

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (the "Agreement") is made this 3rd day of December 2025, by and between MAGNUS ENVIRONMENTAL CORP. ("Sublessor"), having an address at 220 Marsh Lane, New Castle, Delaware 19720 and SCRAP TIRE SOLUTION, INC. ("Sublessee"), having an address at 195 Hay Road, Edgemoor, Delaware 19809. Sublessor and Sublessee are sometimes collectively called throughout this Agreement the "Parties" and each may be separately known as a "Party."

BACKGROUND

A. Sublessor leases approximately 2 Acres of yard space including 11,000 square feet of building located at 220 Marsh Ln, New Castle, DE 19720 (the "Leased Premises"), from Clifton Mill Associates, LLC ("Lessor"), whose address is 200 Marsh Lane, New Castle, Delaware 19720 pursuant to a Lease Extension Agreement ("Lease") dated October 16, 2025.

B. Sublessor desires to sublease to Sublessee and Sublessee desires to sublease from Sublessor a part of the Leased Premises upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the terms, conditions, and covenants set forth and contained herein, and for other good and valuable consideration, the Parties hereto intending to be legally bound, do covenant and AGREE as follows:

1. Recitals. The Recitals set forth in this Agreement are incorporated into this Section as though set forth in verbatim.

2. Effective Date. The effective date ("Effective Date") of this Agreement shall be day and date first written above.

3. Commencement Date. The commencement date ("Commencement Date") of this Agreement shall be December 5, 2025.

4. Agreement to Sublease. Sublessor hereby subleases to Sublessee shared use of the building as provided herein; the yard space from Bin 5 and northwest of Bin 5, as shown on the image attached hereto as Exhibit A, Bins 5 to 9, access to the back office of the scale house for document storage, and use of the scale (the "Subleased Premises") which shall include use of common space in the Leased Premises subject to the terms and conditions of the Lease and the terms and conditions of this Agreement. The Subleased Premises is more fully depicted on Exhibit A. Sublessor represents and warrants that Sublessee shall have the right to access a public road from and to the Subleased Premises.

5. Term. The term ("Term") of this Agreement shall commence on the Commencement Date and unless sooner terminated as provided herein, shall continue in effect on a year-to-year basis, provided, however, Sublessee may, upon written notice given one hundred eighty (180) days in advance, terminate this Agreement at any time during the Term.

6. Rent. During the initial Term, Sublessee shall pay rent in the amount of Five Hundred (\$500.00) Dollars per month ("Rent") without deduction, set off or demand, to Sublessor.

7. Use. Sublessee shall use the Subleased Premises for any lawful purpose, including, but not limited to the yard split after Bin #4; Existing Bins 5-9; shared use of Sublessor's building (office, bathroom, common areas); Sublessor will provide designated parking for STS staff; Sublessee can install and maintain a dedicated fuel unit and station subject to necessary and required permits, and subject to environmental and fire safety regulations, and for no other purpose without Sublessor's and Lessor's prior, written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Sublessee acknowledges that it is subleasing the Subleased Premises in its "AS IS" and "WHERE AS" condition and that Sublessor shall not be required to undertake further construction work in the Leased Premises or Subleased Premises prior to or after the Commencement Date.

As part of Sublessee's use of the Subleased Premises, Sublessee agrees to accept, bale, store, and export tires from Sublessor's box truck and scale customers for \$52.50 per ton, up to a total of 250 tons. Should Sublessor exceed sending 250 tons of tires to Sublessee during the term of this Agreement, the price per ton will increase to \$75.00 per ton over the 250 tons.

8. Liability and Other Insurance. Sublessee shall, in complying with the insurance requirements of the Lease with respect to the Subleased Premises, add the name of Lessor and Sublessor as additional insureds by endorsement to Sublessee's insurance policies.

9. Scale Maintenance Charges, Operation Costs. Sublessee shall have full access to the on-site scale and the costs of scale maintenance, repair, and calibration shall be evenly split between Sublessor and Sublessee; however, any software or technical assistance related to the daily use of the scale by Sublessee shall be 100% the responsibility of the Sublessee.

