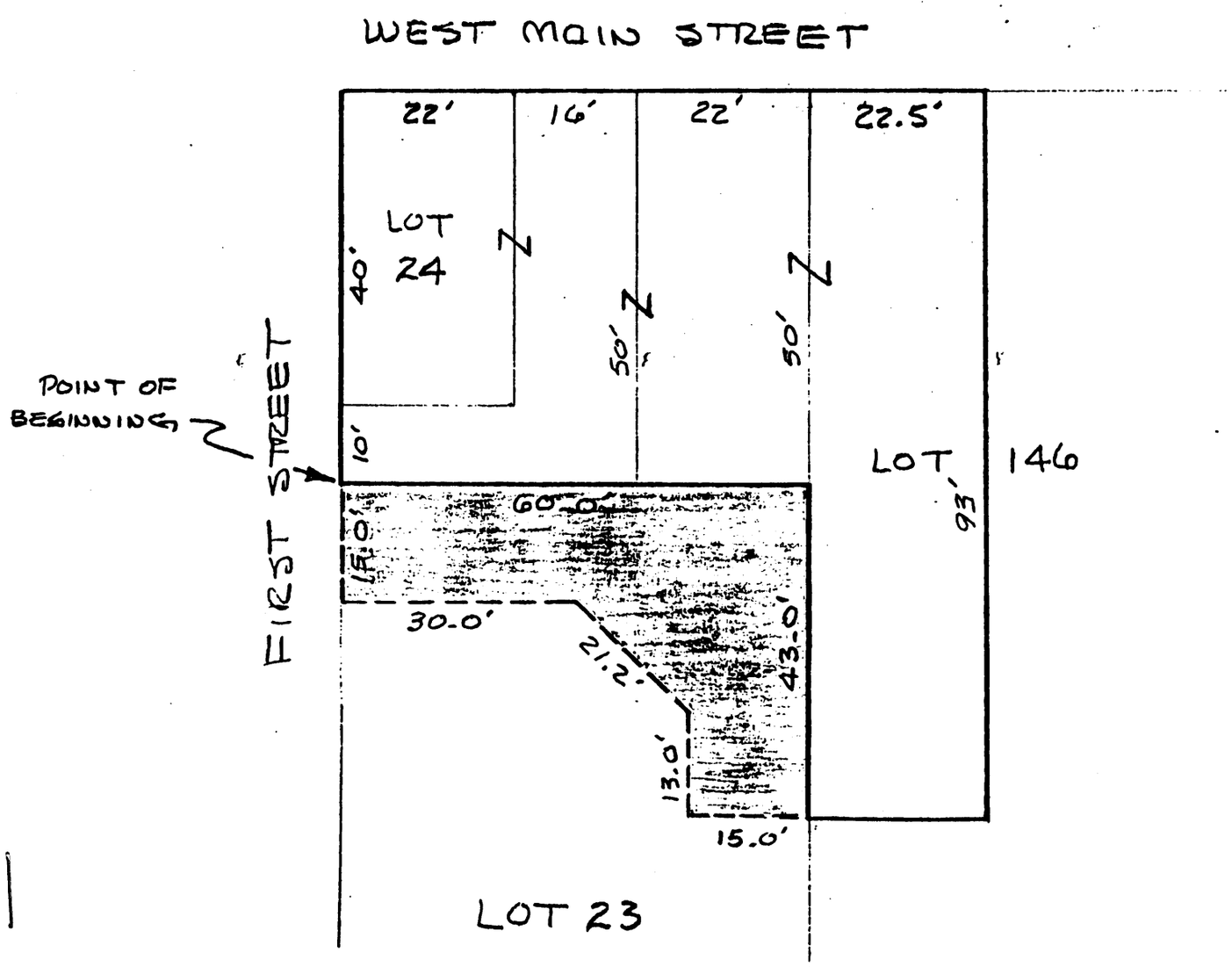
Bill Blakesley
124 W. Main St
Manchester, IA
52057

DELAWARE COUNTY IOWA
FILED
2000 JL 6 AM 9:33
BOOK 200 PAGE 2058
DEBORAH L. PEYTON
DELAWARE CO. RECORDER
16.00

Prepared By: City of Manchester 208 E. Main Manchester, IA 52057 319-927-3636

ATTACHMENT A (See Page 2)

That part of Lot 23 of Ballard's Subdivision of Lots I, M and N, Iowa Land Company's Subdivision, all in the City of Manchester, Delaware County, Iowa described as commencing at the Northwest Corner of Lot 24 of Ballard's Subdivision of Lots I, M, and N, Iowa Land Company's Subdivision of Manchester, Iowa, thence South 50.0 feet to the point of beginning, thence East 60.0 feet, thence South 43.0 feet, thence West 15.0 feet, thence North 13.0 feet, thence North 45°-00' West 21.2 feet, thence West 30.0 feet, thence North 15.0 feet to the point of beginning, said parcel containing approximately 0.033 acres.



