

LEASE AGREEMENT

Lease Agreement (this "Lease") made as of the ____ day of _____, 2020, by and between MICHELS CORPORATION, a Wisconsin corporation (hereinafter referred to as "Tenant"), and the CITY OF MILWAUKEE, a Wisconsin corporation, by and through its Board of Harbor Commissioners (hereinafter referred to as the "City").

WITNESSETH:

City hereby leases, demises and lets unto Tenant the following two (2) parcels of real property comprised of approximately 17.409 acres (hereinafter referred to as the "Property"), located on the Grand Trunk parcel of the City of Milwaukee.

- Parcel 1: Comprised of approximately 12.641 acres of real property, of which City warrants and represents that at least 10.5 acres shall be Usable Acres (as hereinafter defined) and at least 7.0 acres shall be Buildable Acres (as hereinafter defined), identified as Lot 1 on the Certified Survey Map attached hereto as Exhibit A and hereinafter referred to as "Lot 1".
- Parcel 2: Comprised of approximately 4.768 acres of real property, of which City warrants and represents that at least 3.0 acres shall be Usable Acres and Buildable Acres, identified as Lot 3 on the Certified Survey Map attached hereto as Exhibit A and hereinafter referred to as "Lot 3".

As used in this Lease, the following terms shall be defined as follows:

- "Buildable Acres" shall mean that contiguous portion of the land on Lot 1 or Lot 3, measured in acres, upon which Tenant can construct buildings and/or other improvements that are permitted under Section 4(A) and Section 4(B) of this Lease, respectively, in compliance with all applicable federal, state and municipal laws, statutes, ordinances and regulations and recorded easements and restrictions of record, and without incurring extraordinary construction costs as a result of existing soil, subsoil and groundwater conditions.
- "Usable Acres" shall mean that contiguous portion of the land on Lot 1 or Lot 3, measured in acres, that can be used by Tenant for the uses of the Property that are permitted under Section 4(A) and Section 4(B) of this Lease, respectively, in compliance with all applicable federal, state and municipal laws, statutes, ordinances and regulations and recorded easements and restrictions of record.

The Property included in this Lease is more particularly described in Exhibit A attached hereto and incorporated into this document by this reference.

This Lease is entered into by the parties under the following terms and conditions:

1. **Term.**

The term of the Lease shall be TWENTY (20) years, commencing on July 1, 2021 and ending on June 30, 2041.

BASE: July 1, 2021 – June 30, 2041 (20 Years)

A) Extension of Lease Term: The term of this Lease may be extended by Tenant, at its option, for seven (7) successive periods of ten (10) years each, followed by one period of nine (9) years, as set forth

in the table below. If Tenant desires to exercise its option to extend, Tenant shall provide written notice to City of its intention to exercise its option to extend the term of this Lease (an “Option Exercise Notice”) at least twelve (12) months prior to the expiration of the then current term. If City has not received an Option Exercise Notice at least twelve (12) months prior to the expiration of the then current term, then City shall promptly notify Tenant in writing (the “City Notice”) that City has not received such Option Exercise Notice, whereupon Tenant shall have the right to exercise its option to extend the term of this Lease by so notifying City in writing within ten (10) business days after Tenant’s receipt of the City Notice.

OPTION 1: July 1, 2041 – June 30, 2051 (10 Years)

OPTION 2: July 1, 2051 – June 30, 2061 (10 Years)

OPTION 3: July 1, 2061 – June 30, 2071 (10 Years)

OPTION 4: July 1, 2071 – June 30, 2081 (10 Years)

OPTION 5: July 1, 2081 – June 30, 2091 (10 Years)

OPTION 6: July 1, 2091 – June 30, 2101 (10 Years)

OPTION 7: July 1, 2101 – June 30, 2111 (10 Years)

OPTION 8: July 1, 2111 – June 30, 2120 (9 Years)

2. **Rent.**

A) For the first twenty (20) years of this Lease, the base rent shall be \$15,444.44 per Usable Acre, multiplied by 13.5 Usable Acres. Effective July 1, 2041, the base rent shall be reset to the higher of (i) \$15,444.44 per Usable Acre, multiplied by 13.5 Usable Acres and adjusted as set forth in Section 2(B) over the period from July 2021 to July 2041, or (ii) \$17,777.78 per Usable Acre, multiplied by 13.5 Usable Acres. Rent shall be paid quarterly, in arrears, on January 1, April 1, July 1, and October 1, with the first rent payment being due on October 1, 2021. Each rent payment shall be for the immediately preceding quarter.

B) On the 5-year anniversary of this Lease (July 1, 2026) and on each subsequent 5-year anniversary (i.e., July 1, 2031; July 1, 2036; July 1, 2046; July 1, 2051; etc.), rent shall be adjusted to the amount determined by applying the percentage increase, if any, over the applicable 5 year period in the “All Commodities” line of the “Producer Price Indexes” (currently Series ID No. WPU00000000) published by the United States Bureau of Labor Statistics (or its successor organization). In no event shall the rent decrease due to a decrease in PPI.

C) **Wharfage/Dockage.** In addition to rent, Tenant shall also pay wharfage and dockage as determined by reference to the appropriate provision of, and rate established by, the Municipal Port Tariff, as may be in effect at the time that the charge is incurred.

