

March 14, 2006

Mr. Mark Drews Wisconsin Dept. of Natural Resources 141 NW Barstow St, Room 180 Waukesha WI 53188

Re: Lease Letter Request Application Form 4400-207

For: T&R Properties of West Bend, LLC 133 Oak Street, West Bend, Wisconsin

BRRTS: 02-67-152445 EIS BRAKE PARTS -07-67-545/6/

09-67-000749 EIS BRAKE PARTS

Dear Mr. Drews:

Assured Environmental Associates, Inc. has been retained by T&R Properties of West Bend, LLC to assist in the preparation of the attached Lease Letter Request Application Form 4400-207 for the lessee T&R Properties of West Bend, LLC for 133 Oak Street, West Bend, Wisconsin. A check for the fee of \$500.00 is attached along with a copy of the lease.

This letter will provide details of the intended use of the property by the lessee including a description of the proposed uses of the property. Maps showing the property location and impacts are in above referenced Wisconsin Department of Natural Resources (WDNR) files.

T&R Wood Products, Inc. will occupy the northern portion of the northern building on the property as identified in the attached figure. The majority of the area utilized by T&R Wood Products, Inc. is utilized for the assembly of fixtures from wood materials. After assembly, the product is stored prior to scheduled shipments.

Adhesives and lacquers are applied to wood or wood products as part of the manufacturing operations. A spray booth is to be installed as identified on the attached figure. As the adhesives and lacquers are used with wood products, no chlorinated compounds are identified on appropriate material safety data sheets. Planned use of the adhesives, lacquers, and solvents are below the reportable emissions limits established in the Wisconsin Administrative Code Natural Resources Chapter 400 air emission regulations.

The lessee understands that the operation by the lessee will not limit or interfere with any future investigation or clean-up efforts at the Property.

If you require further information for the review of the application, please call me at (262) 781-4646.

Sincerely,

Gregory S. Walsh

ASSURED ENVIRONMENTAL ASSOCIATES, INC.

03/14/06 10:

SCALE: NTS CUSTOMER: REF, #

SHEET: L OF

T & R Wood



DRAWN BY: P.Zyduck DATE: 12/9/05
TITLE: Dak Street Footprint

CHK'D BY1.

DATE:.

State of Wisconsin Department of Natural Resources Box 7921, Madison, WI 53707-7921

Lease Letter Request Application Form 4400-207 (R 1/01) Page 1 of 3

Notice: Persons requesting a Lease Letter from the Remediation and Redevelopment Program, as provided in s. 292.55, Wis. Stats., must provide the complete information requested in this application. Personally identifiable information will be used by DNR in the administration and enforcement of the hazardous substance spill program in addition to the liability exemption program. Under Wisconsin's open records laws, the DNR is required to provide all non-confidential information to any person who requests it. Such information may be provided to the public in written or electronic form.

Instructions:

Throughout this application, "Property" refers to the property that is or will be leased.

- 1. Fill out separate forms for each property to be leased.
- 2. Attach a check, made payable to the DNR, to this application form to cover Department review costs. To obtain current information on fees, call (800) 367-6076 in-state or (608) 264-6020 out-of-state.

(666) 567 6676 11 51212 67 (666) 267 6620 647 67 6420.		
Applicant Information - Lessee	The state of the s	
~	MI Telephone Number	
Zimbalman Rick J	262 247-030	0
Company		
TER Properties of West Bend LK Mem	ber	
Mailing Address	Fax Number	
133 Oak Street	262 247-0310	0
City . 2 -1 C 1	State Zip Code	
West Bond.	WE 53095	
Lessor/Property Owner Information	建筑的高级建筑。	
Property Owner Name - Last First SPAHKS, Inc.	MI Telephone Number	
tractike Gordon	" 262 675- 322	7
Mailing Address	Fax Number	
1125 Paradise Drive	•	
City	State Zip Code	
West Bend	WI 5309D	
Please describe any special relationship between the lessee and the property owner/lessor, include	ding any corporate, business, or family relationship.	
None		
Environmental Consultant Information		
Please provide the following information about any environmental consultants whose work has be information about additional consultants on a separate page.	een submitted with this application. Provide	
Environmental Consultant Name - Last First I	MI Telephone Number	
Walsh Greson	362781-4646	
Company		
A source Environmental associates. In	ic. President	
Mailing Address	Fax Number	
14120 W. Glendale A.D.	262 781-4180	•
City	State Zip Code	
Brooktiele	WI 53000	
Attorney Information		
Please provide the following information about any attorney who represents the applicant with res additional attorneys, and identify who they represent, on a separate page.	pect to this application. Provide information about	
Attorney Name - Last First	I Telephone Number	
Sullivan Robert F	362785-1820	•
Organization/Firm Title		
Schober, Schober & Mitchell Sc	Attorney	
Mailing Address	Fax Number	
16845 W. Cleveland ave	262 786-1073	3
City	State Zip Code	•
New Berlin &	WI 53151	

