LEASE—BUSINESS PROPERTY FORM 77 OFFICE SUPPLIES, INC., DES MOINES, IOWA

This Agreement, *Made this* 10 *day of* May *A. D. 19*66, *by and between* Fred Hunter and Ralph Hunter *of the City of* Earlham, *County of* Madison *and State of Iowa, hereafter called "lessor," and* Earlham Pharmacy Company, an Iowa corporation and Kenneth J. Heaberlin, James Sprat *of the same place, hereinafter called "lessee."*

WITNESSETH: That the lessor hereby leases to the lessee the following described premises, situated in the City of Earlham, *County of* Madison, *Iowa, to-wit:*

* John A. Evans, L. J. Krogulski, Charles S. Haigh, Richard Jensen, as Individuals.

Building located on Lots 4 and 5, of the re-subdivision of Lots 6 and 7 in Block 3, of the Origin Town of Earlham

for the term of seven years (with renewal options) *from and after the* 1st *day of* August *A. D. 19*66, *in consideration of the following covenants and agreements made by the lessee to be by lessee kept and performed.*

1. To pay to the lessor or assigns, at lessor's office in the City of Earlham, *Iowa, in lawful money of the United States, for the use of said premises, the* annual *rent of*

Two Thousand Four Hundred Dollars ($2,400.00)

to be paid $200.00 per month *in advance on the* 1st *day of* August, *19*66, *and of each* month *thereafter during the continuance of this lease, with six per cent interest upon all unpaid rent from maturity thereof.*

2. To use said premises for a pharmacy *and for no other purpose.*

3. Not to permit said premises to be used for any unlawful purpose.

4. Not to sell or assign this lease or sublet said premises or any part thereof without the written consent of the lessor or assigns; but in case of the assignment of this lease, lessee shall not be released from personal liability hereon. Consent shall not be unreasonably withhe

5. To accept said premises in their present condition (except such repairs or alterations as are expressly herein provided), and not to permit or allow said premises to be damaged or to depreciate in value and to make all repairs and replace any part of the premises broken, damaged or destroyed during the term of this lease, at lessee's expense. Lessee shall be liable for damage caused by overloading the building or any floor of building.

6. To keep said premises in a clean and presentable condition and not to allow any refuse or debris to accumulate upon said premises or upon the sidewalks, alleys or streets adjoining the same; to remove snow, ice and other obstructions from the sidewalks.

7. To pay for the water, gas, electricity and steam used on said premises to the person, firm or corporation furnishing the same, and to comply with all rules, regulations and requirements of said companies and all laws and ordinances of the above named City relating thereto.

8. To guard and care for all water and steam pipes so as to prevent waste or flooding of said premises, and to be liable to lessor or tenant or occupant of said building or any portion thereof on account of any damage sustained by reason of such neglect or failure to keep said water pipes, steam pipes and appliances in good repair.

9. Lessee shall comply with all ordinances of the above named City, rules and regulations of the Board of Health, and laws of the State of Iowa, relative to the use of said premises, including sidewalks, alleys and streets adjoining the same. Lessee agrees to protect said lessor against any tax, charge or penalty imposed or levied against said premises on account of lessee's failure to comply with the provision thereof, or growing out of the use of said premises by lessee, and to protect said lessor against any and all claims of all persons, growing out of the use of said premises during the term of this lease.

10. Lessee in addition to the landlord's lien given by law, hereby grants to the lessor a lien upon the term of this lease and upon all personal property of the lessee kept and used in or about said leased premises during the term of this lease, whether exempt from execution or not, to secure the payment to the lessor of all amounts, including attorney's fees and costs, which may at any time become due from the lessee hereunder.

11. In case said lessee shall sublet or underlet said premises or any portion thereof, then said lessor shall have a lien upon the term of the lease with said sub-tenant, and shall have the right to collect the rent due or to become due from said sub-tenant or sub-tenants, and this lease shall be of sufficient authority and power for said purpose; and on the failure of said sub--tenant or sub-tenants to pay said rent to said lessor on demand, then said lessor shall have the right to possession of said premises, if lessor so elects, and may resort to an action of forcible entry and detainer for the purpose of securing possession thereof in case lessee or lessee's sub-tenant shall fail or refuse to peaceably surrender possession thereof.

[illegible] or remodeling the building on said premises or any part thereof, or if possession shall be required so as to enable lessor to lease said premises for a term [illegible] Likewise lessee.

13. In the event that the building or buildings on said premises shall be damaged or destroyed by fire or other casualty so as to render the same or any part thereof untenantable then lessor, at his option, shall have the right to cancel this lease.

14. Lessee agrees to pay all sewer rentals or other sewer or sanitary utility charges now imposed or levied, or that may hereafter be imposed or levied against said premises by the above named City, County or State, and in addition thereto all other charges, rates, fees or rentals now imposed or levied, or that may hereafter be imposed or levied against said premises by the legally constituted authorities of the above named City, County or State of Iowa, in connection with the use of the said leased premises or of any public utility connected therewith and to hold lessor harmless from any and all such sewer rentals, or sanitary utility charges, or any other charges, fees or rentals. If lessee shall fail or refuse to pay the same then lessor may pay the same and the amount of any such payment or payments so made shall be forthwith repaid by lessee with interest thereon at the rate of six per cent per annum, and such amount and interest are hereby declared and agreed to be so much additional rent for the premises hereby leased which shall be due and payable by lessee at the next rental day after any such amount shall have been paid by lessor, and lessor shall have a lien for the repayment of said amounts to the same extent as for the rent herein reserved. In making such payment or payments, it shall not be obligatory for lessor to inquire into the validity of any rentals or other charges, rates, fees or levies.

