NINETY-NINE YEAR LEASE

THIS LEASE, made and entered into at Manchester, Delaware County, Iowa, on July 1, 1994, by and between H. B. Bennett and Sara W. Bennett, husband and wife, hereinafter referred to as "Lessors," and Hale Supply Company, a Corporation, hereinafter referred to as "Lessee," which terms of Lessors and Lessee are used in a general sense and shall include the successors and assigns of the respective parties.

That in consideration of the covenants and agreements hereinafter mentioned and to be performed by the respective parties hereto, and the payment of rental herein designated to be paid by the Lessee in accordance with the provisions of this lease, the Lessors have leased, rented, let and demised, and by these presents do lease, rent, let and demise unto the said Lessee, his successors and assigns, the following described property situated in Delaware County, Iowa, to-wit:

> Parcels A and B of the Plat of Survey of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) and the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4), all in Section Eleven (11), Township Eighty Eight (88) North, Range Five (5), West of the Fifth P.M., Delaware County, Iowa, recorded in Book 7 Plats, Page 87 of the records of the Delaware County Recorder.

To have and to hold the above described premises, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise incident or appertaining, unto the Lessee.

Provided however, that the Lessors, their heirs, successor and assigns, except as otherwise provided herein, throughout the term of this lease shall retain grazing rights and other rights associated with the grazing or pasturing of cattle and horses aand other similar forms of livestock on the above described premises and shall further retain the right to pass over, across and through the above described premises in order to obtain access to the adjoining real estate owned by the Lessors, their successors and assigns.

FILE No. 53-204
RECORDING FEE $ 66.00
TRANSFER FEE $

FILED FOR RECORD THE 20 DAY OF July, 19 94 AT 3:13
O'CLOCK P M. BOOK 5 PAGE 30

STATE OF IOWA, DELAWARE COUNTY
Deborah L Peyton, Recorder
Misc.

ARTICLE I
TERM

This lease shall begin the 1st day of May, 1994, and continue for ninety-nine (99) years thereafter unless sooner terminated as herein provided. Possession hereof shall be given simultaneously with the execution of this lease.

ARTICLE II
TITLE AND SURVEY

(a) The Lessors covenant that they have lawful title to said premises, free and clear of all liens, mortgages and encumbrances and have full authority to make this lease on the terms herein set forth.

(b) Lessee will, at his own expense, obtain a Survey and Plat of the leased premises as may be required to facilitate this lease.

ARTICLE III
RENTAL

The Lessee hereby covenants with the Lessors that he will pay to the Lessors, at such place as the Lessors may designate in writing, an annual rental of $6,000.00, payable in advance on the 1st day of July of each and every year. The first year's rent, in the sum of $6,000.00 shall be paid in advance upon the execution of the lease, receipt of which is herewith acknowledged with the signing of this lease.

ARTICLE IV
LESSOR'S LIEN FOR RENT

The Lessors shall have a Landlord's lien as provided by statute if Lessee at any time fails to pay any obligations due pursuant to this lease agreement.

ARTICLE V
TAXES

All real estate taxes levied or assessed by lawful taxing authorities against said real estate shall be timely paid by the Lessors, provided however, that any increase in such taxes exceeding the amount paid during the base fiscal year of 1992-1993

shall be paid by the Lessee. Any increase in such real estate taxes caused by improvements by the Lessee shall be paid by the Lessee.

The Lessors shall pay any and all such real estate taxes levied against the premises before they become delinquent and shall notify the Lessee of his portion of the real estate taxes to be paid on the premises. Lessee shall pay said taxes within thirty (30) days of notice from the Lessors of the amount of any such tax.

Any and all personal property taxes levied against the premises shall be paid in full by the Lessee.

ARTICLE VI
GRAZING RIGHTS/FENCED AREAS

Lessee reserves the right to fence certain areas for the protection of buildings or improvements on the subject premises whether such improvement currently exists or are constructed in the future, provided however, that such fenced areas shall not exceed five (5) acres.