Property Information	建设在外部上工程上设施 和	为40.42 国际中国
Property Name/Company Name	0 0 1 05	County
EIS Brake Parts Prac	the Durke tom	poly washingto
¼/¼ Section Township Range ☐ E	Latitude Longitude	Datum (check only one)
NN	Degrees	NAD27
Location Address (Street Name and Number)	Minutes	NAD83
133 Oak Street	Seconds	1990 Adjustment
City State ZIP Code	Method	Accuracy
West Bend Wil	·	·
Has a discharge to soil or groundwater been detected on the Property describe	ped?	
Yes No		
A ₁₀₀ Fig.		
If contamination has been detected, has it been reported to the Department of	f Natural Resources?	
Yes No		
K les 🗀 MO		
	BRRTS FID No. (if used)	Date of Notification
If you answered "yes", please provide the following information:	102-67-152445	01/01/90
Information Needed to Process Application		
Provide the following information to process your application:		
4. A convert to a consend loose		\
 A copy of the proposed lease. 		

- 2. Map(s) showing Property location, and any suspected or known sources of contamination detected on the Property.
- 3. All reports or investigations (e.g., Phase I and Phase II Environmental Assessment Reports) that identify areas of the Property where a discharge has occurred.
 - a. For any environmental data submitted, include:
 - 1) Property map(s) showing sampling locations for all data submitted,
 - 2) Interpretation of data signed by a qualified environmental professional,
 - 3) Soil boring logs,
 - 4) Groundwater monitor well construction, development and sampling logs,
 - 5) Laboratory-provided data reports,
 - 6) Survey information for groundwater elevations,
 - 7) Chain of custody forms for all samples, and
 - 8) Description of sample collection methods.
- 4. Please describe in as much detail as possible, with reference to the maps provided with this application and the discharges identified on the site, the intended use of the property by the lessee. In particular, explain how the proposed uses will not interfere with any future investigation or clean-up efforts at the Property.

Applicant Certification

I certify that I have read and am familiar with the information on this application, and provided with this application, and that the information is true, accurate and complete to the best of my knowledge.

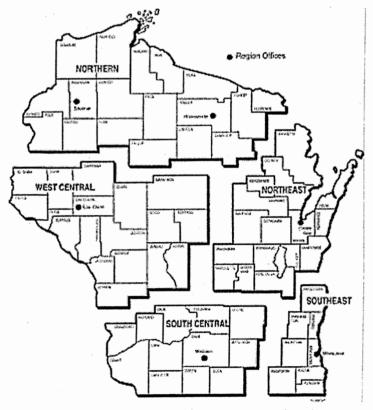
I certify that I did not cause any hazardous substance discharges on the Property.

I understand that I retain the responsibility for any hazardous substance discharges that I caused or cause on the Property.

I understand that if I fail to satisfy all of the conditions that I have agreed to meet as a condition of obtaining the Lease Letter, such as failing to provide access to the Property, the DNR has the authority to revoke the Lease Letter.

Signature 2	in	Date ///7/06
		, ,

Date Received	BRRTS Activity Name	BRRTS Activity Code
Date Assigned	DNR Reviewer	BRRTS FID No. (if used)
Comments		Fee Enclosed Yes No
Date Approved	Date Additional Information Requested Date Denie	



NORTHERN REGION

Remediation & Redevelopment Team Supervisor Department of Natural Resources 107 Sutliff Avenue Rhinelander, WI 54501 (715) 365-8960

WEST CENTRAL REGION

Remediation & Redevelopment Team Supervisor Department of Natural Resources P.O. Box 4001 Eau Claire, WI 54702-4001 (715) 839-3710

NORTHEAST REGION

Remediation & Redevelopment Team Supervisor Department of Natural Resources 1125 N. Military Avenue P.O. Box 10448 Green Bay, WI 54307

SOUTHEAST REGION

Remediation & Redevelopment
Team Supervisor
Department of Natural Resources
2300 N. Dr. Martin Luther King Jr. Dr.
P.O. Box 12436
Milwaukee, WI 53212
(414) 263-8561

SOUTH CENTRAL REGION

Remediation & Redevelopment Team Supervisor Department of Natural Resources 3911 Fish Hatchery Rd. Fitchburg, WI 53711 (608) 275-3241

BUILDING LEASE

Dated as of October 28, 2005

LESSOR:

SPAHIS, INC.

1125 Paradise Drive West Bend, WI 53095

LESSEE:

T&R Properties of West Bend, LLC

1605 Swallow Drive Grafton, WI 53024-9458

TERM:

Commencing November 1, 2005 (the "Commencement Date") and terminating November 31, 2006; provided however, Lessee will have the option to extend this Lease for two (2) additional one year terms by giving Lessor written notice of the exercise of such option on or before July 1 of each year.

MONTHLY RENTAL:

November 2005 - Rent free, except Lessee pays all utilities and one-twelfth of insurance and real estate taxes, except for those taxes and insurance related to the residential house as identified on <u>Exhibit A</u> hereto (the "House").

