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May 13, 2022

Mr. Tom Mann

The Hollingsworth Companies

Two Centre Plaza

Clinton, TN 37716

Via Email: [tmann@hollingsworthcos.com](mailto:tmann@hollingsworthcos.com)

Re: **Proposal to Lease by PlastiColor Inc. (“Tenant”) at Huntington Business Park, Loudon, TN (TL-174) (“Property”).**

Dear Tom,

**LBMB, Inc.** (“Tenant”) has authorized CBRE, Inc., (“Tenant’s Broker”) to identify solutions to their facility requirements in the greater Knoxville area. The purpose of this Proposal is to focus on the key business points of a prospective lease transaction.

Tenant plans to select a suitable property for lease, in which Tenant warehousing, light manufacturing of printing of adhesive decals, and office space.

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| --- | --- | --- |
|  | *Tenant:* LBMB, Inc. owns Plasticolor and Chromagraphics, which has been supplying the Automotive Aftermarket with high-quality automotive accessories for over 40 years. Although Plasticolor began as a Floor Mat manufacturer, in addition to floor mats we produce many other product categories today. These products include, Seat Covers, Steering Wheel Covers, Decals, Key Chains, Organization Items, Garage Stools, Hitch Plugs, Spare Tire Covers, Splash Guards, License Plate Frames, Air Fresheners and Specialty Mats of all designs.  For more information, please visit [www.plasticolorinc.com](http://www.plasticolorinc.com)  [www.chroma-graphics.com](http://www.chroma-graphics.com) | *LL RFP Response:*  Please identify which entity(s) will be operating in the building. |
|  | *Landlord:* Please provide legal entity name, address, and lender (if any) information on ownership. | *LL RFP Response:*  Tenn X, LLC |
|  | *Premises:* The approximately 169,000 sf (and associated parking lot and loading areas.  260’ minimum building depth   * Building Configuration (Rear load) * Expansion area - Please provide detail on opportunities to expand the building. * Auto Parking spaces to code. (Client needs a minimum of 50).   + Please separate auto parking and trucking shipping/receiving areas.   185’ minimum truck court depth   * Truck Court   + 75’ concrete loading dock   + 70’ heavy-duty asphalt/concrete   + 50’ area for trailer storage with 10’ wide dolly pad   + 185’ total depth   + 20-year pavement design for 80,000 lbs per trailer. * Trailer storage for 10 trailers/shipping containers (12’ typical width for a parking spot)   Please include “as-built” survey and building drawings for review by Tenant.  All measurements of rentable square footage, which Tenant will have the right to independently verify, will be computed in accordance with the American National Standard of measuring floor area in industrial buildings of the Building Owners and Managers Association International (ANSI Z65. 2-2010)*.* | LL RFP Response:  130,424 SF (side load)  Expands to 179,848 SF.  59 Parking Spaces, this can be expanded if more are needed.  Parking and truck court areas are separated. See attached Site Plan.  200’ Truck Court depth  73’ concrete loading dock  77’ HD Asphalt  50’ Trailer Storage  200’ total depth  Agreed. 8” base/4.5” binder/1.5” topping.  Nineteen (19) provided  See attached Site Plan.  Agreed. |
|  | *Outside Storage* Please confirm the municipality will support outside storage of trailers/containers at the Premises. | *LL RFP Response:*  Outside storage is permitted with landscape screening. |
|  | *Use:* Tenant will operate a general office, warehouse, printing, related uses, and other support functions within the Premises. | *LL RFP Response:*  Agreed. |
|  | *Initial Term:*  (5) Five  or Ten (10) Years. | *LL RFP Response:*  This is a new, single tenant facility with a minimum 10 year lease term. |
|  | *Renewal Options:* Tenant shall have two (2), five (5) year options to renew the lease with between six (6) and twelve (12) months prior written notice to Landlord. The rental rate for the options shall be at ninety-five (95%) of the then prevailing fair market value. | *LL RFP Response:*  Three (3), five (5) year options at the same terms and conditions with notice between six (6) and twelve (12) months prior written notice*.* |
|  | *Lease Commencement:* Ninety (90) days after receipt of Certificate of Completion or Certificate of Occupancy of the building from the local municipalities. | *LL RFP Response:*  Tenant shall pay utilities and triple net expenses during pre-term occupancy. Rent will be waived during this period. |
|  | *Early Access:* Tenant shall have a ninety (90) day early access period. Tenant shall have the right to access Premises upon completion of the building for purposes of performing improvements installing furniture, fixtures, racking and equipment, at no charge to Tenant. | *LL RFP Response:*  Tenant shall pay utilities and triple net expenses during pre-term occupancy. Rent will be waived during this period*.* |
|  | *Please provide Base Rent:* $\_\_\_\_ on a Triple Net Basis for each 5, and 10-year terms. | *LL RFP Response:*  10 Year Term Base Rent:  $8.17/SF/YR, NNN, yearly escalation based on CPI with a 3% minimum. |