10. Sublessor's Representations. Sublessor represents, based upon its best information and belief resulting from the terms and conditions of the Lease, that Sublessee shall have access to the Subleased Premises and parking area twenty-four (24) hours per day, seven (7) days per week throughout the Term of the Agreement, as depicted in greater detail in Exhibit "A" attached hereto.

11. Sublease Agreement Subordination to Lease. This Agreement is subject and subordinate to the Lease and Sublessee hereby acknowledges receipt of a copy of the Lease. Sublessee does hereby agree to be bound by and accepts all of the rights, powers, duties and obligations of Lessor in the Lease. Sublessor shall comply with the terms of the Lease. Sublessee shall not act or fail to act in any way or manner which would create a breach of any of the terms, covenants and conditions of the Lease with respect to Sublessee's lease of the Subleased Premises in accordance with this Agreement. To the extent applicable to the Leased Premises, Sublessee shall have the benefit of each and every covenant and agreement made by Lessor to Sublessor pursuant to the Lease. In the event that Lessor shall fail or refuse to comply with any of its respective covenants and provisions of the Lease, Sublessor shall have no liability on account of any such failure or refusal, provided that Sublessor shall use reasonable efforts to enforce compliance by Lessor of its obligations pursuant to the Lease and that Sublessee shall have the right to exercise, in the name of Sublessor, all of the rights to enforce compliance on the

part of Lessor as are available to Sublessor concerning the Leased Premises. Sublessor will reasonably cooperate with Sublessee.

12. Incorporation of Lease. Except as herein modified by this Agreement, all of the terms, conditions, covenants and provisions of the Lease are hereby incorporated into this Agreement by reference thereto with the same force and effect as if the Lease were set forth in this Section in verbatim. All of provisions of the Lease applying to the relationship of Lessor and Lessee as set forth therein, shall apply to the relationship between Sublessor and, Sublessee and Sublessee shall perform as if it were the Lessee except as otherwise required in this Agreement and those provisions relating to Rent shall be made directly by the Sublessee to Sublessor. Provided, however, Sublessee specifically does not assume any of Sublessor's obligations required of it by the terms and conditions of the Lease.

13. Sublessee's Remedies. Sublessee shall look solely to the Lessor for performance of all obligations stipulated to be performed by the Lessor pursuant to the Lease. Sublessee shall not make a claim upon Sublessor for any damages resulting from failure of the Lessor to perform any obligation pursuant to the Lease.

14. Compliance with Lease Indemnification.

(a) Sublessee covenants and agrees to observe and not to violate any of the terms and provisions of the Lease with respect to the Sublessee's leasing of the Subleased Premises pursuant to the terms of this Agreement. Sublessee shall not be responsible for fulfilling Sublessor's obligations under the Lease. Sublessee shall indemnify and hold Sublessor and Lessor harmless from and against all loss, costs, damages, expenses and liability, including, but not limited to, reasonable attorneys' fees which may be sustained or incurred by reason of any injury or damages to persons or personal property occurring in or about the Subleased Premises or by reason of any breach or default here under on Sublessee's part or any act of negligence on the part of Sublessee or its agents, servants, employees, and invitees; provided, however, the same shall not exculpate Lessor from damages stemming from its own negligence or willful action.

(b) The Parties acknowledge that Sublessor will relinquish possession of the Subleased Premises to Sublessee. This relinquishment of possession of the Subleased Premises to Sublessee is undertaken with the proviso that Sublessor shall not be released from liability for payment of all sums due to Lessor pursuant to the terms and conditions of the Lease throughout the Term of this Agreement, and any extensions of the Term.

15. Further Assignment and Subleasing. Sublessee shall not, without the written consent of the Lessor and the Sublessor, assign, mortgage or hypothecate this Agreement, nor sublet or sublease the Subleased Premises, the Leased Premises or any part thereof.

16. Termination.

(a) In the event Sublessee shall default in the payment of Rent due pursuant to this Agreement or in the performance of any other obligations in this Agreement, Sublessor shall have the same rights and remedies with respect to such default as are conferred upon the Lessor under the Lease.