ARTICLE VII
INSURANCE

Lessee shall maintain insurance on the buildings and improvements as the Lessee determineds necessary in its sole discretion and agrees to name the Lessors as "loss Payee" on said insurance. Lessors may obtain additional insurance if they deem it advisable for their interests.

ARTICLE VIII
USE OF PREMISES

The Lessee covenants and agrees that during the term hereof, he shall use and occupy the leased premises solely for the purpose of the storage, handling, mixing and blending of explosives and blasting supplies and related equipment. The Lessee further covenants and agrees that he shall use the premises and that all explosives, blasting supplies and related equipment shall be handled, stored and transported in accordance with all safety rules and practices in the explosives business and in accordance with all Federal, State and Local regulations. Any material violation of this provision regarding the use of the leased premises shall be deemed a default under the lease and the Lessors, at their option,

may declare the demised term ended and re-enter the demised premises and retake possession thereof as provided in Article XII of the lease.

ARTICLE IX
ASSIGNMENT

The Lessors and Lessee covenant and agree that this lease shall be freely assignable upon the following terms and conditions:

(a) That the Lessors may be notified in writing of the assignment and the name and address of the assignee, and that such notice to the Lessors from the Lessee must be sent by registered mail, further, that said notice described herein must be received at least five (5) days prior to the execution of any assignment of lease as contemplated herein.

(b) That at the time of the assignment, the lease is in good standing and shall not be in default.

(c) That the original executed assignment shall be filed of record in the Office of the Recorder of Delaware County, Iowa, and that an executed copy thereof shall be delivered to the Lessors within ten (10) days from the recording of the original thereof.

(d) The Lessors agree that upon written request of the Lessee, the Lessors will furnish a written statement to any proposed assignee, setting forth that the lease is or is not in good standing, as the case may be, which written statement will be furnished within five (5) days from such written request, then it shall be presumed that the Lessors will have acknowledged that this lease is at that time in good standing and not in default.

ARTICLE X

LESSORS' INTEREST NOT SUBJECT TO MECHANICS LIENS

It is hereby stipulated and agreed by and between the parties hereto that during the demised term, there shall be no mechanics' liens upon the Lessors' interest in the demised land and in the buildings and improvements located thereon, or against the furnishings which constitute the equipment thereof, arising through the act of the Lessee, or any person claiming under, by or through the Lessee; and that no person who furnishes work, labor, services or materials, to the demised premises, or to the furniture, furnishings, fixtures and equipment thereof, and claiming directly

or indirectly through or under the Lessee, or through or under any act or omission of the Lessee, shall ever become entitled to a lien which is superior in rank and dignity to that of this indenture reserved unto the Lessors upon the lands hereby demised or upon any improvements now or hereafter situate thereon, or upon any insurance policies or insurance money aforesaid, or on account of any labor or materials furnished for any such improvements, or for or on account of any other material or thing whatsoever, and nothing in this indenture shall be construed in such a way as to contradict this provision in this indenture. All persons furnishing any cash labor or material to the Lessee, or to the premises, at Lessee's order, or at the order of any person dealing directly or indirectly with the Lessee, as well as all other persons whomsoever, shall be bound by these provisions and by notice thereof from and after the date of this indenture, and all materialmen, contractors, mechanics and laborers are hereby charged with notice that they must look to the Lessee and the Lessee's interest in all buildings and improvements thereon situate, to secure the payment of any and all bills for work done, or materials furnished or performed during the term hereby granted.

