

# INDUSTRIAL LEASE AGREEMENT

This Industrial Lease Agreement (this "Lease"), identified as Lease No. **CX-2025-67654**, is entered into as of **May 02, 2026** in Wilmington, DE, by and between the parties identified below.

## ARTICLE 1: PARTIES

1.1 **Landlord.** Acme Industrial Real Estate, LLC, a Delaware limited liability company ("Landlord"), with its principal office located at 100 Corporate Center Drive, Suite 400, Wilmington, DE 19801.

1.2 **Tenant.** Southern Cross Logistics Ltd., a Georgia limited liability company ("Tenant"), primarily engaged in the business of Cross-Dock Operations, with its principal office located at 1369 Business Ave, Phoenix, AZ 85043.

## ARTICLE 2: PREMISES

2.1 **Demised Premises.** Landlord hereby leases to Tenant and Tenant hereby leases from Landlord certain premises located at 7800 Warehouse Lane, Phoenix, AZ 85043 (the "Premises"), situated in the City of Phoenix, Maricopa County, State of AZ, ZIP Code 85043, within the Houston industrial market. The property is identified by Tax Parcel ID 72-741-4919 in the records of Maricopa County.

2.2 **Building Description.** The Premises consist of an industrial building originally constructed in 2021, containing approximately 163,444 rentable square feet, of which approximately 157,556 square feet are designated for warehouse and distribution use and approximately 5,888 square feet are designated for office use. The building is situated on approximately 8.09 acres of land.

2.3 **Building Specifications.** The warehouse portion of the Premises provides a clear height of 36 feet, with 36 dock-high loading doors and 3 drive-in doors at grade level. The site includes 147 trailer parking spaces and 120 automobile parking spaces.

## ARTICLE 3: LEASE TERM

3.1 **Term.** The term of this Lease (the "Lease Term") shall be for a period of 180 months, commencing on June 12, 2026 (the "Commencement Date") and expiring on June 12, 2041 (the "Expiration Date"), unless sooner terminated or extended in accordance with the provisions of this Lease.

3.2 **Rent Commencement.** Tenant's obligation to pay Base Rent shall commence on September 12, 2026 (the "Rent Commencement Date"). All other obligations of Tenant under this Lease, including the obligation to pay Additional Rent, shall commence on the Commencement Date.

## ARTICLE 4: RENT AND FINANCIAL TERMS

4.1 **Base Rent.** Commencing on the Rent Commencement Date, Tenant shall pay to Landlord annual Base Rent in the amount of \$908,748.64, payable in equal monthly installments of \$75,729.05, calculated at the rate

of \$5.56 per rentable square foot per annum. Base Rent shall be due and payable on the 5th day of each calendar month, in advance, via ACH.

**4.2 Rent Escalation.** On each anniversary of the Rent Commencement Date, the annual Base Rent shall increase by 2.67% pursuant to the Stepped method. The projected rent schedule for the first five (5) Lease Years is as follows: Year 1: \$908,748.64; Year 2: \$933,012.23; Year 3: \$957,923.66; Year 4: \$983,500.22; Year 5: \$1,009,759.68.

**4.3 Rent Abatement.** There shall be no abatement of Base Rent under this Lease.

**4.4 Security Deposit.** Upon execution of this Lease, Tenant shall deliver to Landlord a security deposit in the amount of \$75,729.05, representing approximately 1 month(s) of Base Rent. The security deposit shall be in the form of Letter of Credit. Interest on the deposit: Yes, at money market rate. Provided Tenant is not in default, Landlord shall return the security deposit within 60 days following the Expiration Date, less any amounts applied in accordance with this Lease.

**4.5 Letter of Credit.** In addition to the security deposit, Tenant shall deliver to Landlord an irrevocable standby letter of credit in the amount of \$302,916.20, issued by a financial institution with a minimum rating of Minimum A-rated financial institution. The letter of credit shall have an initial term of 19 months and shall be subject to burndown: No. Landlord may draw upon the letter of credit upon the occurrence of: Monetary default uncured beyond notice period.