3. **Records.** Tenant shall maintain adequate books and records for determination of all amounts due City under Section 2(C) of this Lease, other than rent; such books and records shall be made available at Tenant’s office to properly accredited representatives of the Board of Harbor Commissioners and of the City of Milwaukee, at any reasonable time at least ten (10) business days after Tenant has received a

written request from the City, for audit or for such other inspection as may be deemed desirable by the City. Tenant's books and records are its private property, and City shall keep confidential all information which it derives therefrom to the fullest extent allowed by law.

4. **Use of the Property.** At the commencement of the Lease term, Tenant's permitted uses of the Property shall be as follows:

A) Tenant shall be permitted to use Lot 1 for (i) the purposes of constructing and operating an office building and a dockside reception and load out facility for loading, unloading and storing common construction aggregate materials, sheeting and other construction materials (i.e., a storage yard), and any other uses that are consistent with the operation of Tenant's businesses at or from the Property, including without limitation the storage and use of a crane and other equipment, vehicles and materials on Lot 1; and (ii) the storage of equipment, vehicles and materials on Lot 1 by any of Tenant's businesses that are not operating at or from the Property, provided that no individual item of equipment, no individual vehicle and no identifiable materials stored on Lot 1 by any of Tenant's businesses that are not operating at or from the Property shall be stored on Lot 1 for more than six (6) consecutive months. Tenant shall comply with setback requirements for storage (see Exhibit B). Tenant agrees that all commodities stored on the Property shall be handled and stored in compliance with all federal, state, and local statutes, ordinances, and regulations.

B) Tenant shall be permitted to use Lot 3 for (i) the purposes of constructing and operating an employee office and collaborative work space, a storage yard for common construction aggregate materials, sheeting and other construction materials, and any other uses that are consistent with the operation of Tenant's businesses at or from the Property, including without limitation the storage and use of equipment, vehicles and materials on Lot 3 and the occasional use of a crane on Lot 3; and (ii) the storage of equipment, vehicles and materials on Lot 3 by any of Tenant's businesses that are not operating at or from the Property, provided that no individual item of equipment, no individual vehicle and no identifiable materials stored on Lot 3 by any of Tenant's businesses that are not operating at or from the Property shall be stored on Lot 3 for more than six (6) consecutive months.

C) Tenant acknowledges the suitability of the Property for its permitted uses and bears sole responsibility for making any determination with respect thereto. The Port of Milwaukee and the Board of Harbor Commissioners shall provide their full, best efforts and unqualified support for Tenant's zoning, permit, or grant applications related to Tenant's permitted uses of the Property. In addition, with respect to the condition or quality of the water or soils located in, on, under, or adjacent to the Property, the Port of Milwaukee and the Board of Harbor Commissioners shall provide their full, best efforts and unqualified support for any of Tenant's regulatory initiatives related to Tenant's permitted uses of the Property.

D) During the term of this Lease, Tenant shall have the right to present proposed modifications to its uses of the Property to the Port of Milwaukee and the Board of Harbor Commissioners. These proposed modifications may include modifications that may require a change in

zoning for part or all of the Property. Should the Port of Milwaukee and the Board of Harbor Commissioners approve of the proposed modifications of Tenant's uses of the Property, then the Port of Milwaukee and the Board of Harbor Commissioners shall support Tenant's application with the City of Milwaukee for any needed zoning changes.

E) Except as provided elsewhere in this Lease, the cost of any and all improvements to the Property shall be borne solely by the Tenant.

4.5. **Dock Wall.** Tenant shall, no later than December 31, 2023, finance and complete repairs, at its sole discretion as to financing and completing repairs, to the dock wall at a level commensurate to or exceeding the repairs to the dock wall that are generally shown on the drawing attached hereto as Exhibit C (which was submitted to the State of Wisconsin, Department of Transportation Harbor Assistance Program in 2011), but excluding any other repairs and/or improvements that are shown on such drawing that do not affect or relate to the dock wall (e.g., pavement and buildings). City, not the Tenant, shall be responsible for any legacy environmental liability or remediation costs related to the dock wall repairs. Likewise, City, not the Tenant, shall be responsible for the cost of any dredging (and the cost of the disposal of any material that results from such dredging) that is required to create an adequate draft for use by Tenant and its subcontractors and invitees of (A) the boat slip that is located or will be located adjacent to the Property on the Kinnickinnic River, and (B) the channel that runs adjacent to the dock wall that is located or will be located on or adjacent to the Property on the Kinnickinnic River. In determining the draft of the boat slip and channel that will be adequate for use by Tenant and its subcontractors and invitees, City will take into account the types and sizes of the vessels that Tenant and its subcontractors and invitees intend to use and applicable low water datum ("LWD"), provided that in no event shall: (X) the draft of the channel be less than eighteen feet (18'), as determined using applicable LWD; (Y) the draft of the boat slip be less than seventeen feet (17') , as determined using applicable LWD; and (Z) the draft of the boat slip be deeper than the draft of the channel. If, at any time during the term of this Lease, as such term may be extended pursuant hereto, Tenant determines in its reasonable business judgment that it is necessary to make the draft of the boat slip deeper than the minimum of seventeen feet (17') , as determined using applicable LWD, Tenant shall so notify City in writing, whereupon City shall, within a reasonable time after receiving such notice, make the draft of the boat slip deeper to accommodate Tenant's desired depth as stated in such notice, at City's expense.