December 1, 2005 through November 31, 2006 - \$6,000.00 per month December 1, 2006 through November 31, 2007 - \$9,000.00 per month December 1, 2007 through November 31, 2008 - \$9,000.00 per month

LEASED PREMISES:

The building and real estate located at 133 Oak Street, West Bend, Wisconsin as marked on Exhibit A hereto (collectively, the "Leased Premises").

SPECIAL PROVISIONS; OPTION TO PURCHASE:

Lessor agrees to allow Lessee and its agents access to the Leased Premises at all reasonable times prior to November 1, 2005 to perform such tests and inspections as Lessee may desire to satisfy itself that the Leased Premises are suitable for Lessee's intended use. Lessee agrees to indemnify Lessor and to hold Lessor harmless from and against any claims, demands, costs or liabilities arising out of Lessee's performance of such tests and inspections. Lessee further agrees to return the Leased

Premises to its prior condition after such testing and inspections. If Lessee determines that the property will not be satisfactory for is purpose for any reason, Lessee may terminate this Lease prior to November 1, 2005.

If Lessee takes occupancy and it is determined that operation of the monitoring well on the Premises needs to be re-started, Lessor shall be responsible for costs and operation of the same, but Lessee shall cooperate in providing Lessor (or its agents) access to the wells. Further, Lessee, at its cost, shall have the option to use any of the wells on the property for sampling purposes.

Lessee shall have the option to purchase the Leased Premises "AS IS, WHERE IS" without any warranties of any kind other than warranties of title as set forth on Exhibit B. Said option may be exercised on or before May 1, 2006. The "Option Price" shall be \$650,000.00 (See Exhibit B for other terms of the Option, which terms are incorporated into this Lease by reference).

In the event Lessee fails to exercise said option by delivering written notice of exercise to Lessor on or before May 1, 2006 (TIME BEING OF THE ESSENCE), the option shall lapse, the definition of Leased Premises shall automatically be amended to exclude those areas identified on Exhibit C, and this Lease shall otherwise remain in full force and effect. Closing shall occur within sixty (60) days of Buyer's exercise of the option.

- Leased Premises. Lessor does hereby lease to Lessee the Leased Premises for the
 term and for the rental set forth above, upon the following provisions, each of which shall be
 both covenants and conditions. Lessor and Lessee covenant and agree to abide by and perform
 each and every provision hereof.
- 2. Rental Payments. Lessee agrees to pay the foregoing rental in the manner above prescribed on the first day of every calendar month during the term, all payments to be made to Lessor at Lessor's address, or at such other place as Lessor may from time to time designate in writing. If the term of this Lease commences on a date other than the first day of a month and/or ends on a date other than the last day of a month, Lessee shall pay Lessor a pro-rated rent for the initial partial month and/or for the ending partial month.
- 3. <u>Compliance With Law.</u> Lessee shall obey, observe and comply with all rules, regulations, ordinances and laws which shall be applicable to the Leased Premises (including any improvements now or hereafter erected).
- 4. <u>Taxes and Assessments</u>. Lessor shall be responsible for real estate taxes and assessments accrued or levied during the term of this Lease (other than any assessments in any way related to environmental issues), except any such charges or expenses related in any way to

the "House." However, Lessor agrees to elect to pay any assessment over the longest period allowed by the assessing authority, and Lessee shall only be responsible for paying its proportionate share of any such installments which are due and payable during the term of this Lease.

- 5. <u>Utility Charges</u>. Lessee shall pay, in addition to all other sums required to be paid by it under the provisions of this Lease, all utility charges of whatsoever kind or nature, all sewage charges, and all other expenses assessed, levied or asserted against the Leased Premises and its pro-rata share of any common area utilities, except for any such charges or expenses related in any way to the "House." Further, to the best of Lessor's knowledge, the Lessor represents that upon Lessee's access into the facilities, all utilities necessary for the Lessee's proposed use shall be available at the building.
- 6. Maintenance and Repair. Except as hereinafter provided in connection with damage by fire or other casualty, or a taking by, or a sale under threat of, eminent domain, Lessee, at its sole expense, shall maintain, replace, and keep in good order and repair, and in a safe and sanitary condition, the entire Leased Premises, both exterior and interior and all improvements from time to time located thereon, and all the appurtenances thereof, and all sidewalks, driveways, and passageways on, adjacent or appurtenant thereto (to the extent the same are subject to Lessee's control). Lessee shall not be required to expend any more than \$5,000.00 to maintain, replace or repair any item associated with the Leased Premises. At any point after expending \$5,000.00, Lessee may terminate this Lease without further obligation. In the event that a necessary repair or replacement is expected to cause Lessee's expenditures to exceed a total \$5,000.00, then Lessee shall not be required to perform such repair or replacement and may immediately terminate this Lease and all obligations thereunder. Lessor shall be solely responsible for maintenance, repair, and replacement of the "House."
- <u>Indemnification</u>. Except as otherwise required under law, but in all events, subject to the waiver of claims and subrogation set forth in this Lease, Lessee agrees to protect and save Lessor harmless and indemnified against and from any penalty or damage or charge imposed for any violation of any laws or ordinances, whether occasioned by Lessee or those holding under Lessee. Lessee further agrees to protect, indemnify and save Lessor harmless from and against any and all claims, and against any and all loss, damage, expense, liabilities. demands and causes of action, and any reasonable expenses (including attorney fees) incidental to the defense thereof by Lessor, arising out of any failure of Lessee in any respect to comply with and perform all of the requirements and provisions of this Lease, and against any and all loss, damage, expense, liabilities, demands and causes of action, and any reasonable expenses (including attorney fees) incidental to the defense thereof by Lessor resulting from injury or death of persons or damage to property, including without limitation the person and property of Lessee, its agents, employees and invitees, occurring on the Leased Premises or on the adjoining sidewalks, streets, alleys or ways, or in any manner directly or indirectly growing out of or in connection with the use and occupancy or disuse of the Leased Premises, or any part thereof, or any improvement now or hereafter located thereon by Lessee or any person holding under Lessee. In addition, Lessee further agrees to defend, indemnify and hold Lessor harmless from and against, and shall reimburse Lessor for, any and all loss, claim, liability, damages, injunctive relief, injuries to person, property or natural resources, cost, expense, action or cause of action,

