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DELAWARE COUNTY IOWA
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BOOK 2003 PAGE 478
DEBORAH L. HEILMAN
DELAWARE CO. RECORDER
21.00

Preparer Information: John C. Compton | 116½ W. Mission Box 8 | Strawberry Point | 563-933-4334
(Individual's Name | Street Address | City | Phone)

SPACE ABOVE THIS LINE FOR RECORDER

LEASE-BUSINESS PROPERTY - SHORT FORM

THIS AGREEMENT, made and entered into this 13th day of December, 2002, by and between Thomas M. Bergan and Eileen K. Bergan,

("Landlord"), whose address, for the purpose of this lease, is:
104 So. Locust St.,
(Street and Number)
Edgewood (City) Iowa (State) 52042 (Zip Code),

and TMB, Inc. (d/b/a Edgewood Farm and Home Supply)
("Tenant"), whose address for the purpose of this lease is:
106 W. Union St.
(Street and Number)
Edgewood (City) Iowa (State) 52042 (Zip Code)

The parties agree as follows:

1. **PREMISES AND TERM.** Landlord leases to Tenant the following real estate, situated in Delaware County, Iowa:

The South sixty five (65) feet of Lot Fourteen (14), except the West twenty eight (28) feet of the North eight (8) feet thereof, and the South sixty five (65) feet of the West one-half (W½) of Lot Fifteen (15) and the East one-half (E½) of Lot Fifteen (15), and all of Lot Sixteen (16) of Peter's Addition to Edgewood, Iowa, according to plat recorded in Book 1 Plats, Page 137½; also that part of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of Section Two (2), Township Ninety (90) North, Range Five (5), West of the Fifth P.M. described as commencing at a point one hundred thirty three (133) feet West of the Northeast corner of the West one-half (W½) of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of said Section Two (2), and running thence West thirty two (32) feet, thence South one hundred thirty three (133) feet, thence East thirty two (32) feet, thence North one hundred thirty three (133) feet to the point of beginning.

together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term beginning on the 1st day of December, 2002, and ending on the 30th day of November, 2005 upon the condition that Tenant performs as provided in this lease.

2. **RENT.** Tenant agrees to pay Landlord as rent $ 1,500.00 per month, in advance commencing on the 1st day of December, 2002 and on the 1st day of each month thereafter, during the term of this lease. Rent for any partial month shall be prorated as additional rent. Tenant shall also pay:

all utilities.

All sums shall be paid at the address of Landlord, or at such other place as Landlord may designate in writing. Delinquent payments shall draw interest at 10 % per annum.

3. **POSSESSION.** Tenant shall be entitled to possession on the first day of the lease term, and shall yield possession to Landlord at the termination of this lease. SHOULD LANDLORD BE UNABLE TO GIVE POSSESSION ON SAID DATE, TENANT'S ONLY DAMAGES SHALL BE A PRO RATA ABATEMENT OF RENT.

4. **USE.** Tenant shall use the premises only for
operation of commercial/business and any other lawful use.

5. **CARE AND MAINTENANCE.** (a) Tenant takes the premises as is, except as herein provided.

(b) Landlord shall keep the following in good repair: (strike inapplicable words)(roof) (exterior walls) (foundation) (sewer) (plumbing) (heating) (wiring)(air conditioning)(plate glass)(windows and window glass) (parking area) (driveways) (sidewalks) (exterior decorating) (interior decorating)

Landlord shall not be liable for failure to make any repairs or replacements unless Landlord fails to do so within a reasonable time after written notice from Tenant.

(c) Tenant shall maintain the premises in a reasonable safe, serviceable, clean and presentable condition, and except for the repairs and replacements provided to be made by Landlord in subparagraph (b) above, shall make all repairs, replacements and improvements to the premises, INCLUDING ALL CHANGES, ALTERATIONS OR ADDITIONS ORDERED BY ANY LAWFULLY CONSTITUTED GOVERNMENT AUTHORITY DIRECTLY RELATED TO TENANTS USE OF THE PREMISES. Tenant shall make no structural changes or alterations without the prior written consent of Landlord. Unless otherwise provided, and if the premises included the ground floor, Tenant agrees to remove all snow and ice and other obstructions from the sidewalk on or abutting the premises.