5. **Occupancy Subject to Existing Easements and Restrictions.** Tenant's occupancy of the Property is subject to any recorded easements and restrictions of record that are in effect on August 1, 2020, provided that none of such recorded easements and restrictions of record shall prevent or unduly restrict Tenant from using the Property for its intended purposes. City hereby grants a license to Tenant which will allow Tenant to adequately access the existing rail line and Lot 1 for Tenant's intended purposes during the entire term of this Lease, as such term may be extended pursuant hereto. Such license will provide Tenant with vehicular and pedestrian access across the City-owned property located immediately to the south of Lot 1 that is at least as wide as the existing access road to Lot 1, in the area

shown on the Certified Survey Map attached hereto as Exhibit A. The license granted herein shall terminate if and when an access easement, the terms and conditions of which shall be substantially identical to those of the license granted in this Section 5 and shall be reasonably acceptable to Tenant, is executed by City and Tenant and recorded in the office of the Register of Deeds for Milwaukee County, Wisconsin. At the request of either party, a Memorandum of Lease in proper form for recording will be executed by the parties for the purpose of giving public notice of the initial term of this Lease, Tenant's extension options under this Lease and the license granted herein, and such Memorandum of Lease shall be recorded in the office of the Register of Deeds for Milwaukee County, Wisconsin by City, at its expense.

6. **Termination and Vacation.**

A) Termination and Vacation Date. Tenant shall vacate the Property on or before the expiration of the term of this Lease, as such term may be extended pursuant hereto. In the event that Tenant fails to vacate the Property in a timely fashion, City shall have the option to do any or all of the following: (1) cause the Property to be vacated; (2) charge Tenant twice the amount of rent set forth in Section 2 of this Lease for all periods subsequent to the date of expiration of the term of this Lease, as such term may be extended pursuant hereto; and (3) to assess and recover against the Tenant the actual costs of such vacation and any damages sustained by the City as a consequence of the Tenant's failure to timely vacate the Property.

B) Property to be Vacated Clear of all Materials. Tenant shall vacate the Property free and clear of all materials and equipment and of all improvements in accordance with Section 14. In the event that Tenant fails to vacate the Property in the prescribed state of clearance, as reasonably determined by City, after ten (10) days' prior written notice to Tenant, City shall have the option to have such clearance and clean-up conducted as in its reasonable judgment is necessary in order to bring the Property to the prescribed state of clearance and to assess the costs of such action against Tenant.

C) Early Termination. Except as otherwise provided herein, this Lease may be terminated prior to the date of its stated expiration date only by the mutual written consent of the Port Director and the Tenant. If it is determined that Lot 1 contains less than seven (7) Buildable Acres, Tenant shall have the right to terminate the Lease by so notifying Landlord in writing, whereupon Tenant shall have no further obligations under the Lease.

7. **Default.** The occurrence of one or more of the following events shall be considered events of default under this Lease:

A) Tenant shall be adjudged a bankrupt, or a decree or order, approving as properly filed, a petition or answer asking reorganization of Tenant under Federal Bankruptcy Laws as now or hereafter amended, or under the laws of this State, shall be entered, and any such decree, judgment or order shall not have been vacated, stayed or set aside within sixty (60) days from the date of the entry or granting thereof; City may, at its sole option, extend the Lease term on a month-to-month basis in the event additional time is required for Tenant to vacate the Property under this Section; or

B) Tenant shall file or admit the jurisdiction of the court and the material allegations contained in any petition in bankruptcy or any petition pursuant or purporting to be pursuant to the Federal Bankruptcy Laws as now or hereafter amended, or Tenant shall institute any proceedings or shall give its consent to the institution of any proceedings for any relief of Tenant under any bankruptcy or insolvency laws or any laws relating to the relief of debtors, readjustment of indebtedness, or reorganization; or

C) Tenant shall make an assignment for the benefit of creditors or shall apply for or consent to the appointment of a receiver for Tenant; or

D) Tenant shall not have any business operations taking place at or from the Property for a period of more than one-hundred eighty (180) consecutive days.

E) Tenant shall be delinquent in any rental or other payments due under this Lease and such delinquency shall continue for ten (10) days after notice thereof in writing to Tenant; or

F) Tenant shall default in any of the other covenants or agreements herein contained to be kept, observed and performed by Tenant, and such default shall continue for thirty (30) days after notice thereof in writing to Tenant; or

G) Tenant shall make any assignment, sublease, transfer, conveyance or other disposition of its interest in this Lease or the Property that does not comply with the provisions of Section 10 of this Lease.