arising in connection with the release or presence of asbestos or any other hazardous substance at or from the Leased Premises, whether foreseeable or unforeseeable ("Environmental Liabilities") arising from the action or inaction of Lessee or those holding under Lessee. Lessor shall be responsible for all such Environmental Liabilities existing as of the Commencement Date (the "Existing Environmental Liabilities" and Lessor agrees to defend, indemnify and hold Lessee harmless from and against, and shall reimburse Lessee for all such Existing Environmental Liabilities, even if such Existing Liabilities are exacerbated by activities of Lessee. Lessor's indemnification of the Existing Environmental Liabilities shall include Lessor's duty to pay any loss, damage, expense, liability, demand and cause of action, and any reasonable expenses (including attorney fees) incidental to the defense thereof incurred by Lessee, arising out of the Existing Environmental Liability. Lessor's indemnification obligations under this paragraph shall terminate if Lessee or any affiliate purchases the Leased Premises upon Lessee's purchase of the Premises.

- 8. <u>Liability Insurance</u>. Lessee shall keep in effect, at its sole expense, a commercial general liability policy or policies, including (but not limited to) insurance against assumed or contractual liability under this Lease, satisfactory to Lessor covering the Leased Premises and providing coverage with a combined single limit for bodily injury and property damage per occurrence in the amount of \$2,000,000. In the event Lessor reasonably anticipates that such coverage is inadequate, Lessee shall, upon the written request of Lessor, increase such insurance to amounts reasonably requested by Lessor. Such policy shall name Lessor as an additional insured, and a copy of such policy, or a certificate thereof, shall be delivered to Lessor.
- 9. Property Insurance. Lessee, at its expense, shall keep the buildings and all improvements now or hereafter located on the Leased Premises insured under an ISO Causes of Loss Special Form (all-risks) property insurance policy, written at the "Functional Replacement Cost" value and with "Functional Replacement Cost" endorsement, against loss by fire (with extended coverage) in an amount equal to not less than the "Functional Replacement Cost" thereof, exclusive of foundations, and against loss by boiler explosion in an amount deemed adequate by Lessor, and against a loss of rent commensurate with the rentals reserved herein. Lessee shall furnish to Lessor certificates or other evidence indicating that such insurance is in effect. "Functional replacement cost" is defined as the cost to repair or replace the damaged building with less costly common construction materials and methods that are functionally equivalent to obsolete, antique or custom construction materials and methods used in the original construction of the building.
- 10. <u>Mutual Waiver of Subrogation</u>. Lessor, Lessee and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by fire or other casualty or hazard covered or required hereunder to be covered in whole or in part by insurance on the Leased Premises or in connection with property on or activities conducted on the Leased Premises, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof. Lessor and Lessee further agree that all allrisks property and casualty insurance, boiler insurance and other insurance carried by each covering losses arising out of or destruction or damage to the Leased Premises or its contents shall provide for a waiver of rights of subrogation against Lessor or Lessee, as the case may be, on the part of the insurance carrier.

improvements upon the Leased Premises, demolish improvements upon the Leased Premises, and/or make additions to, or structural changes or alterations in or upon, any or all of such improvements, or other improvements upon the Leased Premises, without the written consent of Lessor, which consent shall not be unreasonably withheld. Lessor shall be deemed to have consented to any Lessee work unless a written objection is provided to Lessee within ten (10) days following Lessee's request. Any such work shall be performed in a good and workmanlike manner at the sole expense of Lessee. Any improvements or additions upon the Leased Premises at the expiration of this Lease shall be deemed a part of the Leased Premises, and shall be surrendered to Lessor in good condition and repair, reasonable wear and tear and damage by fire or other casualty not occurring through the neglect of Lessee excepted. The provisions of this paragraph shall not apply to such items as are ordinarily designated as trade fixtures, temporary partitions or similar installations which may, from time to time, be installed in the Leased Premises under the provisions of paragraph 12 hereof.