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6. **UTILITIES AND SERVICES.** Tenant shall pay for all utilities and services which may be used on the premises, except the following to be furnished by Landlord:

None

Landlord shall not be liable for damages for failure to perform as herein provided, or for any stoppage for needed repairs or for improvements or arising from causes beyond the control of Landlord, provided Landlord uses reasonable diligence to resume such services.

7. **SURRENDER.** Upon the termination of this lease, Tenant will surrender the premises to Landlord in good and clean condition, except for ordinary wear and tear or damage without fault or liability of Tenant. Continued possession, beyond the term of this Lease and the acceptance of rent by Landlord shall constitute a month-to-month extension of this lease.

8. **ASSIGNMENT AND SUBLETTING.** No assignment or subletting, either voluntary or by operation of law, shall be effective without the prior written consent of Landlord, which consent shall not unreasonably be withheld.

9. **INSURANCE.**

A. PROPERTY INSURANCE. Landlord and Tenant agree to insure their respective real and personal property for the full insurable value. Such insurance shall cover losses included in the Insurance Services Office Broad Form Causes of Loss (formerly fire and extended coverage). To the extent permitted by their policies the Landlord and Tenant waive all rights of recovery against each other.

B. LIABILITY INSURANCE. Tenant shall obtain commercial general liability insurance in the amounts of $ reasonable each occurrence and $ reasonable annual aggregate per location. This policy shall be endorsed to include the Landlord as an additional insured.

10. **LIABILITY FOR DAMAGE.** Each party shall be liable to the other for all damage to the property of the other negligently, recklessly or intentionally caused by that party (or their agents, employees or invitees), except to the extent the loss is insured and subrogation is waived under the owner's policy.

11. **INDEMNITY.** Except for the negligence of Landlord, Tenant will protect, defend, and indemnify Landlord from and against any and all loss, costs, damage and expenses occasioned by, or arising out of, any accident or other occurrence causing or inflicting injury or damage to any person or property, happening or done in, upon or about the premises, or due directly or indirectly to the tenancy, use or occupancy thereof, or any part thereof by Tenant or any person claiming through or under Tenant.

12. **DAMAGE.** In the event of damage to the premises, so that Tenant is unable to conduct business on the premises, this lease may be terminated at the option of either party. Such termination shall be effected by notice of one party to the other within twenty 20 days after such notice; and both parties shall thereafter be released from all future obligations hereunder.

13. **MECHANICS' LIENS.** Neither Tenant, nor anyone claiming by, through, or under Tenant, shall have the right to file any mechanic's lien against the premises. Tenant shall give notice in advance to all contractors and subcontractors who may furnish, or agree to furnish, any material, service or labor for any improvement on the premises.

14. **DEFAULT, NOTICE OF DEFAULT AND REMEDIES.**

EVENTS OF DEFAULT

A. Each of the following shall constitute an event of default by Tenant: (1) Failure to pay rent when due; (2) failure to observe or perform any duties, obligations, agreements, or conditions imposed on Tenant pursuant to the terms of the lease; (3) abandonment of the premises. "Abandonment" means the Tenant has failed to engage in its usual and customary business activities on the premises for more than fifteen (15) consecutive business days; (4) institution of voluntary bankruptcy proceedings by Tenant; institution of involuntary bankruptcy proceedings in which the Tenant thereafter is adjudged a bankruptcy; assignment for the benefit of creditors of the interest of Tenant under this lease agreement; appointment of a receiver for the property or affairs of Tenant, where the receivership is not vacated within ten (10) days after the appointment of the receiver.