(b) If the Lease is hereby terminated by the Lessor by reason of fire or other casualty or eminent domain affecting the Leased Premises and Subleased Premises or by operation of Law, this Agreement shall simultaneously terminate with the Lease on the date that Sublessor is required to relinquish possession of the Leased Premises to the Lessor and Sublessee shall thereupon simultaneously relinquish possession of the Leased Premises.

17. Real Estate Broker Commissions. The Parties represent and warrant to each other that they have had no dealings with any real estate broker, firm, salesmen or finder with respect to the Subleased Premises or this Agreement. The Parties hereby indemnify and agree to hold each other harmless from and against any claim or liability (including costs, expenses and reasonable attorneys' fees) by any other real estate broker, firm, salesman or finder claiming to be entitled to commissions and other sums as a result of the Parties executing and delivering this Agreement.

18. Notices and Performance Dates. Solely for the purpose of this Agreement and except for the required payment of Rent paid pursuant to this Agreement, notice provisions and performance dates specified in the Lease are, for the purpose of this Agreement only, hereby adjusted in advance by two (2) business days, as appropriate, to provide Sublessor with time within which to transmit to Lessor any notice or demands received from Sublessee and to provide Sublessor with time within which to transmit to Sublessee any notice or demands received from Lessor in order to comply with the time provisions set forth in the Lease.

19. Sublessor's Required Consent. In the event this Agreement requires the consent or approval of Sublessor prior to Sublessee undertaking any action with respect to the Leased Premises, the Lessor's prior consent or approval for the undertaking of such action with respect to the Leased Premises shall be a condition precedent and must be obtained prior to Sublessee's undertaking. In the event Lessor provides such consent or approval, Sublessor shall not unreasonably withhold, delay or condition its consent for Sublessee. Provided, however, Sublessor shall not have any duty or responsibility with respect to obtaining any required consent or approval by Lessor except for the transmittal to Lessor of Sublessee's request for such consent or approval.

20. Default. Sublessee shall not knowingly do, suffer or permit anything to be done which would cause the Lease to be terminated or forfeited by virtue of its terms and conditions. If Sublessee shall default in the performance of any of its obligations pursuant to this Agreement and such default continues beyond any applicable, if any, grace, notice or cure periods, Sublessor, without any obligation to do so and without waiving such default, may remedy any such default for the account and at the expense of Sublessee without the necessity to provided prior written notice. If Sublessor makes any expenditures or incurs any obligation in connection therewith, such sums paid or obligations incurred shall be deemed to be Rent hereunder and shall be paid to Sublessor by Sublessee upon written demand.

21. Condemnation; Casualty. In the event of any taking by eminent domain or damage by fire or other casualty to the Leased Premises and Subleased Premises, or either, thereby rendering the Subleased Premises wholly or in part untenable, Sublessee shall acquiesce in and be bound by any action taken by or agreement entered into by and between Lessor and Sublessor with respect thereto. Notwithstanding the requirements of this Section 21, Sublessee

shall have no obligation to repair or reconstruct the Subleased Premises or any part of the Leased Premises.

22. Sublessee's Inspection. Sublessee acknowledges that it has inspected the Leased Premises, Subleased Premises and any improvements therein, or has caused such an inspection to be made, and is fully familiar and satisfied with such inspections. No representations have been made, are made or has any responsibility been assumed by Sublessor as to the condition, value or suitability of the Leased Premises, Subleased Premises and any improvements therein.

23. Alterations. Sublessee shall not during the Term, as renewed, of this Agreement make any alterations or addition to the Leased Premises and Subleased Premises of any nature whatsoever without the written consent of Sublessor and Lessor, if required pursuant to the Lease.

24. Repairs and Maintenance. Sublessor shall be responsible for the repairs and maintenance to the Leased Premises and Subleased Premises as may be required by the Lease and as set forth herein.