The mere fact of the existence of a mechanics' or materialmen's lien or liens, however, shall not, of itself, operate as a forfeiture or termination of this indenture, provided, the Lessee, within thirty (30) days after the recording of such notice of lien among the records of the Recorder of Delaware County, Iowa, in the event notice of lien is not served upon the Lessee, shall cause the same to be canceled, satisfied and discharged of record. If, however, the Lessee shall dispute the amount or validity of any mechanical or materialmen's lien claimed, or an other claim asserted, and shall, with all due diligence institute or defend an appropriate action or proceeding in a court or courts of competent jurisdiction upon the cause of action and shall, by injunction, due defense of the suit, or otherwise prevent any sale or impairment of the title of the Lessors, and shall prosecute or defend such action or proceeding with reasonable diligence to a final determination, and if such suit or defense shall be instituted within said period of thirty (30) days after the time when said lien shall have been filed, then, in such case, the time reasonably required in the litigation of such cause of action shall be added to the above thirty (30) days after the time when said lien shall have been filed, then, in such case, the time reasonably required in the litigation of such cause of action shall be added to the above thirty (30) days time; provided, however, that in any event it shall be the duty of the Lessee, after contesting such lien, to cause said lien to be canceled, released, extinguished or adjudicated not to exist, or to cause the premises to be released therefrom by the posting of bond or by any other method prescribed by law, at least thirty (30) days before the time when the premises

or any interests therein, or the Lessee's interest therein, might otherwise be offered for sale by reason of the said lien, or any court decree or order arising by reason thereof or in connection with the enforcement of said lien; and promptly upon relieving the premises of such claim, the Lessee shall then have the duty of furnishing the evidence thereof unto the Lessors.

ARTICLE XI
LESSEE TO CARRY LIABILITY INSURANCE

The Lessee covenants and agrees that it will, at all times, and at its own expense, keep the building and improvements situated on the demised premises at any time, and all property which is subject to the Lessors' lien hereunder, during the term of this lease, in good order, condition and repair, and shall, at all times, save and keep the Lessors free and harmless from any and all damage and liability occasioned by the use of the said premises, and shall indemnify and keep harmless the Lessors from and against any loss, cost, damage and expense arising out of and in connection with any accident causing death or injury to any person or property whomsoever or whatsoever and due directly or indirectly to the use or occupancy of said premises; and the Lessee covenants and agrees to provide policies of insurance generally known as public liability and/or owners', landlord and tenant insuring the Lessee and the Lessors against all claims and demands made by any person or persons whatsoever for injuries received in connection with the use of the premises or any improvements thereon, to the extent of not less than $1,000,000.00 to cover the claim or damage from any single or specific cause, by any one person, and to the extent of not less than $5,000,000.00 to cover, in connection with any one particular accident or occurrence, the total aggregate of any claims that may arise or be claimed to have arisen against the Lessors or the Lessee, as aforesaid. Said policies, as aforesaid, shall be taken with insurance companies authorized to do business in the State of Iowa.

ARTICLE XII
DEFAULT CAUSE

If the Lessee should fail to keep and perform any of the terms, covenants, conditions or provisions in this lease contained by the Lessee to be kept and performed, then it shall and may be lawful for the Lessors, at the Lessors' option, to declare said demised term ended and to re-enter upon the demised premises and

the buildings and improvements situated thereon, or any part thereof, and to retake possession of the said leased premises, buildings thereon, and the furniture and equipment contained therein, either with or without process of law, the said Lessee hereby waiving any demand for possession of said premises and any and all buildings and improvements then situated thereon, or the Lessors may have such other remedy as the law and this instrument afford. And the Lessee covenants and agrees that upon termination of the said demised term, at such election of the Lessors, or in any other way, he, the Lessee, will surrender and deliver up said premises of the Lessors, or in any other way, he, the Lessee, will surrender and deliver up said premises and property, real and personal, peaceably to the Lessors, their agents and attorneys, immediately upon the termination of the said demised term; and if the Lessee, his agents, attorneys and tenants shall hold the said premises or any part thereof one (1) day after the same should be surrendered according to the terms of this lease, he shall be deemed guilty of forcible detainer of said premises upon the laws of the State of Iowa and he shall be subject to eviction or removal forcibly or otherwise, with or without process of law. Nothing herein contained shall be construed as authorizing the Lessors to declare this lease in default; however, where the default consists in the non-payment of rent or taxes, until such non-payment, in violation of the terms of this lease shall have continued for a period of thirty (30) days beyond the time when such items should have been paid by the Lessee, and where the alleged default consists in some violation other than the non-payment of rent or taxes, Lessors shall not declare this lease in default until such violation shall have continued uncured for fifteen (15) days after the Lessors shall have given the Lessee written notice of such violation, and Lessee shall have failed within said period of notice to cure such default, or shall have commenced or taken such steps as are necessary to cure such default, which once commenced the Lessee agrees and shall pursue continuously until the default is finally cured.