**4.6 Tenant Improvement Allowance.** Landlord shall provide Tenant with a Tenant Improvement Allowance ("TI Allowance") in the amount of \$49.70 per rentable square foot, for a total allowance of \$8,123,166.80. Tenant must submit improvement plans for completion within 23 months of the Commencement Date. Plan approval: No, Tenant discretion. General contractor selection: Landlord-designated. Change orders shall not exceed 5.06% of the original construction contract amount without Landlord's prior written consent. Any unused portion of the TI Allowance shall be treated as follows: Rent credit.

**4.7 Lease Type and Additional Charges.** This Lease is a Modified Gross lease. In addition to Base Rent, Tenant shall pay its proportionate share of operating expenses, real estate taxes, and insurance premiums as Additional Rent. Estimated charges for the initial Lease Year are as follows: common area maintenance at \$1.35 per RSF (\$220,649.40 annually); real estate taxes at \$1.49 per RSF (\$243,531.56 annually); and insurance at \$0.52 per RSF (\$84,990.88 annually). A management fee of 3.25% of collected rents shall be included in operating expenses. The base year for expense stop calculations is calendar year 2025. Tenant's proportionate share shall be calculated using the Usable square footage method.

**4.8 Late Charges.** Any installment of Rent not received by Landlord within 7 days of the date due shall bear a late charge of 4.71% of the overdue amount and shall accrue interest at the rate of 13.38% per annum from the date due until paid. In the event Tenant holds over after the Expiration Date, holdover rent shall be 1.5x the then-current Base Rent, calculated as Percentage of then-current base rent.

## **ARTICLE 5: OPERATING EXPENSES**

**5.1 Expense Cap.** Annual increases in Tenant's share of operating expenses shall not exceed 4.95% per annum, calculated on a Non-cumulative annual basis. The base year operating expense amount is \$550,806.28. Controllable expenses shall be separately capped at 3.17% annual increases. Uncontrollable expenses include: Real estate taxes, insurance premiums, utilities, snow removal.

**5.2 Reconciliation.** Within 3 months following the end of each calendar year, Landlord shall furnish Tenant with a statement of actual operating expenses using the Estimated with true-up method. Tenant's proportionate share of operating expenses is 59.51%. For purposes of this Lease, "Common Areas" means All areas outside the Premises used in common by tenants and their invitees.

**5.3 Gross-Up.** Yes, to 95% occupancy. Where applicable, the gross-up methodology shall be as follows: Variable expenses adjusted as if building were 95% occupied.

**5.4 Audit Rights.** Tenant shall have the right to audit Landlord's operating expense records (Yes). Such audit may be conducted Once per reconciliation period, upon 90 days' prior written notice, and may cover the preceding 3 year(s). Tenant bears cost unless overcharge exceeds 5%. Any disputes arising from such audit shall be resolved by Mediation then litigation.

**5.5 Tax Protest.** Tenant may protest, Landlord approval. Costs of any tax protest shall be shared as follows: Pro rata. Any resulting tax abatement shall be shared: Pro rata benefit to Tenant.

**5.6 Utilities and Services.** Utility responsibility: Landlord submetered. Utility types covered include Electric, gas, water, sewer, telecom. HVAC maintenance shall be the responsibility of Tenant; HVAC service contract: Recommended. The following services shall be allocated as indicated: snow removal (Landlord via CAM), landscaping (Landlord via CAM), janitorial (Tenant), pest control (Landlord via CAM), trash removal (Landlord via CAM), and recycling (Voluntary). Parking lot maintenance shall be Landlord via CAM. Roof maintenance responsibility: Tenant for penetrations only.

**5.7 Capital Expenditures and Management.** Capital expenditures shall be treated as follows: Excluded from operating expenses. Capital expenditure threshold: \$10,000. A reserve fund contribution of \$0.40 per RSF shall be collected annually. Landlord maintains property policy; cost passed through. The Premises shall be managed by Industrial Realty Management Corp., with a management fee of 2.83% and an administrative overhead charge of 9.66%. The following items are expressly excluded from operating expenses: Leasing commissions, capital improvements not benefiting Tenant, Landlord legal fees.