12. Trade Fixtures.

- (a) Lessee may during the term of this Lease install such fixtures, equipment and appliances as may be reasonably necessary for the conduct of its business upon the Leased Premises.
- (b) The aforesaid fixtures, equipment and appliances may be affixed to the Leased Premises and Lessee may remove the same at will, and shall remove the same at the termination of this Lease if so requested by Lessor. All damages incurred to the Leased Premises as a result of any affixation or removal hereunder shall be promptly repaired by and at the sole cost and expense of Lessee. Any fixtures, equipment or appliances referred to herein not removed as herein permitted or required shall, at the option of Lessor, be deemed abandoned by Lessee, to be disposed of by Lessor as its sole property.
- (c) Subject to any prior liens, if at any time hereafter Lessee is in default under any of the conditions and provisions of this Lease, Lessor shall at its option have a lien consonant with and comparable to a lien under the Uniform Commercial Code as in effect in Wisconsin on such fixtures, equipment and appliances, and Lessee shall not sell, encumber or remove said fixtures, equipment or appliances until the default shall have been determined, resolved or satisfied.
- 13. Construction Liens. 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 Leased Premises or Lessor by reason of any work performed or materials furnished by, to or for the account of Lessee, and Lessee agrees to hold Lessor harmless of and from any and all claims or demands by any contractor, subcontractor, materialman, laborer or any other third person against the Leased Premises or Lessor relating to or arising because of such work or materials. Lessee may contest any lien or other obligation referred to herein by making the deposits or taking the action permitted for the contesting of taxes under the provisions of this Lease, or taking such

other action permitted by law, provided that in any event, Lessor is reasonably satisfied that the Leased Premises and Lessor are secure from loss or damage.

- 14. <u>Lessor's Entry for Inspection</u>. Lessor, or its representatives, shall have the right, at reasonable hours during the business hours of Lessee, to enter upon the Leased Premises for the purpose of examining and inspecting the same and of showing the said premises to prospective tenants or purchasers, said inspection, however, shall not unreasonably interfere with the business of Lessee.
- 15. <u>Warranty of Quiet Possession</u>. Lessor hereby warrants and covenants that it has good and marketable title to the Leased Premises and has full authority to execute this Lease, and further agrees that 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 Leased Premises during the term hereof.

16. Damage by Fire or Other Casualty.

- (a) In the event the Leased 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 and at the expense of Lessor. The fixed rental herein provided shall not abate during the period of repair.
- (b) In the event of such damage, Lessor shall undertake to repair the Leased Premises, and shall pursue the necessary work with all reasonable dispatch, in a manner consistent with sound construction methods, but Lessor 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 Lessor.
- (c) Any provisions of this paragraph 16, or any other provision elsewhere in this Lease contained to the contrary notwithstanding, Lessee or Lessor may at its option, terminate this Lease in the event all or substantially all of the estimated cost of repair is not covered by insurance, or in the event the building and similar improvements located upon the Leased Premises are totally or substantially destroyed by such fire or other casualty. Lessee or Lessor shall exercise its option hereunder by giving written notice to the other party within thirty (30) days after the event causing such loss, damage or destruction, termination to be effective as of the date of said event.
- 17. Assignment and Subletting. Lessee shall not assign this Lease nor sublet any portion of the Leased Premises without the prior written consent of Lessor, which consent shall not be unreasonably withheld; provided, however, Lessee may assign this Lease to either: (a) T&R Woodproducts, Inc., or (b) an entity of which Lessee owns and controls the majority interest without Lessor's prior written consent. No assignment or subleasing shall release Lessee or any guarantor from any of its obligations hereunder.

18. Eminent Domain.

- (a) If all of the Leased Premises are taken by the exercise of the power of eminent domain, or sold under the threat of eminent domain, this Lease shall terminate as of the date possession is taken by the condemnor. Each party shall be entitled to their respective condemnation award or proceeds of sale.
- (b) If less than all of the Leased Premises are taken by the exercise of the power of eminent domain, or sold under the threat of eminent domain, Lessee shall have the right to terminate this Lease if the premises remaining are such that their continued use for the purpose for which the same were being used immediately prior to such taking, is reasonably impractical or economically imprudent. Termination shall be as of the date possession is taken by the condemnor. The option to terminate herein granted shall be exercised in writing by Lessee within ten (10) days after the date of the taking of possession by the condemnor. In any event, Each party shall be entitled to their respective condemnation award or proceeds of sale. If this Lease is not terminated, Lessor shall, with reasonable diligence, restore any improvements upon the Leased Premises affected by the taking, but shall not be obligated to spend for such restoration any amount in excess of the amount awarded or paid to it by the condemnor for such purpose. Rent shall be appropriately abated during the period of restoration, or thereafter.
- 19. Remedies. This Lease shall terminate, at the option of Lessor, if any one or more of the following events continues for a period of ten (10) days after written notice from Lessor to 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 Leased Premises by a creditors' committee or by any other than Lessee; (d) if proceedings are instituted in a court of competent jurisdiction by or against Lessee for the reorganization or liquidation of Lessee under the U.S. Bankruptcy Code; and said proceedings are not dismissed 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 excepting only that if the circumstances so warrant the ten (10) day period referred to above shall be extended for such additional time as may be reasonably required for 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.

