

# COMMERCIAL LEASE AGREEMENT

This Lease Agreement ("Lease") is entered into and made effective as of March 1, 2023, by and between:

**LANDLORD: Prologis Industrial Trust**

**TENANT: MidWest Logistics Corp**

WHEREAS, Landlord is the owner of certain real property located at 8901 Commerce Park Way, Building C, Indianapolis, IN 46241; and

WHEREAS, Tenant desires to lease said premises for the purpose of warehousing, distribution, light manufacturing, and truck terminal operations;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

## ARTICLE 1 - PREMISES

1.1 Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the premises located at 8901 Commerce Park Way, Building C, Indianapolis, IN 46241, comprising approximately 60,000 rentable square feet (the "Premises"), as more particularly described in Exhibit A attached hereto and incorporated herein by reference.

1.2 The Premises consist of approximately 60,000 square feet of Triple Net (NNN) space as measured in accordance with BOMA standards (ANSI/BOMA Z65.1-2017).

## ARTICLE 2 - TERM

2.1 The term of this Lease shall commence on March 1, 2023 (the "Commencement Date") and shall expire on February 28, 2030 (the "Expiration Date"), unless sooner terminated in accordance with the provisions of this Lease.

2.2 Renewal Options: Three (3) five-year renewal options at fair market value as determined by a mutually agreed-upon commercial real estate appraiser. Tenant must provide notice of intent to renew no later than one hundred eighty (180) days prior to expiration of the then-current term.

## ARTICLE 3 - RENT

3.1 Base Rent: Tenant shall pay to Landlord base monthly rent in the amount of \$42,000.00 per month, payable in advance on the first day of each calendar month during the term of this Lease. Annual base rent equals \$504,000.00.

3.2 Security Deposit: Tenant shall deposit with Landlord a security deposit in the amount of \$84,000.00, to be held by Landlord as security for the faithful performance by Tenant of all terms, covenants, and conditions of this Lease. The security deposit shall be returned to Tenant within thirty (30) days following the expiration or earlier termination of this Lease, less any amounts applied to cure Tenant defaults.

3.3 Escalation: Annual rent increases based on the Consumer Price Index (CPI-U, U.S. City Average),

with a minimum annual increase of 2% and a maximum of 4%. Adjustments are effective on March 1 of each year.

3.4 Late Payment: If any installment of rent is not received by Landlord within five (5) business days after the due date, Tenant shall pay a late charge equal to 5% of the overdue amount, plus interest at the rate of 1.5% per month on the unpaid balance.

## **ARTICLE 4 - PERMITTED USE**

4.1 Warehousing, distribution, light manufacturing, and truck terminal operations. No hazardous materials storage except as permitted by applicable law and with Landlord's prior written consent.

4.2 Tenant shall not use the Premises for any unlawful purpose or in any manner that would constitute a nuisance, violate any applicable zoning ordinance, or increase the rate of insurance on the Premises or the building in which the Premises are located.

## **ARTICLE 5 - LEASE TYPE AND ADDITIONAL CHARGES**

5.1 Lease Type: This Lease is a Triple Net (NNN) lease.

5.2 CAM Charges: \$2.75 per square foot annually for common area maintenance including shared roads, drainage, and perimeter landscaping. CAM charges are subject to annual reconciliation.

5.3 Tax Obligations: Tenant shall be responsible for one hundred percent (100%) of all real estate taxes, assessments, and governmental charges levied against the premises. Tenant shall pay such taxes directly to the taxing authority upon receipt of the tax bill from Landlord.

## **ARTICLE 6 - RENEWAL OPTIONS**

6.1 Three (3) five-year renewal options at fair market value as determined by a mutually agreed-upon commercial real estate appraiser. Tenant must provide notice of intent to renew no later than one hundred eighty (180) days prior to expiration of the then-current term.

## **ARTICLE 7 - TERMINATION**

7.1 Tenant may terminate after Year 3 upon payment of nine (9) months base rent as a termination penalty plus all unamortized build-out costs. Such termination shall require not less than one hundred eighty (180) days prior written notice.

