

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), made as of the ____ day of _____, 2003, by and between the CITY OF MILWAUKEE, DEPARTMENT OF PUBLIC WORKS (hereinafter "Lessor"), and MILLER COMPRESSING COMPANY, a Wisconsin corporation (hereinafter "Lessee").

IN CONSIDERATION of the rental herein reserved and the mutual covenants herein contained, the parties hereto do hereby agree as follows:

1. Premises. (A) Lessor hereby leases to Lessee and Lessee hereby accepts from Lessor that certain parcel of land which is more particularly described on the site plan shown on Exhibit A attached hereto and hereby made a part hereof, together with all other improvements situated thereon and located at 3811 West Lincoln Avenue, Milwaukee, Wisconsin (hereinafter constituting a portion of the "Miller Lot" shown on Exhibit A, referred to as the "Premises"), subject to the covenants, terms, provisions and conditions of this Lease.

(B) In addition to the lease of the Premises, Lessee shall have the right to add to this Lease, at any time during the Term, additional portions of the land shown on Exhibit A and referred to as the "Expansion Land." In the event Lessee desires to add any of the Expansion Land to this Lease, it shall give written notice thereof to Lessor in accordance with Section 19 hereof. Said notice shall identify and designate the Expansion Land and shall specify the date upon which it shall be added to this Lease, which date shall not be earlier than sixty (60) days from the date of such notice. The Base Rent shall be increased as of such date by an amount equal to the net square footage of the Expansion Land multiplied by the per square foot Base Rent of the Premises.

2. Term. The initial term of this Lease (hereinafter referred to as the "Term") shall be seven (7) years and shall commence on the date upon which Lessee takes actual possession of the Premises (hereinafter referred to as the "Commencement Date"), and shall end on that day in the year 2010 which is seven (7) years following the Commencement Date (hereinafter referred to as the "Expiration Date"), unless sooner terminated as provided herein. Notwithstanding the foregoing, in the event that certain Contract of even date herewith between Tenant and the City of Milwaukee (the "Contract") is terminated for any reason prior to the expiration of the Term, this Lease shall similarly terminate as of the date of termination of the Contract. Lessee shall have the right to extend the Term for an additional period of three (3) years by giving written notice thereof to Lessor not less than ninety (90) days prior to the Expiration Date.

3. Rental.

(A) Base Rent. During the term of this Lease, Lessee shall pay basic rental ("Base Rent") for the Premises of Ten Thousand Dollars (\$10,000.00) per annum payable in equal monthly installments of Eight Hundred Thirty-three and 33/100 Dollars (\$833.33). The Base Rent shall be paid on or before the first day of each calendar month during the Term. Base Rent shall be prorated for a period of occupancy of less than a full calendar month.

(B) Additional Rent. In addition to paying the Base Rent specified above, Lessee shall pay as "Additional Rent" the amount determined below. The Base Rent and the Additional Rent and any and all other charges or fees hereunder are sometimes herein collectively referred to as the "Rent". All amounts due hereunder as Additional Rent shall be payable for the same periods and in the same manner, time and place as the Base Rent.

During the term of this Lease, Lessee agrees to pay: (a) real estate taxes(if any) levied against the Premises; (b) water and sewer charges; and (c) the cost of utilities for the operation and maintenance of equipment operated by Lessee on the Premises, except for electricity for the existing outdoor lighting on the Premises which shall be paid by Lessor.

4. Tenant Improvements. Lessee shall make improvements, at its expense, to the Premises, including site preparation, grading, asphaltting and fluid collection tanks, so that Lessee may perform the following processes in accordance with all environmental regulations and furnish the labor, equipment, and material necessary for the removal of CFC refrigerants, fuel, fluids, batteries and recycling of tires from those vehicles scheduled for recycling at the Premises. Lessor shall provide new 200 amp 480 3-phase and 100 amp 120-40 single phase electrical service along the North fence line of the Premises to the West side of the gate. Lessor shall provide an emergency telephone line to the office trailer on the Premises and a container for excessive vehicle debris.

5. Maintenance and Repair. Lessor shall, at its sole cost and expense, (i) be responsible for snow plowing the receiving area on the Premises and all adjacent roadways so as to enable Lessee to utilize the Premises for Lessee's operations in accordance with the terms of the Contract; and (ii) repair any damage to the asphalt existing on the Premises on the Commencement Date, to the extent necessary for Lessee to perform its work under the Contract. Lessor shall also be responsible for any repairs to or replacement of the asphalt (other than any asphalt installed by Lessee), due to normal wear and tear. Lessee shall, at its sole cost and expense, repair any damage to any new asphalt on the Premises which may be damaged by Lessee during the Term. Other than as expressly set forth above, Lessee shall have no obligation to repair or restore the Premises upon the expiration or earlier termination of this Lease.