Termination shall be effective on the date specified by Lessor in its notice to Lessee. Upon such termination, Lessor may re-enter the Leased 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.

In the event of any breach by Lessee of any of the provisions of this Lease, Lessor may immediately or at any time thereafter, without notice, cure such breach for the account and at the expense of Lessee. If Lessor at any time, by reason of such breach, is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or incurs any expense, including reasonable attorneys' fees, in instituting or prosecuting any action or proceedings to enforce Lessor's rights hereunder, the cost thereof shall be paid by Lessee to Lessor upon demand.

Lessee will, at the expiration or termination of this Lease, yield up possession to Lessor, and failing so to do, Lessee shall be deemed to be occupying the Leased Premises as a tenant from month to month equal to double the amount of the daily minimum rent, computed on a thirty-day month basis; provided, however, that Lessor's right to recover such liquidated damages shall not preclude Lessor from recovering any greater amount of damages sustained by it or as otherwise allowed by law.

No receipt of money by Lessor from Lessee after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Leased Premises shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

All rights and remedies of 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 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. Any action taken by Lessor under the provisions of this Lease, or to enforce the provisions of this Lease, or to declare a termination of Lessee's interest under this Lease, or to repossess itself of the Leased Premises (whether through the medium of legal proceedings instituted for that purpose or otherwise), shall not, in any event, release or relieve Lessee from its continuing obligations hereunder, including, without limitation, its continuing obligation to make all payments herein provided.

- 20. <u>Abandonment of Lessee's Property</u>. If Lessee fails to remove any property belonging to it within ten (10) days after the termination of this Lease (whether by lapse of time or otherwise), the same shall, at Lessor's option, be deemed abandoned by Lessee and shall become the property of Lessor.
- 21. <u>Enforcement Costs</u>. Lessee shall pay all reasonable costs, attorney's fees and expenses that may be incurred by Lessor in enforcing the provisions of this Lease. Lessor shall pay all reasonable costs, attorney's fees and expenses that may be incurred by Lessee in enforcing the provisions of this Lease.
- 22. <u>Surrender at Termination</u>. At the termination of this Lease for any reason, Lessee shall quietly and peaceably surrender possession of the Leased Premises (and any improvements located thereon) to Lessor, maintained as herein provided and free of any and all claims thereto by Lessee or any party holding under Lessee.
- 23. Payments to be Additional Rental. All payments to be made by Lessee hereunder, whether or not designated as rent, shall be deemed rent, so that in default of payment when due, Lessor shall be entitled to all of the remedies available at law or equity, or under this Lease, for the nonpayment of rent.

24. <u>Subordination</u>. At Lessor's option, this Lease shall be and is subordinated to any existing mortgages covering said Leased Premises, any extension or renewal thereof, or to any new mortgages which may be placed thereon from time to time; provided, however, anything to the contrary contained herein notwithstanding, every such mortgage shall recognize the validity of this Lease (and shall not disturb Lessee's occupancy thereunder) in the event of a foreclosure of Lessor's interest as long as Lessee shall not be in default under any of the terms of this Lease. Lessee shall execute whatever instruments may be required to effect such subordination.

In the event any mortgagee shall elect to have this Lease prior to the lien of its mortgage then, upon notice to Lessee thereof, this Lease shall thereupon be deemed prior to the lien of any such mortgage. The provisions of this Article shall include Deeds of Trust and similar security instruments.

- 25. <u>Interest</u>. 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 twelve percent (12%) per annum.
- 26. <u>Notices</u>. Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by registered or certified mail, postage prepaid to the respective addresses set forth above. 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.
- General. No waiver of any default of either party hereunder shall be implied from 27. any omission by the other party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers of any breach of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring either party's consent or approval shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar act by the other party. The invalidity or unenforceability of any provision hereof shall not affect or impair any other provisions. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one lessee and to either corporations, associations, partnerships or individuals, males or females, shall in all instances be assumed as though in each case fully expressed. The laws of the State in which the Leased Premises are located shall govern the validity, performance and enforcement of this Lease. The headings of the several articles contained herein are for convenience only and do not define, limit or construe the contents of such articles.
- 28. <u>Successors and Assigns</u>. Except as otherwise herein provided, this Lease shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