25. Exoneration and Indemnification. Sublessee will indemnify Sublessor and save Sublessor harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property occasioned wholly or in part by any act or omission of Sublessee, its agents, invitees, contractors, employees and servants. In case Sublessor shall be made a party to any litigation commenced by or against Sublessee regarding the same, then Sublessee shall protect and hold Sublessor harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Sublessor in connection with such litigation. Nothing to the contrary contained herein shall exculpate Sublessor for claims, actions, damages, liabilities and expense in connection damages arising from or out of the negligence or willful action of Sublessor.

Sublessor will indemnify Sublessee and save Sublessee harmless from and against any and all claims, actions, damages, liabilities and expense in connection with loss of life, personal injury and/or damage to property occasioned wholly or in part by any act or omission of Sublessor, its agents, invitees, contractors, employees and servants. In case Sublessee shall be made a party to any litigation commenced by or against Sublessor regarding the same, then Sublessor shall protect and hold Sublessee harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Sublessee in connection with such litigation. Nothing to the contrary contained herein shall exculpate Sublessee for claims, actions, damages, liabilities and expense in connection damages arising from or out of the negligence or willful action of Sublessee

26. Attorneys' Fees, Expenses and Costs. In the event Sublessee's conduct results in Lessor's right to recover attorneys' fees, expenses and costs pursuant to the terms and conditions of the Lease, Sublessee shall immediately reimburse Sublessor, upon demand, for any sums paid by Sublessor to Lessor.

27. Surrender of Subleased Premises.

(a) Upon the expiration or other termination of this Agreement, Sublessee shall quit and surrender the Subleased Premises, in good order, ordinary wear and tear or damage by fire or other casualty excepted. Upon expiration or other termination of this Agreement, Sublessee may, at its sole cost and expense, remove all of its personal property, trade fixtures and equipment located in the interior of the Subleased Premises at Sublessee's sole cost and expense.

(b) Any property, whether personal or otherwise, not so removed shall be deemed to be abandoned by Sublessee, may be retained by Sublessor or disposed of by Sublessor at Sublessee's sole cost and expense.

28. Signs. Subject to the terms and conditions of the Lease, Sublessee shall have the right to its name on exterior signage of the Leased Premises, as applicable. If there is any charge from the Lessor for these listings, they shall be installed at Sublessee's sole cost and expense.

29. Compliance with Laws and Regulations. Sublessee will comply with all applicable laws, rules and regulations of all governmental and regulatory departments with jurisdiction over the Sublessee's business.

30. Environmental Concerns. Sublessor and Sublessee shall comply with the environmental covenants in the Lease with respect to the Subleased Premises. Sublessor hereby agrees to indemnify Sublessee and its successors and assigns and agrees to hold Sublessee and its successors and assigns harmless, from and against any and all losses, liabilities, damages, injuries, penalties, fines, costs, expenses and claims of any and every kind whatsoever, including attorneys' fees and costs (collectively "Environmental Liabilities") and caused by the breach by Sublessor of any environmental regulations to which Sublessor is subject. Sublessee hereby indemnifies Sublessor for any Environmental Liabilities caused by a breach by Sublessee of any environmental regulations to which Sublessee is subject. The representations, warranties and indemnities contained in this Section 30 shall survive the termination of this Agreement.

31. Quiet Enjoyment. Sublessor covenants that so long as the Lease is in effect and Sublessee pays the rents and performs the covenants and conditions contained in this Agreement, Sublessee may peacefully hold and enjoy the Subleased Premises during the Term subject, however, to the terms of the Lease. Sublessor's breach of the terms and conditions of the Lease shall constitute a violation of this Section 31.

32. Non-Competition. The Sublessor and Sublessee mutually agree that during the effective period of this Agreement that the parties hereto shall not, either directly or indirectly market, solicit, contact or do business with established or prospective customers of the other party unless both parties mutually agree and consent to the customer interaction and business engagement.

33. Right of First Refusal. The Parties hereto mutually agree that the Sublessor will provide Sublessee, in the event Sublessor seeks to sell its business, Magnus Environmental Corporation, or receives an offer to purchase said business that it is seriously considering, a right to match any such offer on the same or better terms than the offer to purchase Sublessor's business from the offering party. Sublessee shall have 30 days within which to submit paid offer consistent with the provisions of this section.

