

CC Industries, Inc.  
222 North LaSalle Street  
Chicago, IL 60601  
(312) 855-4000



CC Industries, Inc. is a Henry Crown Company

Roberto Hernandez  
City of Savannah

October 24, 2017

RE: Office facility at 602 E. Lathrop Avenue, Savannah, GA

Roberto,

I am in receipt of your Letter of Intent to lease the aforementioned property. On behalf of Great Dane, I am providing an outline of lease terms we would find acceptable to further the discussion.

**Property:** The office building located at 602 E. Lathrop Avenue and further identified by the Chatham County Board of Assessors as being part of PIN 1-0536-01-003A and as generally depicted on Exhibit A.

**Facilities:** Two story office building and two story annex building containing approximately 28,780 square feet and the associated garage area, parking, and site improvements.

**Term:** 5 years with two 1-year renewal options.

**Lease Commence Date:** January 1, 2018.

**Lease Rate:** Beginning at \$12.00 per square foot (modified gross rent) on 28,780 square feet or \$345,360 annually. The initial Lease Rate will increase annually at 2.5%.

**Tenant Expenses:** The tenant will be responsible for real estate taxes, interior janitorial expenses, water and sewer charges, quarterly preventative maintenance to the HVAC system including inspections and filter replacements, HVAC repairs, quarterly preventative maintenance to the elevator and elevator repairs, quarterly preventative maintenance to the fire, life, safety system, and maintenance and repair to the parking and grounds.

**Landlord Expenses:** The landlord will be responsible for electricity and property insurance. The landlord will provide evidence that the HVAC system is in proper working condition as of the Lease Commencement Date.

**Maintenance:** Tenant will be responsible for all maintenance and repairs to the facilities, parking, and grounds with the exception of structural items including roof replacement, foundations, and replacement of HVAC equipment.

**Landlord Work/Modified Gross Rent Abatement:** In lieu of a tenant improvement allowance, landlord will provide a modified gross rent abatement equal to \$12 per square foot. The modified gross rent abatement will begin at the Rent Commencement Date. By no later than the 1-year anniversary of the Rent Commencement Date, tenant must demonstrate improvements to the facilities, including new floor coverings, new wall coverings, and replacing damaged ceiling tiles in the amount of \$12 per square foot. In the event tenant cannot demonstrate payment for the building improvements, all modified gross rent abated will be immediately due.

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**FFE:** The leased premises shall include existing furniture, fixtures, and equipment.

**Purchase Option:** None provided; however, landlord will be open to discussion on this matter as we further develop our exit strategy.

**Broker:** Neither party has engaged a real estate broker in this transaction and no real estate commissions are due.

This outline is submitted solely as a basis for discussion of terms to lease. The landlord reserves the right to modify or withdraw this outline and to cease further discussion at landlord's sole discretion at any time prior to landlord's delivery and execution of a lease.

I'll need to better understand the formal approval process with the City of Savannah before drafting the lease document.

The terms and conditions of this lease outline are valid until Friday, November 3, 2017.

Sincerely,

Michael G. Bialas  
Director, Real Estate

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Exhibit A