## **ARTICLE 6: OPTIONS**

**6.1 Renewal Options.** Provided Tenant is not in default and subject to the condition that No uncured default at time of exercise, Tenant shall have 1 option(s) to extend the Lease Term for an additional period of 60 months each, exercisable by delivering written notice to Landlord not less than 6 months prior to the then-current Expiration Date. Base Rent during each renewal period shall be determined by Fair Market Value. If the parties are unable to agree on Fair Market Value, it shall be determined by the following process: Three-broker average. In the event of a dispute, Each party selects broker; brokers select third; middle value prevails. Tenant Improvement Allowance during the renewal period: None.

**6.2 Expansion Option.** Expansion option: Yes. Tenant shall have the right to expand into approximately 25,276 additional square feet of contiguous space, exercisable by providing 6 months' prior written notice, no later than month 24 of the Lease Term. Rent for the expansion space shall be at Same terms as Premises. Expansion TI allowance: Pro rata of original TI.

**6.3 Right of First Offer.** ROFO: Yes. The ROFO shall apply to Any contiguous space in the building or adjacent buildings. Landlord shall notify Tenant within 10 days of any space becoming available, and Tenant shall have 10 days to respond. Matching terms: 95% of third-party terms.

**6.4 Right of First Refusal.** ROFR: Yes. The ROFR shall apply to Building and adjacent parcels. Landlord shall provide notice within 30 days of receiving a bona fide third-party offer.

**6.5 Purchase Option.** Purchase option: Yes. The purchase price shall be determined by Fixed price of \$X per square foot. The option may be exercised during Month 60 through Month 84. Upon exercise, Tenant shall have 45 days for due diligence and 60 days to close the transaction.

**6.6 Termination Option.** Termination option: Yes. Tenant may terminate this Lease effective as of the end of month 36 of the Lease Term, upon 9 months' prior written notice, subject to payment of a termination fee equal to 3 months' then-current Base Rent. The termination fee shall include unamortized TI costs: Yes; and unamortized leasing commissions: No.

**6.7 Contraction Option.** Contraction option: No. Tenant may reduce the Premises, provided Tenant retains not less than 55,995 rentable square feet, upon 9 months' prior written notice. Contraction fee: Unamortized TI + commissions.

**6.8 Relocation.** Landlord relocation right: Yes, with 90 days notice. Any relocation space shall be Comparable size, location, and condition within Landlord portfolio. Landlord bears all relocation costs.

**6.9 Must-Take Space.** Must-take obligation: Yes. Tenant shall be required to lease an additional 29,764 rentable square feet no later than month 36 of the Lease Term, at Same terms as initial Premises.

**6.10 Subletting and Assignment.** Sublease consent: Yes, not unreasonably withheld. In the event of a sublease at a rental rate exceeding Tenant's rental obligation, 39.81% of the excess profit shall be payable to Landlord.

## **ARTICLE 7: INSURANCE AND LIABILITY**

**7.1 Tenant's Insurance.** Throughout the Lease Term, Tenant shall maintain, at Tenant's sole cost and expense, the following insurance coverages: (a) commercial general liability insurance with limits of not less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate, with a maximum deductible of \$25,000; (b) property insurance covering Tenant's personal property and improvements on a Actual cash value basis, including coverage for Tenant Improvements: Yes; business personal property at Full replacement cost; (c) umbrella/excess liability insurance with limits of not less than \$25,000,000; (d) workers' compensation insurance at Statutory limits; (e) automobile liability insurance with limits of not less than \$2,000,000; (f) business interruption insurance for a period of 6 months; and (g) environmental liability insurance with limits of \$1,000,000.