Upon occurrence of any one or more of such events of default, it shall be lawful for City, at its election in the manner and terms herein provided, to declare this Lease ended, and to recover possession of the Property, either with or without process of law, to enter and to expel, and remove Tenant and all agents, employees and representatives of Tenant engaged in operating the Property or occupying the Property, using such force as may be necessary in so doing. If default shall be made in any covenants, agreements, conditions or undertakings herein contained, to be observed and performed by Tenant, which cannot with due diligence be cured within a period of thirty (30) days, and if notice thereof in writing shall have been given to Tenant, and if Tenant prior to the expiration of said thirty (30) days from and after the giving of such notice, commences to eliminate the cause of such default and proceeds diligently and with dispatch to take all steps and do all work required to cure such default and thereafter does so cure such default, then City shall not have the right to declare the Lease as ended; provided, however, that the curing of any default in such manner shall not be construed to limit or restrict the right of City to declare this Lease ended and terminated, and to enforce all of City's rights and remedies hereunder, for any other default not so cured.

8. Maintenance and Housekeeping.

A) City's Repairs & Maintenance. Maintenance needed to ensure working access to Lots 1 and 3 of the Property will be the responsibility of the City. City will not be responsible, however, for any repair or maintenance occasioned by the negligent or intentional tortious act of Tenant or Tenant's agents or assigns.

B) Tenant's Repairs & Maintenance. Tenant shall keep the Property and any dock areas servicing the Property in a clean and orderly condition, and shall keep the common parking areas, railroad tracks, access roads, driveways, aprons, and loading docks free of Tenant's debris, and shall control weeds and maintain landscaping on the Property. Tenant shall arrange for the removal and/or disposal of all refuse which cannot be disposed of in the dumpster(s) servicing the Property.

Tenant shall at all times keep the Property and all improvements thereon in a clean, neat, orderly and well-maintained appearance. Tenant shall, without limitation by reason of enumeration, undertake the following measures throughout the term of this Lease in furtherance of these objectives:

- i. Interior and exterior maintenance of all of Tenant's leasehold improvements will be done by Tenant, at its own expense.
- ii. Tenant will maintain and repair, at its own expense, all exterior doors, glass window and door panes, fencing and gates, electrical fixtures attached to the office buildings, or yard lights, as the case may be.

Tenant shall perform all repairs and maintenance on a regular basis in a good and workmanlike manner, and all such repairs and maintenance shall be in compliance with all governmental and quasi-governmental laws, ordinances and regulations, and to the extent City has given prior written notice thereof to Tenant, such other reasonable requirements of City's insurance carrier for which compliance by Tenant is necessary to allow City to obtain insurance with respect to the Property. In the event Tenant fails to properly perform any such repairs or maintenance within a reasonable period of time (at least thirty (30) days) after receiving written notice from City that describes in detail the repairs or maintenance that City requires, City shall have the option to perform any such repairs on behalf of Tenant, in which event Tenant shall reimburse to City, as additional rent, the costs thereof within thirty (30) days after receipt of City's invoice for same.

9. Utilities. Tenant shall be solely responsible for the installation and purchase of all utility services required by Tenant during the term of this Lease.

10. Assignment and Subleasing. Tenant shall not assign, transfer or convey its interest in the Property or in this Lease or sublet the Property or any portion thereof, nor allow the same to be used or occupied by any other person (other than affiliates of Tenant and their employees and agents) or for any other use than herein specified, without the prior written consent of City, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that this provision shall not be deemed breached and City's consent shall not be required when services are performed on Tenant's behalf by employees, directors or officers of affiliates of Tenant in such a manner that same may be required to be present on the Property. If Tenant seeks to assign, transfer or convey all or a portion of its interest in the Property or in this Lease to an affiliate of Tenant, or if Tenant seeks to sublease the Property or any portion thereof to an affiliate of Tenant, whether or not the City will consent thereto shall be based solely on City's reasonable determination of the financial and operational capabilities of the proposed assignee, transferee or subtenant. For purposes of this Section, the transfer of any majority

interest in any corporation or partnership that is the Tenant under this Lease shall be deemed to be an assignment of this Lease. In the event City's consent to a sublease or assignment is required and City consents to any such sublease or assignment, the same shall not constitute a release of Tenant from the full performance of Tenant's obligations under this Lease. Notwithstanding the foregoing, if Tenant assigns all of its interest in this Lease to an affiliate of Tenant or subleases the Property to an affiliate of Tenant, City has consented to such assignment or sublease, and such affiliate assumes all of Tenant's obligations under this Lease, then effective upon the consummation of such assignment and assumption, in the case of an assignment, the assigning entity shall be released from all of its obligations under this Lease and the assignee/assuming entity shall be considered the Tenant under this Lease and shall be responsible for all of Tenant's obligations under this Lease, and in the case of a sublease, the sublessor shall be released from all of Tenant's environmental obligations under this Lease during the term of such sublease and the subtenant shall be responsible for all of Tenant's environmental obligations under this Lease during the term of such sublease; provided, however, that the assigning entity or sublessor shall continue to be solely responsible for any environmental liability or remediation costs that relate to the period during which the assigning entity was the Tenant under this Lease or the sublease was not in effect. Further, in the event of any such sublease or assignment that requires City's consent, Tenant shall reimburse City for all reasonable attorneys' fees in connection with reviewing and/or drafting any appropriate documents to effect such transfer of Tenant's interests. Further, Tenant shall pay to City as additional rent under this Lease, fifty percent (50%) of any rental or other compensation received by Tenant in excess of the rental amount specified in Section 2 of this Lease, as a consequence of any assignment or sublease hereunder.