ARTICLE XIII
RELATION THAT OF LANDLORD AND TENANT

Though this be a long term lease, the parties understand and agree that the relationship between them is that of landlord and tenant, and the Lessee specifically acknowledges that all statutory proceedings in the State of Iowa regulating the relationship of landlord and tenant and the remedies accruing to the landlord upon default of the tenant, respecting collection of rent or repossession of the premises accrue to the landlord hereunder.

ARTICLE XIV
EFFECT OF TERMINATION

It is further covenanted and agreed by and between the parties hereto, in the event of the termination of this lease, at any time before the expiration of the term hereof for the breach of any of the covenants herein contained, then, in such case, all of the rights, estate and interest of the Lessee in and under this indenture and in the demised premises hereinabove described, and all improvements, buildings and the Lessee's interest in all furniture, furnishings, fixtures and equipment then situate in said demised premises, together with all rents, issues and profits of said premises and the improvements thereon, whether then accrued or to accrue, and all insurance policies, and all insurance moneys paid or payable thereunder shall, without any compensation made therefor unto the Lessee, at once pass to and become the property of the Lessor, not as a penalty or forfeiture, but as liquidated damages to the Lessors because of such default by the Lessee hereby fixed and agreed upon between the parties hereto, all of the parties hereto recognizing the impossibility of precisely ascertaining the amount of damages that will be sustained by the Lessors in consequence of such default, and all parties desiring to obviate any question or dispute, concerning the amount of such damage and the cost and effect of such default in consequence of such forfeiture, have taken these elements into consideration in fixing and agreeing upon the amount of rent to be paid the Lessee to the Lessors.

ARTICLE XV
LESSORS' ELECTION OF REMEDY NOT EXCLUSIVE

It is mutually covenanted and agreed that the various rights, powers, elections, privileges and remedies of the Lessors contained in this lease shall be construed as cumulative, and no one of them as exclusive of the other, or exclusive of any rights or priorities allowed by law.

And it is further agreed by and between the parties hereto that the right given to the Lessors in this lease to collect the rent that may be due under the terms of this lease by additional rent, money or payments due under the terms of this lease by any proceedings under the same, or the right given to the Lessors to enforce any of the terms and provisions of this lease, shall not in any way affect the right of such Lessors to declare this lease void, and the term created thereby ended, as herein provided, when default is made in the payment of said rent, or when default is made by the Lessee in any of the terms and provisions of this lease.

ARTICLE XVI
LESSEE TO PAY COSTS AND FEES

And it is mutually covenanted and agreed by the parties hereto that in case the Lessors shall without fault on their part, be made parties to any litigation commenced by or against the Lessee, then the Lessee shall pay all costs and reasonable attorneys' fees incurred by or against the Lessors, or in connection with such litigation, and the Lessee shall and will also pay all costs and reasonable attorneys' fees incurred by, or against the said Lessors in enforcing the covenants, agreements, terms and provisions of this lease, and/or terminating this lease by reason of the Lessee's default; and that all such costs and reasonable attorneys' fees, if paid by the Lessors, and the rent reserved in this lease, and all taxes and assessments, and the payment of all money provided in this lease, to be made by the Lessors, shall be, and they are hereby declared to be a first lien upon any building and improvement placed upon said demised premises at any time during said term, subject to the provisions of this lease respecting the existence or creation of liens which are, or will be, prior to the lien for rent.