- 29. <u>Consents</u>: Notwithstanding anything to the contrary in this Lease, whenever the consent or approval of the Lessor or Lessee is required pursuant to this Lease, such consent or approval shall not be unreasonably withheld, delayed or conditioned, and whenever a judgment or determination is to be made by either party, the party making such judgment or determination shall use its reasonable discretion
- Right of First Refusal. For a period of one (1) year after the commencement of this Lease, and provided Lessee is not in default, Lessee shall have the right of first refusal to purchase the Leased Premises. Such right of first right of refusal shall be exercisable by written notice to Lessor from Lessee received within ten (10) business days of receipt by Lessee from Lessor of a bonafide purchase contract for the premises. In the event the Lessee does not exercise such right of first refusal, then this provision shall be of no further force and effect, unless Landlord does not close on the bona fide purchase contract pursuant to its terms within 180 days of the notice to the Tenant. In the event any of the terms of the purchase contract are materially and substantially changed, or in the event that the closing does not occur as set forth in the previous sentence, this right of first refusal shall be reinstated.
- 31. <u>Further Assurances</u>. The parties understand that upon execution of this agreement Lessee will be doing a substantial amount of due diligence related to environmental issues. Therefore, Lessor agrees to (a) to furnish upon reasonable request to Lessee such further information as is in Lessor's possession and (b) to do such other acts and things, all as the Lessee may reasonably request to assist Lessee in said due diligence process.
- 32. Lessee's Inspection Rights. During the term of the Lease, Lessee and Lessee's agents and representatives shall have the right to conduct an environmental assessment of the Property in one or more phases, including, without limitation, Phase I and/or Phase II environmental assessments, and the procurement and testing of soil, groundwater, indoor air, or any other material located on the Property (collectively together the "Environmental Assessments"), and any other testing and inspections that Lessee shall deem appropriate in assisting Lessee with its decision to exercise its option to purchase (or its right of first refusal) under this Lease. Lessee agrees to indemnify Lessor and to hold Lessor harmless from and against any claims, demands, costs or liabilities arising out of Lessee's performance of such tests and inspections. Lessee further agrees to return the Leased Premises to its prior condition after such testing and inspections.
- 33. <u>Broker Fees</u>: Lessee has not hired a broker in this matter, and Lessor shall be solely responsible for all broker fees due any brokers.
- 34. <u>Lessor's Deliveries</u>. On or before <u>November 15, 2005</u>, Lessor shall, at Lessor's sole cost, deliver or make available to Lesee copies of the following documents to the extent they are in Lessor's possession or control:
 - A. All written operating manuals, warranties and guaranties covering the fixtures or other structural systems of the Improvements, including, but not limited to, the HVAC system, the security system, and the roof of the building on the Leased Premises.

- B. All written leases and occupancy agreements, if any, and the terms of all oral leases or occupancy agreements, if any, which grant any person any rights to occupy, possess, access or use the Leased Premises after closing.
- C. All licenses, approvals, permits, certificates and entitlements relating to the use, maintenance, operation or occupancy of the Leased Premises.
- D. All services and maintenance contracts, equipment leases and other agreements granting any person rights to the Leased Premises after closing.
- E. All structural, geological, engineering and soils studies and/or reports relating to the Leased Premises including, but not limited to, all studies and/or reports relating to the environmental condition of the Leased Premises.
- F. All surveys, site plans, architectural plans, specifications, blueprints and other drawings with respect to the Leased Premises.
- G. All notices, orders or other communications received by Lessor from any federal, state, municipal, local, or governmental agency regarding the Leased Premises.
- H. A copy of the document evidencing Lessor's consent to this transaction.
- I. An ALTA Commitment to provide title insurance issued by an insurer licensed to write title insurance in Wisconsin.

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

SPAHIS INC.

Gordon E. Praefke

T & R PROPERTIES OF WEST BEND, LLC

Rick Zimbelman, Member

Patrick Koness, Member

GUARANTY

The undersigned hereby guarantees to Lessor the timely payment by all amounts due under the foregoing Lease. This Guaranty may be enforced by Lessor without first resorting to or exhausting any other remedy against Lessee. This Guaranty shall be a continuing guaranty, and shall remain in effect until Lessee has satisfied all of its obligations under the Lease.

T&R WOODPRODUCTS, INC.

By:_

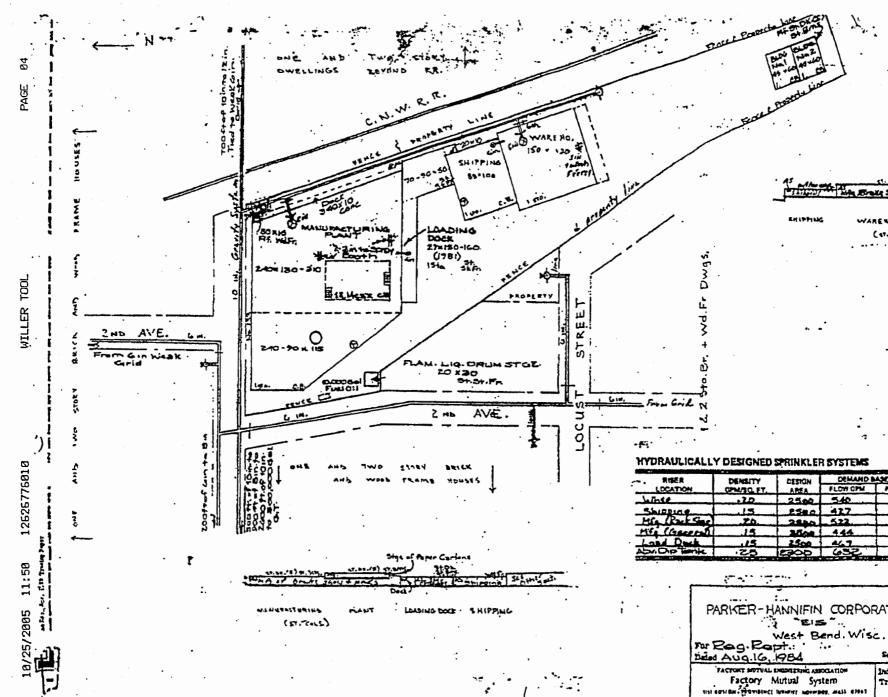
Rick Zimbelman, Presider

<u>EXHIBIT A</u>

DESCRIPTION OF LEASED PREMISES AND COMMON AREAS

*The Leased Premises includes lots 12-17 north of Oak Street and all of the Property south of Oak street as depicted on the attached maps.