34. General Provisions.

(a) Any notice, communication, request, reply or advice (hereinafter severally and collectively called "Notice") in this Agreement provided for or permitted to be given, made or directed by either Party to the other must be in writing, and may, unless otherwise expressly provided in this Agreement to the contrary, be given or be served by depositing same in the United States Mail, postage prepaid, certified mail, addressed to the Party to be notified, return receipt requested. Notice deposited in the mail in the manner described above shall be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is so deposited. Notice may be given by facsimile transmittal which shall be effective upon receipt provided the Party giving such notice also delivers the Notice within three (3) days thereafter by first class mail. Notice shall be given as follows:

IF TO SUBLESSOR:

Magnus Environmental Corporation
220 Marsh Lane
New Castle, Delaware 19720

With Copy to: John B. Matteo
1405 Chews Landing Road
Laurel Springs, NJ 08021
matteoffices@gmail.com

IF TO SUBLESSEE:

Scrap Tire Solutions, Inc.

With Copy to:
Name Erik Gonzalez
Address
Phone 302.600.3312
Email erik@scrap tiresolution.com

(b) The captions appearing in this Agreement are inserted and included solely for convenience and shall not be considered or given effect in construing this Agreement, or its provisions, in connection with the duties, obligations or liabilities of the Parties or in ascertaining intent, if a question of intent arises. The preambles are incorporated into this paragraph as though set forth in verbatim.

(c) This Agreement embodies the entire contract between the Parties. No variations, modifications, changes or amendments to this Agreement shall be binding upon a Party unless set forth in writing and signed by the Party, a duly authorized officer or agent of the particular Party.

(d) If any term or provision of this Agreement, or any application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is held valid or unenforceable, shall not be affected thereby, and the balance of the terms and provisions of this Agreement shall be valid and enforced to the fullest extent permitted by law.

(e) All covenants and obligations contained within this Agreement shall bind, extend and inure to the benefit of the Parties, its respective heirs, executors, administrators, successors and assigns. This Agreement is not assignable, except as set forth in this Agreement.

(f) All personal pronouns used in this Agreement shall include the other gender when used in the masculine or feminine or neuter gender and the singular shall include the plural whenever and as often as may be appropriate.

(g) This Agreement and the rights and obligations of the Parties hereto shall be interpreted, construed and enforced in accordance with the laws of the State of Delaware without regard to the application of conflict of law rules.

(h) This Agreement is a product of joint negotiation of the Parties and their counsel and is not to be construed for or against either Party by virtue of the fact that such Party or its counsel prepared this Agreement.

(i) This Agreement may be executed in any number of multiple counterparts, including counterparts transmitted by telecopier or facsimile, any one of which shall constitute an original of this Agreement. When counterparts or facsimile copies have been executed by all Parties, they shall have the same effect as if the signatures to each counterpart or copy are upon the same document and copies of such documents shall be deemed valid as originals. The Parties agree that all such signatures may be transferred to a single document upon the request of any Party. A Party signing by facsimile signature shall, within two (2) business days thereafter, deliver two (2) original signed signature pages to the other Party.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

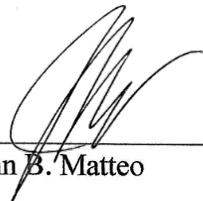
SUBLESSOR:

Magnus Environmental Corporation

ATTEST:



BY:


_____ John B. Matteo

SUBLESSEE:

Scrap Tire Solution, Inc.

ATTEST:



BY:


_____ Erik Gonzalez



LANDLORD'S CONSENT

Landlord, Clifton Mill Associates, LLC, hereby consents to the above Sublease Agreement between Magnus Environmental Corporation, and Scrap Tire Solutions, and to the terms and conditions of the Sublease Agreement.

WITNESS:

Kelsea Fontana

(Clifton Mill Associates, LLC)

By: 
Name

Dated: 11/5/25