11. **Indemnification**. Tenant hereby agrees to indemnify and save harmless City from and against all liabilities, claims, demands, judgments, losses and all suits at law or in equity, costs and expenses, including reasonable attorney's fees, for injury to and/or death of any person or persons and/or loss and/or damage to the property of any person, firm or corporation whomsoever, including both parties hereto and their employees, arising from the construction, maintenance or operation of Tenant's improvements and equipment, or in the carrying on of its business as hereinbefore set forth, except to the extent such liability, claim, demand, judgment or loss arises from a negligent or intentional tortious act of the City, its agents, contractors or employees.

12. **Insurance**. Tenant shall maintain in full force and effect throughout the term of this Lease, the following insurance covering any and all liability or obligations which may result from operations on the Property by Tenant, Tenant's employees, agents, contractors or subcontractors:

A) Property insurance coverage protecting against physical damage (including but not limited to fire, lightning, extended coverage perils, vandalism, sprinkler leakage, water damage, collapse and other special extended perils) to the extent of the replacement cost of Tenant's personal property and improvements as well as goods or property in Tenant's care, custody and/or control.

B) Comprehensive General Liability Insurance (including but not limited to Products

and Completed Operations and Contractual Liability, as applicable to Tenant's obligations under this Lease) with limits not less than:

Each Occurrence Limit:	\$2,000,000
Products/Completed Operations Aggregate:	\$2,000,000
General Policy Aggregate:	\$2,000,000

C) Automotive Liability Insurance with Limits not less than:

Bodily Injury and Property Damage Combined Single Limit:	\$1,000,000 per occurrence
---	----------------------------

D) Worker's Compensation, Longshoreman's and Harbor Worker's Compensation Insurance in accordance with Chapter 102, Wisconsin Statutes and any applicable Federal law.

E) Umbrella Coverage: \$10,000,000 in aggregate

F) Pollution Liability Coverage on a sudden and accidental basis to be continued for a period of 4 years after Lease expiration.

Each Occurrence Limit	\$2,000,000
Aggregate Coverage	\$4,000,000

All such policies shall be of a form and content reasonably satisfactory to City. In addition, the Board of Harbor Commissioners of the City of Milwaukee and the City of Milwaukee will be designated on the General Liability, Property Insurance, Automobile and Umbrella policies as Additional Insureds to the extent of the obligations assumed by Tenant hereunder. All policies shall be with companies authorized to do business in the State of Wisconsin and rated A- or better in the most current issue of Best's Key Rating Guide. Tenant shall furnish City with certificates of insurance for all policies showing that insurance has been written as required. Such evidence shall be provided by Tenant at least thirty (30) days prior to occupancy; and further, such policies shall provide that no less than thirty (30) days written notice be given to City before any such policies are cancelled. Said certificates of insurance shall remain in effect for the duration of the term of this Lease. Tenant shall not act in any manner that may make void or voidable any insurance required herein. The insurance requirements in this Section 12 are subject to review by City and may be adjusted as needed to adequately protect City's interest. After said review, should City reasonably determine an adjustment in the extent and/or limits of insurance coverage is required, Tenant shall be so notified in writing and Tenant shall cause such adjustments to be placed in effect within twelve (12) months of receiving such notice.

13. **Taxes, Service Charges, and Fees.** Tenant shall pay and discharge when due all taxes, if any, assessments, levies, user fees and other charges, general and special, that are or may be during the term hereof levied, assessed, imposed or charged on the Property or the improvements thereon or hereafter placed thereon. Tenant is responsible for payment of all storm water fees and charges as well as snow and ice removal charges.

14. **Alterations & Improvements.** Tenant shall not make any alterations, additions, buildings or improvements to the Property or Property without the prior written consent of City, which consent shall

not be unreasonably withheld, conditioned or delayed. Notwithstanding the aforesaid, Tenant, at Tenant's sole cost and expense, may install such trade fixtures as Tenant may deem necessary. In compliance with all applicable governmental and quasi-governmental laws, ordinances and regulations, Tenant shall furnish, upon City's request, plans, specifications, drawings and/or renderings of any proposed alterations, additions, buildings or improvements.

On or before the date of the expiration or earlier termination of this Lease, Tenant shall remove all trade fixtures and any other alterations, additions, buildings or improvements (excluding the dock wall improvements) installed by Tenant within the Property; and, upon such removal, Tenant shall restore the Property to a condition substantially similar to that condition when received by Tenant. However, notwithstanding the aforesaid, upon City's written election, such alterations, additions, buildings and improvements shall revert to City and shall remain within the Property. In no event shall City have any right to any of Tenant's trade fixtures or personal property.

Tenant and/or its contractors shall properly secure all necessary permits and licenses required by any state, federal or local departments or agencies for the construction and operation of Tenant's business and improvements. A copy of each such permit or license shall be sent to the Port of Milwaukee for its record file.