LEASE OF LAND FOR DRIVEWAY PURPOSE

THIS AGREEMENT, made this 5th day of June, 2000, between the City of Manchester, Iowa, hereinafter referred to as "Lessor", and William Blakesley (The Medicine Shop), hereinafter referred to as "Lessee", hereby enter into the lease of real estate set forth below pursuant to the terms and conditions herein:

WHEREAS, Lessors have title to the real estate located in the City of Manchester, Delaware County, Iowa, described as follows:

(See Attachment A)

WHEREAS, Lessee has obtained an interest in real estate adjacent to the above-described property;

WHEREAS, the City Council for the City of Manchester, Iowa, has determined that the lease of the above-described premises to Lessee is in the interest of development of the downtown area for retail purposes.

NOW, THEREFORE, the parties agree as follows:

LEASED PREMISES

Lessor, in consideration of the rent to be paid and the covenants to be performed by Lessee, does hereby demise and lease unto the Lessee, and Lessee hereby rents from Lessor, the above-described property.

LESSEE'S COVENANTS

The Lessee hereby agrees:

1. To pay rent as provided herein.
2. Not to use said land except as a driveway or for the purposes of allowing the public to gain access to the property leased by The Medicine Shop as a retail establishment.
3. At the end or sooner termination of the term of this lease, to peaceably deliver up the land to the Lessor.
4. Not to make any alterations, changes or additions to the above-described premises without prior written consent by the City of Manchester, Iowa. It is expressly agreed that the Lessee shall not be entitled to construct any structure of any kind on the above-described premises during the term of this lease.

LESSOR'S COVENANTS

Lessor agrees:

1. That the Lessee, upon paying rent and performing the covenants contained herein, shall peacefully and quietly enjoy the said land and shall not be disturbed by any act of the Lessor or any person claiming under it.

MAINTENANCE OF DEMISES PREMISES

It is understood and agreed by the parties that Lessee shall assume and agree to pay for 100 percent of the required maintenance of the asphalt surface, which is on the above-described premises. Maintenance shall include but not be limited to snow removal, repair of damage to the asphalt.

PAYMENT OF RENT

Lessee shall pay rent to Lessor in the amount of $50.00 for each year of the three year Lease which total amount of $150.00 for the three year lease period shall be payable at the signing of this Lease. Such rent shall be made payable to the City of Manchester, Iowa, at City Hall.

INDEMNIFICATION

Lessee states and agrees that it shall hold harmless and indemnify Lessor from and against any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury and/or damage to property arising from or out of the occupancy or use by Lessee of the leased premises or any part thereof or any other part of Lessor's property, occasioned wholly or in part by any act or omission of Lessee, it's agents, contractors or employees.

REAL ESTATE TAXES

Lessee shall pay any and all real estate taxes which accrue to the above described premises during the term of this lease.

INSURANCE

Lessee shall maintain, with respect to the leased premises and the property of which the leased premises are a part, comprehensive public liability insurance in the amount of one million dollars in responsible companies qualified to do business in Iowa and in good standing therein, insuring Lessor as well as Lessee against injury to persons or damage to property as provided. The Lessee shall deposit with the Lessor certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

TERM OF LEASE

The term of this lease shall be for three (3) years, commencing the 1st day of April, 2000, and terminating the 31st day of March 2003. Any renewal or extension of the terms of this lease shall be made in writing following required notice and hearing as provided by law. This lease may further be terminated upon mutual written agreement by both parties.

FILING WITH THE OFFICE OF THE DELAWARE COUNTY RECORDER

The parties hereby understand and agree that it shall be the responsibility of the Lessor that this Lease Agreement shall be placed on file in the office of the Delaware County Recorder and made of public record.

NOTICE

Any notice or demand, which under the terms of this lease or by any statute or ordinance, must or may be given or made by a party hereto, shall be in writing and may be given by certified or registered mail or regular U. S. Mail, sent to the other party at the address of its principal office as set forth below, or to such other address as such party may from time to time designate by written notice.

NO ORAL MODIFICATION

This lease may not be modified except by an instrument in writing, signed by the parties hereto, their heirs, legal representatives, successors or assigns.

CITY OF MANCHESTER, IOWA

BY Milt L. Kramer
Milt L. Kramer, Mayor

ATTEST: Karen K. Cole
Karen K. Cole, City Clerk

THE MEDICINE SHOP

BY
William Blakesley
201 E. Union Street
Manchester, Iowa

Subscribed and sworn to before me by William Blakesley this 6 day of ~~May~~ July, 2000.

Julie A. Swanson, Notary Public in and for the State of Iowa - #224151

STATE OF IOWA)
) SS:
COUNTY OF DELAWARE)

On this 14th day of June, 2000, before me, Julie A. Swanson, a Notary Public in and for the State of Iowa, personally appeared Milt L. Kramer and Karen K. Cole, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Manchester, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of it's City Council, as contained in R-073-2000 adopted by the City Council on the 5th day of June, 2000, and that Milt L. Kramer and Karen K. Cole, acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Julie A. Swanson, Notary Public in and for the State of Iowa - #224151