|  | *Operating Expenses:* Tenant will be solely responsible for the Operating Expenses (Maintenance, Property Taxes and Property Insurance) at the Premises.  Please provide estimated operating expenses once fully assessed:  Tenant shall contract and pay separately all utilities directly to utility provider. | *LL RFP Response:*  Agreed.  Est. Operating Expenses:  Taxes $0.35  Insurance $0.10 SF/YR  Maintenance $0.10 SF/YR  As a single Tenant Facility, all utilities will be separately metered. |
|  | *Tenant Improvement Allowance:*  *Please provide a Tenant Improvement Allowance for* 5, and 10-year terms.  *Client prefers turnkey TI finishes – Brian add language.* | *LL RFP Response:*  LL charges rent for requested Tenant Upfits. The formula is based on the size of the building and the Term of the Lease. For this project the formula is:  $0.07/SF/YR rent per $50,000 of construction cost  Estimated Upfit Cost:  $3,481,147 = $4.87/SF/YR |
|  | *Parking:* Please detail the auto and trailer parking provided. | *LL RFP Response:*  Truck court is 200’ deep with 73’ of concrete dockpad. Layout includes Ten (10) dock doors and Eighteen (18) trailer drops  The car parking is separated from the truck court and provides 59 spaces.  See Attached Site Plan |
|  | *Base Building Finish:*   * Office - +/- 10,000 square feet (see Exhibit B)   + \_\_’ clear ceiling height to the drop ceiling (10’)   + Lighting: 30 foot candles at \_30” AFF\_\_ ‘ * Large Conference Room- +/- 800 square feet   + ~40’ x 20’\_\_\_ ‘   + \_\_10’ clear ceiling height to the drop ceiling   + Lighting: \_\_30\_ foot candles at 30” AFF\_ ‘ * Production Assembly Space (climate controlled)   + 45000 SF   + Lighting: 30foot candles at 30” AFF‘   + *Keep it in a range of less than 80 degrees F.* * Warehouse (~115,000 SF)   + Heated to code   + No HVAC required   + Fans and louvres for air circulation   + HVLS fans (alternate)   + Interior building lighting –   + **LED** light fixtures installed to average 30 fc (suggest 30FC @ 30” AFF on open warehouse layout with no obstructions   + Clerestory windows   + Warehouse bathroom – 1 unisex * IT room 75 sq ft. with split system HVAC * 32’ clear height warehouse minimum * Column spacing ~50’x50’ * Speed Bay: 50'x60' * 6” 4000 psi reinforced concrete slab on grade (minimum) or as required for maximum loads as determined by the Occupier. Provide a 10-mil vapor barrier equal to Stego Wrap Class A under all slabs-on-grade. SOG to have a minimum overall flatness/levelness of Ff50, Fl35, with a minimum local of Ff35, Fl24, Install diamond dowels at all construction joints & load plate baskets or similar load transfer method at all control joints. * Domestic water / sanitary sewer along the front of the building. * ESFR fire sprinkler system * Ten (10) 9’ x10’ overhead dock doors. Six bays will be equipped with 40,000-pound levelers, trailer restraints, dock bumpers, dock lights, quad outlets, and dock seals along the long/broad side of the building. Dock doors to have vision panels. * One (1) 12’ x 14’ high-grade level or ramped drive-in door with an electrical opener. * Main electrical service 480/277V 3-phase, 4-wire   (2000 amps)  Natural Gas for Heating  Water  Sewer   * Building Insulation   + Roof – 45 mil TPO (R-25) minimum   + Exterior pre-cast panels insulated (R-24). Tilt-wall is more common. * Painting:   Interior and exterior   * + Underside of roof deck, joists, and beams primed white * Reznor heater located at every other bay (per code requirements) * Accessibility to redundant fiber networks. | *LL RFP Response:*  Agreed.  Warehouse Clear Height minimum 32’. Office 10’.  Agreed.  See attached Office Layout Plan based on list included here.  Agreed.  See Building Plan. Dividing wall provided for conditioned area.  Agreed.  120 Tons of cooling estimated.  Included in base building  No Air Conditioning in WH  1 Air change per hour  Can be added  Agreed.  Provided at Rear Wall  Can Be provided as Upfit.  Included in Office Plan.  Agreed.  Column Spacing 60’ x 60’  Speed Bay 60’ x 60’  6” 4000PSI concrete floor with uniform Helix Micro Rebar reinforcing on 10 mil vapor barrier and penetrating hardener polished finish, meeting requested floor flatness and levelness specifications. Construction joints to use diamond dowels.  Agreed.  Agreed.  Twelve Positions are provided, ten will be upfit as described.  Agreed.  Base building is planned with 1200 Amp 480/277V electrical service which seems sufficient for the equipment identified. Electrical Gear lead times are extremely extended. Electrical capacity should be verified ASAP.  Natural Gas heating provided.  8” Fire Water Feed and 2” domestic water included.  Sanitary sewer connection provided.  30 Year Standing Seam Galvalume 6”/4” batt insulation with reinforced Vinyl Vapor Barrier R-32.  Insulated metal panels above 7’-4” R-20 with insulated CMU in the impact zone below 7’-4” AFF.  Exterior pre-finished panels warranted or 20 years.  Ceiling is white, joists are galvanized, frames and columns are painted white.  Reznor or equal gas fired unit heaters as needed.  Fiber available at the Park. |