NOTICE OF DEFAULT

B. Landlord shall give Tenant a written notice specifying the default and giving the Tenant ten (10) days in which to correct the default. If there is a default (other than for nonpayment of a monetary obligation of Tenant, including rent) that cannot be remedied in ten (10) days by diligent efforts of the Tenant, Tenant shall propose an additional period of time in which to remedy the default. Consent to additional time shall not be unreasonably withheld by Landlord. Landlord shall not be required to give Tenant any more than three notices for the same default within any 365 day period.

REMEDIES

C. In the event Tenant has not remedied a default in a timely manner following a Notice of Default, Landlord may proceed with all available remedies at law or in equity, including but not limited to the following: (1) **Termination.** Landlord may declare this lease to be terminated and shall give Tenant a written notice of such termination. In the event of termination of this lease, Landlord shall be entitled to prove claim for and obtain judgment against Tenant for the balance of the rent agreed to be paid for the term herein provided, plus all expenses of Landlord in regaining possession of the premises and the reletting thereof, including attorney's fees and court costs, crediting against such claim, however, any amount obtained by reason of such reletting; (2) **Forfeiture.** If a default is not remedied in a timely manner, Landlord may then declare this lease to be forfeited and shall give Tenant a written notice of such forfeiture, and may, at the time, give Tenant the notice to quit provided for in Chapter 648 of the Code of Iowa.

15. **SIGNS.** Landlord, during the last ninety 90 days of this lease, shall have the right to maintain on the premises either or both a "For Rent" or "For Sale" sign. Tenant will permit prospective tenants or buyers to enter and examine the premises

16. **NOTICES AND DEMANDS.** All notices shall be given to the parties hereto at the addresses designated unless either party notifies the other, in writing, of a different address. Without prejudice to any other method of notifying a party in writing or making a demand or other communication, such notice shall be considered given under the terms of this lease when it is deposited in the U.S. Mail, registered or certified, properly addressed, return receipt requested, and postage prepaid.

17. **PROVISIONS BINDING.** Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties hereto.

18. **ADDITIONAL PROVISIONS.**

A. Landlord agrees to assignment of lease for security purposes.

LANDLORD _____
Thomas M. Bergan

_____
Eileen K. Bergan

TMB, Inc.

By: _____
TENANT
Thomas M. Bergan
Title: President/Treasurer

By: _____
Eileen K. Bergan
Title: Vice President/Secretary

THE IOWA STATE BAR ASSOCIATION Official Form No. 182	ISBA #	FOR THE LEGAL EFFECT OF THE USE OF THIS FORM, CONSULT YOUR LAWYER

STATE OF Iowa, COUNTY OF Delaware, ss:

On this 13th day of December, 2002, before me, the undersigned, a Notary Public in and for the said State, personally appeared Thomas M. Bergan and Eileen K. Bergan, to me personally known, who being by me duly sworn, did say that they are the President/Treasurer and Vice President/Secretary, 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 the instrument was signed ~~(and sealed)~~ on behalf of the corporation by authority of its Board of Directors; and that Thomas M. Bergan and Eileen K. Bergan as officers acknowledged the execution of the foregoing instrument to be the voluntary act and deed of the corporation, by it and by them voluntarily executed.

BRETT W. NAGEL
Commission Number 136837
My Comm. Exp. 4-21-03

_____, Notary Public in and for said State.

(Section 558.39, Code of Iowa)

STATE OF Iowa, COUNTY OF Delaware, ss:

On this 13th day of December, 2002, before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas M. Bergan and Eileen K. Bergan, to me known to be the ~~person~~ individuals named in and who executed the foregoing instrument, and acknowledged that ~~(he)~~ they executed the same as ~~(his)~~ their voluntary act and deed.

_____

BRETT W. NAGEL
Commission Number 136837
My Comm. Exp. 4-21-03

_____, Notary Public in and for said State.