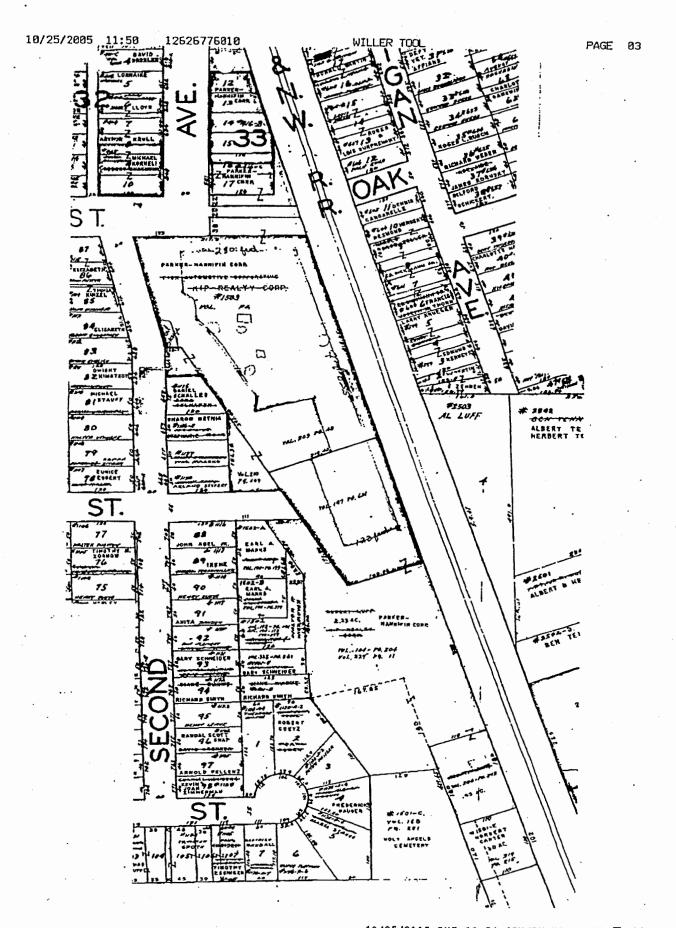


EXHIBIT B

ADDITIONAL OPTION TO PURCHASE PROVISIONS

The following paragraphs contain additional terms and conditions that pertain the

The Option Price shall be the price to be paid by Lessee to Lessor at closing, subject to customary closing adjustments and prorations (but giving consideration to Lessee's obligations under this Lease). The closing of the purchase and sale contemplated under this option to purchase section shall be held within sixty (60) days after the delivery of the written notice to exercise the option has been given to the Lessor (the "Notice Date").

Within fifteen (15) days after the Notice Date, Lessor, at its cost and expense, shall provide Lessee with a commitment to issue, upon the recording of proper documents, an owner's policy of title insurance written by a responsible title insurance company licensed in Wisconsin and with offices in Waukesha County in an amount equal to the Option Price, showing Lessor's title to the demised premises to be in the condition hereinafter specified, and further subject to liens which will be paid out of the proceeds of the closing.

At the closing, and upon payment of the purchase price, Lessor shall convey the Property by warranty deed free and clear of all liens and encumbrances, except municipal and zoning ordinances and agreements entered under them, recorded easements for the distribution of utility and municipal services, recorded building and use restrictions and covenants, general taxes in the year of closing and none other (provided none of the foregoing prohibit present use of the Property), which constitutes merchantable title for purposes of this transaction. Lessor further agrees to complete and execute the documents necessary to record the conveyance, and Lessor shall also provide <u>GAP</u> endorsement to the title commitment.

Lessee shall notify Lessor in writing within fifteen (15) business days after receipt of such commitment for title insurance of any valid objection to title and Lessor shall have a reasonable time, but not exceeding twenty (20) days thereafter to remove said objections, with closing extended as necessary for this purpose. If Lessor fails to remove said objections, then Lessee may, at its option, (i) sue for specific performance; or (ii) close and accept title subject to said objections, and recover actual damages; or (iii) terminate and cancel its exercise of the option to purchase the demised premises, in which event this Lease shall continue in full force and effect in accordance with its terms and sue for any actual damages; or (iv) terminate and cancel its exercise of the option to purchase the demised premises and the lease, and sue for any actual damages; or (v) seek any other remedies available in law or equity.