|  | *Maintenance & Repairs:*  The Tenant shall be solely responsible for the following:  Interior: Heating, Plumbing, Fire Alarm System, Restrooms, Exterior windows, regular HVAC maintenance, electrical, landscaping (for single tenant properties), and trash.  The Landlord will be responsible for the maintenance of the HVAC capital repairs, roof, structure, landscaping (for multi-tenant properties), and paved areas. | *LL RFP Response:*  This facility is offered as a single tenant, NNN lease. No management fees will be charged. Landlord is responsible for structural components and roof. All other maintenance items are the responsibility of the Tenant.  Tenant will maintain HVAC systems. If replacement of HVAC or major paving resurfacing is required, LL will make such repairs and Tenant shall Reimburse LL for financing of expenses over the useful life of the improvement during the Term of the Lease or any renewals until the useful life term is attained. |
|  | *Condition of Premises:* Prior to lease execution, Tenant will be permitted access to the Premises to confirm the condition of the Premises is as anticipated. Upon lease execution, Tenant will accept the Premises in as-is, where-is condition. | *LL RFP Response:*  Agreed. |
|  | *Signage:* Tenant, at Tenant’s cost, shall have the right to install any and all building and monument signage allowed per town code. | *LL RFP Response:*  Agreed. |
|  | *Assignment and Sublease:* Tenant shall have the right to assign or sublease all or any portion of the premises during the initial term and any renewal term without consent of the Landlord, to (i) any entity resulting from a merger or consolidation, (ii) any entity succeeding in the business and assets of Tenant; or (iii) any subsidiary or affiliate of Tenant. Tenant may assign or sublease to any unaffiliated party so long as the use is reasonably comparable to Tenant’s use. Tenant shall be allowed to retain the profit from any sublease or assignment during the lease term.  *Brian to tweek.* | *LL RFP Response:*  Agreed, as long as sub-tenant has bankable credit and the business complies with Federal, State, and County requirements, and Park Covenants. |
|  | *Security Deposit:* There shall be no requirement for a security deposit. | *LL RFP Response:*  A Security Deposit equal to two months’ rent to be confirmed based on bankable credit of the Tenant. |
|  | *Non-Disturbance:* Landlord shall provide Tenant with a non-disturbance agreement acceptable to Tenant from each mortgage holder then in existence, if any. | *LL RFP Response:*  Agreed. |
|  | *Regulatory and* *Environmental Conditions*: Please confirm the building and premises level of compliance with regard to all codes and ADA requirements. Tenant shall also require the landlord to warrant and represent that the building and premises are free of asbestos, and any other hazardous or toxic materials. | *LL RFP Response:*  Agreed, a Phase I Environmental Condition Report to be provided. All LL provided construction will comply with the ADA*.* |
|  | *Real Estate Commission:* It is understood that  Tenant’s Broker has been retained by Tenant to represent Tenant exclusively in this transaction. Tenant understands and agrees that Tenant’s Broker will be compensated on the basis of a full-market real estate commission of Net Rents paid by the Landlord. | *LL RFP Response:*  A 4% commission on the base rent to be provided for the first 5 years of the lease. |
|  | *Consult Your Attorney:* No representation or recommendation is made by broker, its agents, or employees as to the legal sufficiency, legal effect, or tax consequences of this document, and subsequent lease documents.  In any real estate transaction, it is recommended that you consult with a professional, such as a civil engineer, industrial hygienist or other person having experience in evaluating the condition of the property, including the possible presence of asbestos, hazardous materials, and underground storage tanks. | Agreed. |
|  | *Response Date:* Please respond to this Proposal via e-mail by **Friday, May 27th, 2022.**  Tenant is able to allow appropriate time for Landlord to have building architect and engineer develop space plan and site plan designating Tenant’s required improvements, and to obtain pricing for same, in order for Landlord to determine costs for improvements and resulting rental rate. Please note the anticipated timeline necessary to accomplish same. |  |
|  | Landlord qualifications to proposal responses above. | * Proposed building site is subject to availability and LL’s construction capacity. * Upfit estimate to be considered an allowance figure until the scope of improvements are approved by Tenant. Prices will become fixed at that time. * Lease Commencement date assumed to be June 1, 2023. * Suitable guarantor(s) will be required to guarantee financial obligations of the Lease. * Pricing quoted herein will be honored through June 15, 2022. |

This letter is an invitation to negotiate. This letter is neither an offer nor a contract. No party shall have any legal rights or obligations with respect to any other party because of the existence of this letter. No party should take any action in reliance on this letter.

Should you have any questions or comments regarding the above, please do not hesitate to call. We look forward to your favorable response no later than 5:00 PM, May 27th, 2022

Best regards,

Brian Tapp

## CBRE, Inc.

Sean Ward

CBRE, Inc.

**Exhibit A –**

**[insert site plan and floor plan]**

**By Developer**

**Exhibit B**

**“Office Program”**

[see attached]