**7.2 Additional Coverage Requirements.** Professional liability: No. Cyber liability: Yes, \$1,000,000 minimum. Pollution legal liability: Not required. During any construction of Tenant Improvements, builders risk insurance shall be provided by: Landlord provides. All policies must be issued by carriers with a minimum rating of A.M. Best A- VII or better. Blanket policies: Yes, with dedicated limits per location. Self-insurance: No, third-party coverage required.

**7.3 Landlord as Additional Insured.** All Tenant insurance policies shall name Landlord as additional insured (Yes). Landlord's lender shall be named as additional insured as follows: Yes, as required by Landlord. Certificates of insurance shall be delivered within 15 days of the Commencement Date and 30 days prior to renewal. Insurance coverage shall be reviewed Every 3 years. Adjustments for inflation: At Landlord discretion.

**7.4 Waiver of Subrogation.** The parties agree to a Mutual waiver of subrogation with respect to All property and casualty claims.

**7.5 Indemnification.** Tenant indemnifies Landlord for claims arising from Tenant use or occupancy. Landlord indemnifies Tenant for claims arising from Landlord negligence. The indemnification obligations shall survive the expiration or earlier termination of this Lease for a period of 12 months. Indemnification cap: Limited to insurance proceeds. Mutual waiver of consequential damages: No.

**7.6 Limitation of Liability.** Landlord's liability shall be limited to None. Tenant's liability cap: Two years base rent. Each party for its own acts, omissions, and negligence. In the event Tenant's use of the Premises causes an increase in insurance premiums, Tenant reimburses premium increase.

**7.7 Landlord's Insurance.** Landlord shall maintain property insurance on the Building on an All-risk, replacement cost, including terrorism basis, with a deductible not to exceed \$100,000. Additional coverages: earthquake insurance (Included); flood insurance (Excluded — not in flood zone); terrorism insurance (Included per TRIA).

## **ARTICLE 8: CONSTRUCTION AND ALTERATIONS**

**8.1 Initial Build-Out.** The initial build-out of the Premises shall be the responsibility of Landlord per approved plans and shall be completed within 180 days of the Commencement Date. Tenant shall submit construction plans for Landlord's review within 15 days; if revisions are required, Tenant shall resubmit within 15 days. The construction manager shall be Landlord-designated. Landlord shall charge a construction oversight fee of 2.73% of hard construction costs. Prevailing wage: No. Insurance requirements during construction: Builders risk + contractor GL per lease requirements. Lien waivers: Yes, conditional and unconditional. Completion guarantee: None.

**8.2 Alterations.** Tenant may make non-structural alterations costing less than \$50,000 without Landlord's prior consent. Required for any structural modifications. Cosmetic alterations: Notice to Landlord only. Upon expiration of the Lease, All alterations become Landlord property. Restoration obligation: Yes, to shell condition. Restoration deposit required: No. Estimated restoration cost: \$441,298.80.

**8.3 Signage.** Tenant shall have the right to install signage as follows: Building-mounted and monument, not to exceed 100 square feet in area. Yes, design and placement subject to Landlord approval. All signage costs shall be borne by Tenant. Upon expiration, Tenant removes and restores.

**8.4 Telecommunications.** Tenant shall have access to Dedicated riser for telecommunications cabling. Tenant selects, Landlord approval not unreasonably withheld. Rooftop telecommunications equipment: Not permitted. Monthly rooftop license fee: \$1,000.

**8.5 Equipment and Installations.** Emergency generator: No, fuel type: Natural gas. Must comply with local noise ordinance. Solar panels: No. EV charging stations: Yes. Warehouse racking systems: Required for systems over 20 feet. Floor load capacity: 250 PSF. Mezzanine: Yes, with structural review. Hazardous materials storage modifications: Subject to Environmental section requirements.

## **ARTICLE 9: DEFAULT AND REMEDIES**

**9.1 Events of Default.** The occurrence of any of the following shall constitute an event of default under this Lease: (a) Tenant's failure to pay any installment of Rent within 10 days after written notice from Landlord; (b) Tenant's failure to perform any non-monetary obligation within 45 days after written notice from Landlord; provided, however, that if such default cannot reasonably be cured within such period, Tenant shall have the following additional cure period: Up to 90 days total with Landlord approval.