6. Permitted Use. Lessee shall use the Premises only for the purposes described in Article I of the Contract, the terms of which are incorporated herein by reference and hereby made a part hereof.

7. Alterations. Lessee shall not make or suffer to be made any additions, alterations, improvements, or changes (hereinafter referred to as "Alterations") in or to the Premises, without the prior written consent of Lessor (other than those Alterations previously approved by Lessor which are more particularly described on Exhibit B attached hereto), which consent shall not be unreasonably withheld, conditioned or delayed. Any Alterations shall be completed promptly, in a good and workmanlike manner. The cost of any Alterations shall be paid in full by Lessee, in cash or its equivalent, so that the Premises shall at all times be free of liens for labor and materials supplied or claimed to have been supplied to or in connection with the Premises. Lessor agrees that, unless Lessee is in default, it will allow Lessee, prior to the expiration of the term of this Lease, to remove the items it is placing on the Premises, provided that Lessee repairs any damage to the Premises caused thereby. If Lessor elects to not retain ownership of any of

such Alterations (other than the asphalt), or if Lessee is entitled to remove items as set forth above, Lessee shall remove such of the Alterations designated by Lessor (other than the asphalt installed by Lessee) prior to the end of the Term of this Lease, and Lessee shall repair all damage to the Premises caused by such removal.

8. Insurance. Lessee hereby agrees to provide the insurance described in Article X of the Contract, the terms of which are incorporated herein by reference and hereby made a part hereof.

9. Mechanic or Construction Liens. The Lessee shall not permit, create, incur or impose or cause or suffer others to permit, create, incur or impose any lien or other obligation against the Premises or the Lessor by reason of any work performed or materials furnished by, to or for the account of the Lessee, and the Lessee agrees to hold the Lessor harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person against the Premises or the Lessor relating to or arising because of such work or materials. The Lessee may contest any lien or other obligation referred to herein provided that the Lessor is reasonably satisfied that the Premises and the Lessor are secure from loss or damage.

10. Warranty of Quiet Possession. The Lessor hereby warrants and covenants that it has good and marketable title to the Premises and has full authority to execute this Lease, and further agrees that the Lessee, upon paying rent at the time and manner aforesaid, and performing and keeping all of the covenants and conditions of this Lease by it to be kept and performed, may have and shall quietly have, hold, and enjoy the Premises during the term hereof.

11. Damage by Fire or Other Casualty.

(A) In the event the Premises (or any improvements now or hereafter located thereon) are damaged by fire or other casualty, the same shall be repaired as quickly as is practicable by the Lessee. The Rent herein provided shall abate in the event of any such damage or destruction.

(B) In the event of such damage, the Lessee shall undertake to repair the Premises, and shall pursue the necessary work with all reasonable dispatch, in a manner consistent with sound construction methods, but the Lessee shall not be liable for any delays or interruptions as may be occasioned by strikes, casualties, inability to obtain critical materials, governmental regulations, or by any other causes or events beyond the control of the Lessee.

12. Assignment and Subletting. The Lessee shall not assign this Lease nor sublet any portion of the Premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary herein, it is understood and agreed that the Lessee may pledge this Lease and its rights hereunder as collateral to secure the Lessee's obligations to its financing lenders from time to time.

13. Default/Remedies. The Lessee shall be in default hereunder if any one or more of the following events continues for a period of ten (10) days after written notice from the Lessor to the Lessee: (a) the failure of Lessee to pay an installment of Rent when due; (b) the making

by Lessee of an assignment for the benefit of its creditors; (c) the operation or supervision of the business conducted in the Premises by a creditors' committee or by anyone other than the Lessee; (d) if proceedings are instituted in a court of competent jurisdiction for the reorganization, liquidation or involuntary dissolution of Lessee, or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the property of Lessee, and said proceedings are not dismissed and any receiver, trustee or liquidator appointed therein discharged within sixty (60) days after the institution of said proceedings; and (e) the failure of Lessee to perform any other of its covenants under this Lease for a period of thirty (30) days after written notice from Lessor to Lessee excepting only that if the circumstances so warrant the thirty (30) day period referred to above shall be extended for such additional time as may be reasonably required for the Lessee to perform such other covenant or covenants provided said Lessee promptly undertakes such performance, and prosecutes the same to its conclusion with reasonable diligence.