ARTICLE XVII
HOW NOTICE GIVEN

It is further agreed, as a condition of this lease, that in every case where, in the option of the Lessors, or under the conditions of this lease, it shall be deemed necessary for the interest of the Lessors to serve a notice or demand on the Lessee concerning this lease, or any of the provisions or conditions thereof, it shall be sufficient service of said notice or demand, or declaration to deliver a copy thereof to the Lessee or mail a copy thereof by registered mail, addressed to the Lessee at the demised premises. Correspondingly, the Lessee may serve notice upon the Lessors by delivering or mailing the same to the Lessors at the place last designated by the Lessors as the place for the payment of rent, or, in the absence of such designation, at the last place at which rent was paid to the Lessors, or, if said place was not an actual address, then to the last known address of the Lessors. When the parties hereto consist of more than one Lessee or more than one Lessor, then the default of one shall be the default of all and notice to one shall be notice to all.

ARTICLE XVIII
CONDEMNATION CLAUSE

It is further covenanted and agreed that if at any time during the term of this lease the demised real estate or the improvements or buildings located thereon or any portion thereof be taken or appropriated or condemned by reason of eminent domain, that there shall be such division of the proceeds and awards in such condemnation proceedings and such abatement of rent and other adjustments made as shall be just and equitable under the circumstances. If the Lessors and the Lessee are unable to agree upon what division, annual abatement of rent or other adjustments are just and equitable within thirty (30) days after such award has been made, then the matters in dispute shall, by appropriate proceedings, be submitted to a court then having jurisdiction of the subject matter in Delaware County, Iowa, for its decision and determination of the matters in dispute. Although the title to the buildings and improvements placed by the Lessee upon the demised premises will pass to the Lessors, nevertheless, for the purpose of condemnation, the fact that the Lessee placed such building on the demised premises shall be taken into account and the deprivation by the Lessee of the use of such building shall pro tanto be an item of damage in determining the portion of the condemnation award to which the Lessee is entitled. In general, it is the intent of this paragraph that upon condemnation, the parties hereto shall share in their award to the extent that their interests, respectively, are depreciated, damaged or destroyed by the exercise of the rights of eminent domain, provided, however, it is understood and agreed that the taking of a portion of the demised property for street and/or sidewalk purposes, exclusive of any portion of building, shall not warrant any abatement or entitle the Lessee to any abatement of annual rental hereunder.

ARTICLE XIX
LEASE NOT AFFECTED BY DAMAGE TO PROPERTY

No destruction or damage to any building or improvements by fire, windstorm or other casualty of any kind, character, or nature, shall be deemed to entitle the Lessee to surrender possession of the demised premises or to terminate this lease, or to violate any of its provisions, or to cause any rebate or abatement in rent then due, or thereafter becoming due under the terms hereof.

ARTICLE XX
RETURN OF PREMISES TO LESSORS

The Lessee covenants, stipulates and agrees that upon the termination of this indenture, whether by lapse of time or otherwise, it will, at once, peaceably and quietly deliver up to the Lessors all of the demised premises, including the buildings and improvements situated thereon, and all of the furnishings and equipment thereunto belonging, in as good a state and condition as reasonable use and wear thereof will have permitted, and that all buildings, improvements, fixtures and equipment then situate upon the described premises and belonging to the Lessors, and that no compensation shall be allowed or paid to the Lessee therefor.

ARTICLE XXI
LEASE OF ADDITIONAL PREMISES

Lessors are currently leasing to Bennett Explosives under a Lease dated July 1, 1986, real estate legally described as follows:

> Parcel C of the Plat of Survey of the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) and the Northeast Quarter (NE 1/4) of the Northwest Quarter (NW 1/4), all in Section Eleven (11), Township Eighty Eight (88) North, Range Five (5), West of the Fifth P.M., Delaware County, Iowa, recorded in Book Plats, Page of the records of the Delaware County Recorder.