**9.2 Notices.** All notices of default shall be delivered by Certified mail, return receipt requested, and email. Notices to Tenant shall be sent to Premises address and corporate headquarters. Notices to Landlord shall be sent to Acme Industrial Real Estate, LLC, 100 Corporate Center Dr, Suite 400, Wilmington, DE 19801.

**9.3 Late Charges and Interest.** A late charge of 4.11% shall apply to any payment not received within 5 days of the due date. Past due amounts shall accrue interest at 14.91% per annum, calculated by Compounding monthly.

**9.4 Landlord's Remedies.** Landlord lien on Tenant's property: Waived. Lockout right: Yes, after default and cure period. Self-help right: Yes, for emergency repairs with reasonable notice. Cross-default with affiliated leases: Yes, with all Landlord affiliates; cross-default cure period: 15 days. Landlord may accelerate all remaining rent upon uncured default. Landlord shall use commercially reasonable efforts to mitigate. Consequential damages: No waiver. Attorneys' fees shall be awarded to the prevailing party: Yes; cap on recoverable fees: \$100,000.

**9.5 Personal Guarantee.** This Lease is personally guaranteed by Margaret A. Chen, Principal Owner of Tenant. Guarantee type: Good-guy guarantee. Maximum guarantee amount: 12 months rent + TI. Burndown schedule: Reduces upon meeting revenue thresholds. Guarantor shall provide financial statements: Quarterly.

**9.6 Bankruptcy.** Default upon voluntary filing; involuntary filing cured within 60 days. In the event of bankruptcy filing, Tenant shall provide adequate assurance of future performance within 60 days.

**9.7 Third-Party Cure Rights.** Right to cure by Landlord's lender: No. Right to cure by Guarantor: No.

**9.8 Surrender.** Upon expiration or earlier termination of this Lease, Tenant shall surrender the Premises in Shell condition condition. Landlord shall have the right to inspect the Premises not less than 90 days prior to the Expiration Date. Month-to-month at holdover rent multiplier. Holdover notice to vacate: 60 days.

**9.9 Landlord Default.** Landlord shall be in default if Landlord fails to perform any obligation within 45 days after written notice from Tenant, or within 60 days if the default requires extended cure. Rent abatement for Landlord default: No. Tenant offset right: Yes, for uncured Landlord defaults. Force majeure rent abatement: Yes. Dispute resolution: Mediation then arbitration.

## **ARTICLE 10: ENVIRONMENTAL AND COMPLIANCE**

**10.1 Hazardous Materials.** Tenant's use of hazardous materials: Limited to ordinary business quantities. Permitted hazardous materials include Cleaning supplies, forklift fuel, office chemicals in de minimis quantities. All hazardous materials shall be stored in compliance with the following requirements: Secondary containment, MSDS on-site, compliant with RCRA. Tenant shall report hazardous materials usage to Landlord on a Annually basis. Upon expiration of the Lease, Tenant shall remove all hazardous materials and certify removal.

**10.2 Environmental Assessments.** A Phase I Environmental Site Assessment was completed on November 25, 2025: Completed by Landlord, shared with Tenant. Phase II ESA: If Phase I recommends.

**10.3 Environmental Indemnification.** For contamination caused by Tenant during lease term. For pre-existing contamination. Environmental indemnification obligations shall survive for 3 years following lease expiration. Remediation responsibility: Landlord for pre-existing, Tenant for Tenant-caused. Remediation standard: Residential use standard (higher). Environmental insurance required: No.

**10.4 Building Conditions.** Asbestos: Not applicable. Lead paint: Disclosure provided. Tenant shall maintain HVAC and report water intrusion within 24 hours. Indoor air quality: ASHRAE 62.1 compliance.

**10.5 Environmental Compliance.** Tenant shall comply with NPDES permit requirements. SPCC plan: Yes, if oil storage exceeds 1,320 gallons.