7.2 Upon expiration or termination, Tenant shall surrender the Premises in good condition and repair, reasonable wear and tear excepted, and shall remove all personal property and trade fixtures.

## **ARTICLE 8 - MAINTENANCE AND REPAIRS**

### **8.1 Tenant Responsibilities:**

- Interior maintenance and repairs
- Loading dock equipment and levelers
- Parking lot repairs and striping (not resurfacing)
- HVAC preventive maintenance and filter replacement
- Fire sprinkler system inspection and maintenance

- Pest control

## **8.2 Landlord Responsibilities:**

- Structural elements including columns, beams, and foundation
- Foundation and slab repair (not surface coatings)
- Roof replacement (tenant responsible for routine repairs up to \$5,000 per incident)

## **ARTICLE 9 - INSURANCE**

9.1 Tenant shall maintain the following insurance coverages throughout the term of this Lease:

- General Liability (\$10,000,000 per occurrence)
- Property Insurance (replacement cost)
- Environmental/Pollution Liability (\$5,000,000)
- Workers Compensation (statutory limits)

9.2 Minimum aggregate coverage: \$10,000,000.

9.3 Tenant shall name Landlord as an additional insured on all liability policies and shall provide Landlord with certificates of insurance upon request.

9.4 All insurance policies shall be issued by carriers with an A.M. Best rating of A- VII or better.

## **ARTICLE 10 - KEY PROVISIONS AND SPECIAL TERMS**

10.1 Building features 40-foot clear ceiling height throughout the warehouse area.

10.2 Twelve (12) dock-high loading doors with hydraulic levelers and dock shelters.

10.3 Two (2) drive-in doors measuring 14 feet wide by 16 feet high.

10.4 ESFR (Early Suppression Fast Response) sprinkler system installed throughout.

10.5 Truck court depth of 130 feet with dedicated trailer parking for up to 40 trailers.

10.6 The premises are located within 2 miles of the I-70/I-65 interchange, providing excellent interstate access.

## **ARTICLE 11 - ENVIRONMENTAL**

Tenant shall not cause or permit any environmental contamination of the premises or surrounding property. Tenant shall indemnify and hold harmless Landlord from any environmental claims arising from Tenant's use of the premises. Prior to lease execution, Landlord has provided a Phase I Environmental Site Assessment dated September 2022 showing no recognized environmental conditions.

## **ARTICLE 12 - SIGNAGE**

Tenant may install building identification signage on the front facade and one monument sign at the entrance from Commerce Park Way. All signage shall comply with the Commerce Park design guidelines and local ordinances.

## **ARTICLE 13 - EXPANSION RIGHTS**

Tenant shall have a right of first offer on Building D (adjacent, approximately 40,000 SF) if it becomes available during the term of this Lease. Landlord shall provide Tenant with written notice and proposed

terms, and Tenant shall have thirty (30) days to accept or decline.

## **GENERAL PROVISIONS**

**Governing Law:** This Lease shall be governed by and construed in accordance with the laws of the state in which the Premises are located, without regard to conflict of law principles.

**Entire Agreement:** This Lease constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations, warranties, commitments, offers, and agreements, whether written or oral.

**Amendments:** This Lease may not be modified or amended except by a written instrument signed by both Landlord and Tenant.

**Notices:** All notices required or permitted under this Lease shall be in writing and shall be deemed delivered when personally delivered, or three (3) business days after deposit in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the respective parties at the addresses set forth above or at such other address as either party may designate by notice.

**Severability:** If any provision of this Lease is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

**Waiver:** The failure of either party to enforce any provision of this Lease shall not be construed as a waiver of such provision or the right to enforce it at a later time.

## **SIGNATURES**

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

### **LANDLORD:**

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Prologis Industrial Trust

Date: March 1, 2023

### **TENANT:**

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MidWest Logistics Corp

Date: March 1, 2023