Upon the occurrence of any of such events of default described above or elsewhere in this Lease, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

(A) Lessor may, at its election, terminate this Lease;

(B) Upon any termination of this Lease whether by lapse of time or otherwise, Lessee shall surrender possession and vacate the Premises immediately, and deliver possession thereof to Lessor, and Lessee hereby grants to Lessor full and free license to enter into and upon the Premises in such event with or without process of law and to repossess Lessor of the Premises as of Lessor's former estate and to expel or remove Lessee and any others who may be occupying or within the Premises and to remove any and all property therefrom, without being deemed in any manner guilty of trespass, eviction or forcible entry or detainer, and without incurring any liability for any damage resulting therefrom, Lessee hereby waiving any right to claim damage for such re-entry and expulsion, and without relinquishing Lessor's right to rent or any other right given to Lessor hereunder or by operation of law;

Termination shall be effective on the date specified by the Lessor in its notice to the Lessee. Upon such termination, Lessor may re-enter the Premises with or without process of law using such force as may be necessary, and remove all persons and chattels therefrom and Lessor shall not be liable for damages or otherwise by reason of re-entry or termination of the Term of this Lease.

All rights and remedies of the Lessor herein enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law or equity, and such rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefor arises. The failure or forbearance on the part of the Lessor to enforce any of its rights or remedies in connection with any default shall not be deemed a waiver of such default, nor a consent to any continuation thereof, nor a waiver of the same default at any subsequent date.

14. Indemnity. In the course of maintaining the public road system within its jurisdiction, Lessor intends to tow abandoned vehicles (hereinafter the "City Vehicles") to its

municipal garage facilities located at 39th Street and Lincoln Avenue, Milwaukee, Wisconsin (hereinafter the "City Facilities"), and is thereafter required to dispose of such vehicles.

The parties hereby acknowledge that the City Facilities include the Premises, as well as additional property, and that the City Facilities have been used as a landfill and thus may be already contaminated by various substances.

The parties hereby acknowledge that Lessor has heretofore caused to be constructed on a portion of the City Facilities the Premises more particularly described on Exhibit A attached hereto.

Because of the nature of the work and the level of equipment and safeguards available at the Premises for use in the preparation of vehicles for processing as scrap, there exists the possibility of further contamination of the City Facilities by oil, gasoline, acids, anti-freeze, lead and other substances contained in or otherwise associated with City Vehicles towed to the City Facilities.

The parties also acknowledge that the Lessor has the right to assign a representative to be present during Lessee's activities at the Premises.

Lessee shall be responsible for and shall save the Lessor harmless from, and defend the Lessor against all liability for damages of any kind which in any way arises out of or by reason of, or are claimed to arise out of or by reason of, in whole or in part, the future contamination of the Premises, only if such liability resulted from the negligent or intentional acts of Lessee; provided, however, that the foregoing indemnification by Lessee shall only be effective if the Lessor gives written notice to Lessee within five (5) business days after Lessor's knowledge of the occurrence of said act, and Lessee fails to promptly remedy the direct consequence of the act in the manner hereinafter set forth within two (2) business days of its receipt of said written notice from the Lessor. In all other respects related to the alleged present or future contamination of the Premises, the Lessor agrees to indemnify and hold harmless Lessee, its agents, insurers, and/or employees from and against all actions, claims, demands, damages, losses, liabilities, costs and expenses, which in any way arise out of or by reason of, or are claimed to arise out of or by reason of, the present or future contamination of the Premises.

Lessor hereby agrees to give written notice to Lessee within five (5) business days after Lessor's knowledge of the occurrence of such alleged negligent or intentional act or omission, which written notice shall specify in reasonable detail the nature of the occurrence. Lessee shall take commercially reasonable steps to correct the problem within two (2) business days after receipt of notice from the Lessor as aforesaid and shall provide written notice to the Lessor confirming the correction of the problem following completion of such steps.

If Lessor objects to the commercial reasonableness of the corrective measures selected, it must give written notice to that effect to Lessee no later than two (2) business days after its receipt of said confirmation. Time is of the essence as to all dates set forth in this Lease.

Nothing herein shall be construed to modify Lessee's obligation to hold Lessor harmless from, and defend Lessor against, all liability for damages occasioned by the performance of the work performed by Lessee under this Lease which arises in any way from the

negligence or intentional acts of Lessee, its agents and employees, insofar as that liability does not relate to the contamination of the Premises.

