditions as the Lease.

1. **BROKERS**

Lessor and Lessee each represent and warrant to the other that neither party is represented by a broker or other agent in connection with the Lease, and if either party engages a broker to represent that party’s interest, said party shall be solely responsible for compensating the broker for services rendered.

1. **PURCHASE OPTION**

It is agreed that beginning on the eighteenth (18th) month following the Lease Commencement Date and continuing through month Thirty-Six (36) of the Lease term, the Lessee will have an Option to Purchase the Premises (the “**Option to Purchase**”) at a purchase price of Eight Million Four Hundred Eighty-five Thousand, Eight Hundred Dollars ($8,485,800.00) net to Seller for the base building with any adjustments as follows: Any upfits paid by Lessor and rolled into the Lease Rate will be added to the base building purchase price. The price will increase annually by the Consumer Price Index published closest to the anniversary date of the Lease Commencement Date, but not less than three percent (3%). Thereafter this Option to Purchase shall become null and void.

Should the Lessee elect to exercise the above stated Option to Purchase, Lessee shall notify Lessor in writing and shall close the purchase within sixty (60) days after said notification to Lessor.

Within two (2) months following the execution of this Addendum, at Lessee’s election, agree to execute a Memorandum of Option, in standard form, which may be recorded by either party. Lessee shall be responsible for the cost of recordation and preparation of such Memorandum of Option.

1. **WARRANTIES**

Lessor shall assign to Lessee all third-party contractor’s manufacturers and equipment warranties which Lessor has obtained in connection with the Premises or shall have them issued directly to the Lessee by the manufacturers. During the term of the Lease, warranty of the roof shall remain with Lessor. Upon any termination of the Lease, all warranties assigned, issued or delivered to Lessee shall be assigned, reassigned or delivered to Lessor. The assignments, reassignments or redelivery shall be deemed to occur automatically with the termination of the Lease, without the need for further documentation; however, Lessee agrees to execute and deliver the appropriate documents necessary and appropriate to do so upon any termination upon request.

Lessor guarantees to Lessee the Premises work against defective design, workmanship and materials, latent or otherwise, for a period of one (1) year from the execution of the Lease (the “**Warranty Period**”).

1. **QUIET ENJOYMENT**

Lessor covenants that Lessee, upon paying when due the Rent and additional rent herein provided for and observing and keeping all provisions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Premises during the term of this Lease, without hindrance or molestation by anyone claiming by, through or under Lessor, subject, however, to the exception, reservations, and provisions of this Lease.

1. **LANDLORD LIEN WAIVERS**

The Lessor shall execute, at Lessee’s request, one or more Landlord Lien Waiver forms in favor of Lessee’s lenders in a form reasonably acceptable to such lenders and acceptable to Lessor and Lessor's lender**.**

1. **SUBORDINATION, NON-DISTURBANCE & ATTORNMENT**

The Mortgagees Rights and Financial Info provision of this Lease are conditioned upon the delivery to Lessee by Lessor’s lender of an executed Subordination, Non-Disturbance Attornment Agreement in a form reasonably acceptable to Lessee and consistent with prior practices. Lessor represents and warrants to Lessee that as of the date of this Lease, that the Premises is not subject to any liens of any type or nature except by a Deed of Trust.

1. **AUTHORIZATIONS**

Lessor represents and warrants that: (a) Lessor has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Lessor.

Lessee represents and warrants that: (a) Lessee has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Lessee.

If Guarantor is not an individual, then Guarantor represents and warrants that: (a) Guarantor has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Guarantor.

Lessee and Guarantor have further authorized and taken all actions required by law, their governing documents or otherwise to authorize the execution, delivery and performance of any previous, present, and future amendments and change orders that may occur to be executed by Lessee or its local representatives.

1. **MISCELLANEOUS**

This Addendum shall be attached to, made a part of and wholly merged into the Lease. The Lease, supplemented by this Addendum, is to remain in full force and effect and is to be deemed superseded by this Addendum to the extent necessary to implement the terms of this Addendum. If there is a conflict between the terms of this Addendum and the Lease, the terms of this Addendum shall control.

Lessee, Guarantor, and Lessor have agreed to the above terms and conditions to the Lease and to this Addendum. No supplement, modification or amendment of the Lease or this Addendum shall be binding unless executed in writing by Lessee and Lessor.

Should any provision(s) in this Addendum be declared void or voidable by a court of competent jurisdiction, the provision(s) shall be considered severed from the Addendum and all remaining provisions shall remain in full force and effect.

No provision of this Addendum will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

This Addendum may be executed and delivered by facsimile or PDF signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties hereto agree that all of the terms of the Lease which are not otherwise amended by this Addendum shall remain in effect.

[SIGNATURES ON THE FOLLOWING PAGE]

[Signature Page to Addendum No. 1]

Executed by each party to be effective as of the date first above written.

**LESSEE:**

AGS AMERICA INC

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Witness
Title:

**GUARANTOR:**

[ENTITY NAME]

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Witness
Title:

**LESSOR:**

HOLLINGSWORTH INVESTMENTS VIII

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 Joseph A. Hollingsworth, Jr. Witness
 Managing Partner

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