15. **Destruction**. If the improvements upon the Property are damaged in whole or in part by casualty so as to render the Property untenable or cause damages for which more than twenty-five percent (25%) of the required repair costs will not be reimbursed or paid by Tenant's insurance coverage, and/or if the damages cannot be repaired within one hundred eighty (180) days from the date of said casualty, then Tenant shall have the right to terminate this Lease by so notifying City in writing. In the event of any such termination, the parties shall have no further obligations to the other, except for those obligations accrued through the effective date of such termination; and, upon such termination, Tenant shall immediately surrender possession of the Property to City. If Tenant does not terminate this Lease as provided herein, this Lease shall remain in full force and effect, and Tenant shall proceed with all due diligence to repair and restore the improvements to a condition substantially similar to that condition which existed prior to such casualty. In the event the repair and restoration of the Property extends beyond one hundred eighty (180) days after the date of such casualty due to causes beyond the control of Tenant, this Lease shall remain in full force and effect, and Tenant shall not be liable therefor; but Tenant shall continue to use reasonable commercial efforts to complete such repairs and restoration with all due diligence. Tenant shall not be required to pay any rent for any period in which the Property is untenable. In the event only a portion of the Property is untenable, Tenant's rent shall be equitably abated in proportion to that portion of the Property which is untenable. There shall be no rent abatement, however, if said damage is due to fault or negligence of Tenant or Tenant's agents, employees or invitees.

16. **Site Development**. In the event that City and Tenant agree to a plan for the future development of the Property, said plan shall be embodied in a Site Development Agreement which shall

be appended to this Lease as an Addendum and shall be incorporated into this Lease as though an integral part thereof. For the avoidance of doubt, City and Tenant agree that the plan and Site Development Agreement described in the preceding sentence will not be required in connection with the uses of the Property that are permitted under Section 4(A) and Section 4(B) of this Lease. Tenant agrees to fully and continuously comply with all terms and conditions of the Site Development Agreement and further agrees that any non-compliance on its part with any of those terms and conditions which continues for more than thirty (30) days after City notifies Tenant in writing of such non-compliance shall constitute an event of default under this Lease.

17. **Compliance with Laws and Orders.** Tenant agrees to observe fully and to comply with any laws, statutes, regulations, ordinances, rules, requirements or directives now in force or which shall emanate from any state, federal or local departments or agencies having jurisdiction. Tenant also agrees to be fully bound and to observe the provisions of the Municipal Port Tariff in effect as of the date of commencement of this Lease and of any successor or equivalent document issued by the Board of Harbor Commissioners of the City of Milwaukee during the term of this Lease.

18. **Security Compliance.** Tenant agrees to conform to all national security requirements imposed by the U.S. Department of Homeland Security, the Marine Transportation Security Act and its implementing regulations, as well as any applicable state and local security rules and regulations.

As used herein, the term "security" shall mean measures designed to safeguard personnel; to prevent unauthorized access to equipment, property, buildings, harbor facilities, installations, materials, and documents; and to safeguard against espionage, sabotage, damage, and theft, or to prevent persons or organizations from engaging in any activity or using Port properties, equipment and material in a manner that would aid an effort to harm vital interests of the City of Milwaukee, the State of Wisconsin or the United States of America.

19. **Environmental Compliance and Obligations.**

A) **Compliance with Environmental Regulations.** Tenant shall fully comply with all environmental laws, including statutes, regulations, or other applicable requirements imposed by any federal, state, or municipal agency with respect to the environmental condition of the Property and/or with respect to any activities or operations that Tenant may conduct upon the Property (hereinafter referred to as "Environmental Requirements"). Tenant shall not cause, permit or suffer the existence or commission by Tenant, its agents, employees, contractors or invitees, or any other person under Tenant's control and direction, of any violation of any Environmental Requirements upon, about or beneath the Property or any portion thereof.

B) **Environmental Laws.** The term "Environmental Laws" shall mean and include (a) the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901-6987, as amended by the Hazardous and Solid Waste Amendments of 1984; (b) the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601-9657; (c) the Hazardous Materials Transportation Act of 1975, 49 U.S.C. § 1801-1812; (d)

the Toxic Substances Control Act, 15 U.S.C. § 2601, et. seq.; (e) the Clean Air Act, 42 U.S.C. § 7401, et. seq.; (f) the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. § 136, et. seq.; (g) Chapters 280-299 of Wisconsin Code; and all similar federal, state, or local environmental laws, ordinances, rules, codes and regulations, as any of the foregoing may have been amended, supplemented, or supplanted and any other federal, state or local laws, ordinances, rules, codes and regulations now existing relating to the environment or the regulation or control or imposing liability or standards of conduct concerning toxic or hazardous waste, substances or materials.

C) Hazardous Material; Environmental Liens. Except to the extent commonly used in the day-to-day operation of the Property, and in strict compliance with all Environmental Requirements (including those relating to storage, use and disposal), Tenant shall not cause, permit or suffer any "hazardous material" or "hazardous substance" (as defined by applicable Federal or State statutes or regulations) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined, or used upon, about, or beneath the Property or any portion thereof by Tenant, its agents, employees, contractors or invitees, or any other person under Tenant's control and direction, without the prior written consent of the City. Any request by Tenant for such consent by the City shall be in writing and shall demonstrate to the reasonable satisfaction of the City that such "hazardous material" or "hazardous substance" is necessary to the conduct of the business of Tenant and will be stored, used, and disposed of in a manner that complies with all applicable Environmental Requirements. Tenant shall not create or suffer to exist with respect to the Property any lien, security interest, or other charge or encumbrance of any kind relating to the environmental condition of the Property, including (without limitation) any lien imposed pursuant to Sec. 107(f) of the Superfund Amendments and Reauthorization Act 1986 (42 U.S.C. § 9607(L)) or any similar State Statute.