The real estate encompassed by the Lease to Bennett Explosives, Inc., is for the lease of real estate adjacent to the real estate described in this Lease Agreement. Said Lease has been assigned by Bennett Explosives, Inc. to ETI Explosives Techniology, International, Inc., and which in turn has subleased the premises to Hale Supply Company, an Iowa Corporation, d/b/a Bennett Explosives.

The Lease dated July 1, 1986, to Bennett Explosives, Inc. terminates June 30, 2016. The Lessors, by way of separate agreement have assigned to the Lessees their interest in and to the Lease of Bennett Explosives, Inc.

The parties agree that the real estate described in this Article shall become a part of this Lease for the remainder of the term following the termination of the original Lease with Bennett Explosives, Inc. scheduled to terminate on June 30, 2016.

ARTICLE XXII
MISCELLANEOUS PROVISIONS

(a) It is covenanted and agreed that no waiver of a breach of any of the covenants of this lease contained shall be construed to be a waiver of any succeeding breach of the same covenant.

(b) Time is of the essence in every particular, and particularly where the obligation to pay money is involved.

(c) All arrearages in the payment of rent shall bear interest from the date when due and payable at the rate of 18 per cent per annum, until paid.

(d) It is further understood and agreed that no modification, release, discharge, or waiver of any provisions hereof, shall be of any force, value or effect unless in writing, signed by the Lessors, or their duly authorized agent.

(e) All covenants, promises, conditions, and obligations herein contained, or implied by law, are covenants running with the land and shall be attached to and binding upon the heirs, executors, administrators, successors, legal representatives, and assigns, of each of the parties to this lease.

(f) It is mutually stipulated and agreed by and between the parties hereto that this instrument contains the whole agreement between them as of this date, and that the execution thereof has not been induced by either party by any representations, promises or undertakings whatsoever upon the respective parties in any way touching the subject matter of this contract which are not expressly contained in this instrument.

(g) All uses of pronouns in reference to the Lessors and Lessee respectively, mean such Lessors and Lessee respectively, whether the personal or impersonal singular or plural pronoun is used.

In Witness Whereof, the Lessors and Lessee herein have executed this document this 7 day of July, 1994.

H. B. Bennett

Sara W. Bennett

Lessors

HALE SUPPLY COMPANY

By John Hale

John Hale - President

Lessee

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 7 day of July, A. D. 19 94, before me, the undersigned, a Notary Public in and for said County and State, personally appeared H. B. Bennett and Sara W. Bennett, husband and wife,

to me known to be the identical persons named in and who executed the within and foregoing instrument, **to which this is attached,** and acknowledged that they executed the same as their voluntary act and deed.

Thomas J. Hanson Notary Public in and for said County and State

IOWA STATE BAR ASSOCIATION
Official Form No. 11 (Trade-Mark Registered, State of Iowa, 1967)
Current January, 1981

(Section 558.39, Code of Iowa)

FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF IOWA, DELAWARE COUNTY, ss:

On this 8 day of July, 19 94, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared John Hale and _____, to me personally known, who being by me duly sworn, did say that ~~they are~~ he is the President and _____ respectively, of the corporation executing the within and foregoing instrument **to which this is attached,** that (no seal has been procured by the) (~~the seal affixed thereto is the seal of the~~) corporation; that said instrument was signed ~~(and sealed)~~ on behalf of the corporation by authority of its Board of Directors; and that John Hale and _____ as officers acknowledged the executive of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

Thomas J. Hanson, Notary Public in and for said State.

IOWA STATE BAR ASSOCIATION
Official Form No. 172
Current January, 1986

(Sections 558.38 and 558.39, Code of Iowa)

Acknowledgement: For use in the case of corporations