**10.6 ADA and Building Codes.** ADA compliance: Tenant for all within Premises. ADA cost sharing: Tenant 100%. Tenant shall maintain fire suppression and comply with NFPA standards. Fire sprinkler system: In-rack required. Fire alarm monitoring: Required, Tenant-contracted with approved monitoring company. Landlord warrants current zoning permits industrial use. Current zoning: I-1 Light Industrial. Special use permit: Required for cold storage. Tenant improvements shall comply with current building code. Energy code: ASHRAE 90.1.

**10.7 Operations and Sustainability.** Sustainability requirements: LEED certification maintenance required. Noise restrictions: Comply with local noise ordinance; no outdoor operations 10PM-6AM. Operating hours: No restrictions. Truck traffic: Designated routes only. Odor restrictions: No odors detectable beyond property line.

## **ARTICLE 11: MISCELLANEOUS PROVISIONS**

**11.1 Governing Law and Venue.** This Lease shall be governed by and construed in accordance with the laws of the State of AZ. Any action arising under this Lease shall be brought exclusively in Maricopa County, AZ. Waiver of jury trial: Mutual waiver.

**11.2 Force Majeure.** Neither party shall be liable for failure to perform its obligations (other than the payment of Rent, except as otherwise provided) to the extent such failure is caused by Acts of God, war, terrorism, pandemic, government orders, labor strikes, supply chain disruption. The maximum extension for force majeure events shall be 180 days. Rent obligation during force majeure: Continues.

**11.3 Subordination and Non-Disturbance.** This Lease shall be subordinate to any mortgage or deed of trust now or hereafter placed upon the Premises (Yes, to existing and future mortgages). Landlord shall deliver SNDA from lender within 30 days of lease execution. SNDA form: Negotiated form. Tenant shall attorn to any successor landlord.

**11.4 Estoppel Certificates.** Each party agrees, within 20 days after request by the other party, to execute and deliver an estoppel certificate. Frequency: Upon request. The estoppel shall confirm Lease terms, rent, defaults, commencement date, expiration date.

**11.5 Recording.** Not recorded. Recording costs shall be borne by Tenant.

**11.6 Brokers.** Landlord represents that it has been represented by CBRE in connection with this Lease. Tenant represents that it has been represented by NAI Global. Landlord per separate agreement. Commission on renewal: No.

**11.7 Quiet Enjoyment.** Landlord covenants Tenant shall peacefully hold and enjoy the Premises. Landlord access to premises: Reasonable prior notice (24 hours), except emergencies. Access hours: Any reasonable time with notice.

11.8 **Parking and Directory.** Tenant shall be allocated the following parking: 120 auto spaces, 147 trailer spaces. Building directory listing: Not applicable.

11.9 **Assignment.** Assignment consent: Freely assignable. Release of assignor: No, assignor remains liable. Transfer fee: None.

11.10 **Financial Reporting.** Tenant shall provide Landlord with financial statements: Annual audited statements.

11.11 **Notices.** All notices under this Lease shall be delivered by Certified mail, nationally recognized overnight courier, and email. Notices shall be deemed received 3 business days after mailing.

11.12 **General Provisions.** Confidentiality: Not confidential. This Lease constitutes the entire agreement; supersedes all prior negotiations. Amendments: Written instrument signed by both parties. Severability: Standard — invalid provisions severed without affecting remainder.

11.13 **Landlord's Lender.** Landlord's current mortgage lender is Goldman Sachs.

11.14 **Exhibits.** The following exhibits are attached hereto and incorporated herein by reference: A (Floor Plan), B (Work Letter), C (Rules & Regulations), D (SNDA Form), E (Guaranty).

IN WITNESS WHEREOF, the parties hereto have executed this Industrial Lease Agreement as of the date first written above.

**LANDLORD:** Acme Industrial Real Estate, LLC

By: \_\_\_\_\_ Date: \_\_\_\_\_

**TENANT:** Southern Cross Logistics Ltd.

By: \_\_\_\_\_ Date: \_\_\_\_\_