D) Obligation to Investigate and/or Remediate. Tenant shall, upon written demand of the City, and at its sole cost and expense, promptly take all actions to investigate and/or remediate the environmental condition of the Property which may be required by any federal, state or local governmental agency or political subdivision, which remediation is necessitated from, or attributable to, the presence upon, about, or beneath the Property of any "hazardous material" or "hazardous substance" or any violation of Environmental Requirements caused by the presence of and/or activities or operations conducted by the Tenant upon the Property, except to the extent City is responsible for such investigation and/or remediation of the environmental condition of the Property and the costs and expenses related thereto under Sections 4.5 and/or 19(F) of this Lease. Any such investigation and/or remediation shall be performed by and under the direction of a qualified environmental consulting or engineering firm approved by City in advance of the commencement of the work. Tenant agrees to allow entry upon the Property by the City, or agents, contractors or employees of the City, for purposes of conducting environmental audits and/or other tests for the purpose of determining the impact of Tenant's presence and/or activities or operations upon or with respect to the Property upon the environmental condition thereof.

E) Survival of Obligations. Tenant's obligations (and the obligations of the assigning entity in the case of an assignment of this Lease to an affiliate of Tenant under Section 10 of this Lease) with respect to the environmental condition of the Property (as more fully set forth in Subsections (A) through (C) above) shall survive the expiration or termination of this Lease.

F) Baseline Reports. Tenant and City are in possession of the reports for Lot 1 that are listed on Exhibit D attached hereto (collectively, the "Lot 1 Reports"). Prior to commencement of the initial term of this Lease, City will present a baseline environmental report for Lot 3 (the "Lot 3 Report") to Tenant, at City's expense. The Lot 1 Reports and the Lot 3 Report are hereinafter collectively referred to as the "Baseline Reports". Tenant and City agree that City shall be responsible for any remediation of the environmental condition of the Property that is required to address the conditions noted in the Baseline Reports, with the exception of any remediation with respect to Lot 1 that is the Tenant's responsibility under the terms of its 2016 Lease Agreement with the Board of Harbor Commissioners, as amended. After the completion of any remediation of the environmental condition of the Property by City, Tenant shall be responsible for any aggravation of the environmental condition of the Property that is caused by Tenant's activities on the Property.

G) Statutory Protections. Nothing in this Lease shall be deemed to be or constitute a waiver by the City of any defense available to it as a governmental entity pursuant to 42 U.S.C. § 9601 (35) (A) (ii) and § 9607 (b) (3) or Wis. Stat. § 292.11(9)(e), 292.23(2), 292.24(2) and 292.26; provided, however, that neither the City nor the Tenant shall use any federal or state statutory protections, including without limitation those cited in this Subsection (G), to avoid any of their respective remediation obligations under this Lease (including, without limitation, their respective remediation obligations under Section 19(D) of this Lease).

20. Liens. Tenant shall not mortgage or otherwise encumber or allow to be encumbered its interest herein without obtaining the prior written consent of City. Should Tenant cause any mortgage, lien or other encumbrance (hereinafter singularly or collectively referred to as "Encumbrance") to be filed against the Property, Tenant shall dismiss or bond against same within fifteen (15) days after the filing thereof. If Tenant fails to remove said Encumbrance within said fifteen (15) days, City shall have the absolute right to remove said Encumbrance by whatever measures City shall deem convenient including, without limitation, payment of such Encumbrance, in which event Tenant shall reimburse City, as additional rent, all costs expended by City, including reasonable attorney's fees, in removing said Encumbrance. All of the aforesaid rights of City shall be in addition to any remedies which either City or Tenant may have available to them at law or in equity.

21. Time of the Essence. It is expressly understood and agreed by the parties hereto that time is of the essence for each term and provision of this Lease.

22. Waiver. One or more waivers by any party of any covenant or condition of this Lease shall not be construed as a waiver of a subsequent breach of the same or of any other covenant or condition. The consent or approval given by any party with respect to any act by the other party requiring such

consent or approval shall not be deemed to waive or render unnecessary further consent or approval of any subsequent similar act by such party.

23. **Sole Agreement and Amendment.** This Lease shall be binding upon the parties hereto and their respective successors and assigns and may not be modified orally or in any other manner other than by agreement, in writing, signed by each of the parties to this Lease. Each person signing this Lease warrants that this is the full, entire and complete Lease between the parties; that the terms of this Lease supersede and nullify any and all prior discussions, negotiations or agreements between the parties and/or any of the parties' respective officers, employees or agents relating in any manner to the subject matter of this Lease; and that no promise or inducement not expressed in this Lease has been made or exists to cause or influence each such person to execute this Lease.