15. Environmental. Lessee, on or before the Commencement Date, shall cause soil borings to be made on the Premises in order to establish a base line as to the existing environmental condition of the Premises. Said soil borings and related reports (which reports shall be furnished to Lessee) shall be performed by a consultant selected by Lessee, unless objected to by Lessor, and the costs incurred in connection therewith shall be paid by Lessee. Thereafter, Lessee shall be responsible for the remediation of, in accordance with applicable laws and regulations, new contamination, if any, which may be caused by Lessee during the Term. Lessor shall be solely responsible for any contamination and/or other environmental issues existing on the Commencement Date or which may be caused by Lessor during the Term.

16. Quiet Enjoyment. Lessor hereby covenants that, so long as Lessee shall duly and punctually perform and observe all of its obligations under this Lease, Lessee shall peaceably and quietly have, hold and enjoy the Premises, subject to the terms, covenants and conditions of this Lease and matters of record or otherwise affecting title, free from hindrance by Lessor.

17. Abandonment of Lessee's Property. If the Lessee fails to remove any property belonging to it within ten (10) days after the expiration or earlier termination of this Lease (whether by lapse of time or otherwise), the same shall be deemed abandoned by the Lessee and shall become the property of the Lessor.

18. Interest. All rent and other payments to be made hereunder by Lessee to Lessor shall bear interest from and after the due date thereof at the rate of eight percent (8%) per annum.

19. Notices. Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by registered or certified mail, by a commercial overnight courier, or by facsimile (if promptly followed with a hard copy of such notice) as follows:

If to Lessor:

City of Milwaukee
Department of Public Works
841 North Broadway
Milwaukee, WI 53202
Attention: Commissioner, Department of
Public Works

If to Lessee:

Miller Compressing Company
1640 West Bruce Street
Milwaukee, WI 53204
Attention: John E. Busby

Either party may by like notice at any time, and from time to time, designate a different address to which notices shall be sent. Notices given in accordance with these provisions shall be deemed received when mailed.

20. Lessor/Lessee. Nothing contained herein or in any other instrument or agreement between Lessor and Lessee shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent or of partnership or of joint venture between Lessor and Lessee or of any relationship other than Lessor/Lessee.

21. Force Majeure. In the event that Lessee hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, failure of contractor(s) to perform their agreement(s), inability to procure materials, failure of power, acts of God (including adverse weather conditions), restrictive governmental laws, regulations or actions, riots, insurrection, war, civil commotion, fire or other insured casualty, or other reason not the fault of the Lessor, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay.

22. Successors; Assigns. This Lease and each and all of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Lessor and Lessee, and their respective successors and assigns.

23. Provisions Severable. If any provision of this Lease shall be held or declared to be invalid, illegal or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this Lease without impairing or prejudicing the validity, legality and enforceability of the remaining provisions hereof.

24. Signs. Lessee shall be entitled to place signs on the Premises identifying the occupants and use of the Premises; provided, however, that Lessee shall first obtain Lessor's consent to such signage, which consent shall not be unreasonably withheld, conditioned or delayed.

25. Miscellaneous. Neither this Lease nor any of the terms, covenants or conditions hereof may be modified or amended, except by an agreement in writing, duly executed and delivered by the party against whom enforcement of such modification or amendment is sought. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable under applicable law, then the remainder hereof and the application of such term, covenant or condition to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. The headings of the paragraphs and subparagraphs of this Lease are for convenience only and shall in no way affect the construction or effect of any of the terms, covenants or conditions hereof. This Lease and each and all of the terms, covenants and conditions hereof shall be interpreted in accordance with and governed in all respects by the internal laws of the State of Wisconsin.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Lease as of the day and year first above written.

LESSOR:

CITY OF MILWAUKEE,
DEPARTMENT OF PUBLIC WORKS

By: _____
Name: _____
Title: Commissioner

LESSEE:

MILLER COMPRESSING COMPANY

By: _____
Name: John E. Busby
Title: President

EXHIBIT A
SITE PLAN OF PREMISES

EXHIBIT B

APPROVED ALTERATIONS

1. 5 inches of asphalt with a geomat liner placed in a bermed operating area of the site.
2. Site to be graded to control stormwater runoff.
3. A lined fluid collection sump system to be installed and piped to an above ground storage tank.
4. Electric lines to be run underground to the operating area.