24. **Notice.** Any notice provided for herein or given pursuant to this Lease, shall be deemed in compliance herewith if in writing and sent by United States certified or registered mail, postage prepaid, return receipt requested, or by receipted personal delivery to the parties as follows:

To the City:

BOARD OF HARBOR COMMISSIONERS
2323 S. Lincoln Memorial Drive
Milwaukee, WI 53207
Attention: Municipal Port Director

With a copy to:

Office of the City Attorney
841 N. Broadway, 7th Floor
Milwaukee, WI 53202

To the Tenant:

MICHELS CORPORATION
817 Main Street, P.O. Box 128
Brownsville, WI 53006-0128
Attention: A. David Stegeman, CLO and SVP of M&A & Real Estate

With a copy to:

Mawicke & Goisman, S.C.
1509 North Prospect Avenue
Milwaukee, WI 53202
Attention: Martin W. Meyer, Esq.

25. **Governing Law.** This Lease shall be governed by the internal laws of the State of Wisconsin. If any term or provision of this Lease or any exhibits hereto, or the application thereof to any person or circumstance, shall to any extent be declared invalid or unenforceable, then the remainder of this Lease and exhibits, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by applicable law.

26. **Authorization.** Each person signing this Lease on behalf of an entity warrants and represents that he or she has the authority to bind the entity on whose behalf such person is signing.

27. **No Slavery Affidavit.** The Tenant shall execute the Affidavit of Compliance attached hereto as Exhibit E contemporaneously with its execution of this Lease.

28. **Nondiscrimination.** Tenant hereby agrees that in its use of the Property and in its activities undertaken pursuant hereto it shall not discriminate, permit discrimination or restriction on the basis of race, sexual orientation, creed, ethnic origin or identity, color, gender, religion, marital status, age, handicap or national origin.

29. **Counterparts/Electronic Signatures.** This Lease may be executed in any number of counterparts, each of which shall constitute an original and all of which shall constitute one and the same Lease. The terms "Board of Harbor Commissioner" and "City" whenever used herein shall mean and include the Board of Harbor Commissioners of the City of Milwaukee and/or its successors and assigns in authority, as the context may require. This Lease may be executed via electronic signature method, including but not limited to, PDF, DocuSign, eSign, or other electronic signature method.

30. **Public Records.** Both Parties understand that the City is bound by the Wisconsin Public Records Law, and as such, all of the terms of this Lease are subject to and conditioned on the provisions of Wis. Stat. sec. 19.21 *et. sec.* Tenant acknowledges that it is obligated to assist the City in retaining and producing records that are subject to the Wisconsin Public Records Law, including but not limited to those records produced or collected by Tenant under this Lease pursuant to Wis. Stat. sec. 19.36(3) and that the failure to do so shall constitute a material breach of this Lease, and that Tenant must defend and hold the City harmless from liability due to Tenant's fault under that law. Except as otherwise authorized, those records shall be maintained for a period of seven years after the termination of this Lease.

31. **Approval.** IT IS FURTHER AGREED AND UNDERSTOOD that this Lease must be submitted to the Common Council of the City of Milwaukee and that the same must be approved by the Common Council and its execution authorized.

LIST OF ATTACHED EXHIBITS:

- Exhibit A: Certified Survey Map
- Exhibit B: Setback Requirements for Storage
- Exhibit C: Drawing Showing Possible Dock Wall Repairs, In General
- Exhibit D: Lot 1 Reports
- Exhibit E: Affidavit of Compliance

[Signature Page Follows]

**Signature Page to Lease Between
The City of Milwaukee
and
Michels Corporation**

IN WITNESS WHEREOF, the parties hereto have by their duly authorized officers executed this Lease under seal as of the day and year first above written.

CITY OF MILWAUKEE

Tom Barrett, Mayor

Jim Owczarski, City Clerk

COUNTERSIGNED:

Aycha Sawa, Comptroller

BOARD OF HARBOR COMMISSIONERS

Timothy K. Hoelter, President

Adam Schlicht, Secretary

MICHELS CORPORATION

STATE OF WISCONSIN
_____ COUNTY

Personally came before me this _____ day of _____, 2020, _____, the _____ of Michels Corporation, who by its authority and on its behalf executed the foregoing instrument and acknowledged the same.

NOTARY PUBLIC, State of Wisconsin
My Commission Expires _____

APPROVED as to Form and Execution this
____ day of _____, 20__

Assistant City Attorney

PLEASE NOTE: TENANTS MUST COMPLETE THE FOLLOWING:

(Note: Someone other than the individual who executed this Lease must certify the following):

CERTIFICATE RE: CORPORATION

I, _____, certify that I am the _____ of the above
(print name) (print title)

TENANT named herein; that _____, who executed this Lease on behalf of
(print signator of tenant)

the above TENANT, was then _____ of said corporation, and in said
(official capacity of signator)

capacity, duly signed said Lease for and on behalf of said corporation, being duly authorized so to do under its by-laws or other organizational documents or by action of its Board of Directors, all of which is within the scope of its corporate powers.

LEASE AGREEMENT

Between

MICHELS CORPORATION

And the

BOARD OF HARBOR COMMISSIONERS

CITY OF MILWAUKEE

For lease of Two Parcels of Real Property
Located on the Grand Trunk Parcel,
Totaling 17.409 acres.

Lease Term: July 1, 2021
through
June 30, 2041

(The lease term may be extended a total of eight times, the first seven times for an additional 10 years, and once thereafter for an additional 9 years)