15. Lessor hereby gives notice that no mechanic's lien or any other lien shall in any manner or degree attach to or affect the rights of the lessor in and to said premises including the improvements thereon.

16. The lessee will not permit said premises to be occupied for any business or purpose deemed extra hazardous on account of fire or on any other account, nor commit any act which shall invalidate any policy of insurance on said premises under penalty of forfeiture of this lease and the payment of all damages resulting from such act. Lessee further agrees to comply with recommendations of the Iowa Insurance Service Bureau and to be liable for any increase in insurance rates on said premises and on the building of which said premises are a part resulting from lessee's use of the premises.

17. No statement, representation or promise with reference to this lease or the premises leased or as to any repairs, alterations or improvments and no alteration of the terms of this lease shall be binding unless endorsed hereon in writing or on separate paper attached hereto and signed by lessor and lessee.

18. *Notices given under this lease shall be deemed sufficient and complete if in writing and addressed to the lessee or lessor, as the case may be, at his last known post office address and deposited in the mail, postage prepaid. In the alternative, lessor may serve any such written notice upon lessee by delivery of a copy to lessee, or any sub-tenant or other person in possession of the premises, or if the premises be vacant, by affixing such written notice to any outside door of the building located thereon, or in some conspicuous position on the premises if there be no building thereon. Notice need be given to one individual only if either party so served shall be more than one person.*

19. Lessee agrees not to remove during the term of this lease any of his property kept or used thereon except merchandise used in the course of trade, and said lessee hereby represents that all his property when moved on said premises shall be free and clear of all liens and encumbrances whatsoever.

20. If lessee shall become insolvent or be declared a bankrupt or said premises shall come into the possession of any receiver, assignee or other officer acting under an order of any court, then lessor shall have the right to terminate this lease; and in case said lessor shall not exercise such right, the lessor may accept rent from said receiver trustee, or officer in possession thereof, for the term of aurh occupancy, without impairing or affecting in any way the rights of the lessor against lessee under this lease.

21. Lessee shall not paint signs nor use walls or roof of building for advertising purposes without the consent in writing of lessor and no heavy object shall be placed upon the roof of the building and no part of the roof shall be leased for any purpose whatsoever.

22. No change in or alteration of said building shall be made without the written consent of lessor, and all such alterations, changes or additions, including fixtures attached to said building, shall be the property of lessor and be surrendered with said premises on the termination of this lease.

23. Lessor shall have the right to place and keep and display in visible location a "For Rent" Card on said premises for a period of thirty days prior to the expiration of this lease.

24. Lessor may resort to any remedy at law or in equity in order to enforce any right or the payment or any claim which said lessor may have against said lessee by virtue hereof, and if lessor shall institute any such action, lessee agrees to pay a reasonable attorney's fee which shall be taxed as part of the costs.

25. Lessor or agents at reasonable hours may enter said premises to inspect the same or to show said property to prospective tenants or purchasers or for the purpose of making improvements thereon.

26. Lessor shall not be liable to lessee or any other person on or about said premises for any loss, damage or injury sustained by reason of lessee's failure to keep said premises in good repair or on account of lessee's failure to comply with any and all of the provisions hereof.

27. If lessor is unable to give lessee possession at the beginning of the term hereof, the rent shall be rebated on a pro rata basis until possession can be given, which rebated rent shall be accepted by lessee in full payment of any claim for damages sustained by reason of such delay.

28. Lessor's acceptance from lessee of the keys to said premises on vacation of the same by lessee prior to the expiration of this lease, or the act of the lessor in attempting to procure a tenant, shall not constitute a release of the lessee from further liability hereon, unless said lessor shall have exercised his option to cancel this lease.

29. Failure on the part of the lessee to comply with any of the terms or conditions of lease shall, at the option of the lessor, work a forfeiture of this lease and of all rights of the lessee hereunder, and lessee upon notice of such election, shall within three days thereafter, quit and surrender possession of said premises to said lessor without further notice to quit. Lessor or assigns may recover possession thereof by an action of forcible entry and detainer. The acceptance of partial payment shall not constitute a waiver of the right of lessor to commence said action of forcible entry and detainer during the month on which said partial payments were made.

30. At the expiration of this lease, lessee agrees to surrender possession of said premises to lessor or assigns without further notice to quit, and in as good repair as the same is now or may hereafter be placed.

31. No waiver of the breach of any of the terms or conditions of this lease shall constitute a waiver of any other or succeeding breach of the same or other provision of this lease.

See Addendum

IN WITNESS WHEREOF, the parties hereunto have subscribed their names the day and year first above written.

Earlham Pharmacy Company

By Charles S. Haigh President

By John A. Evans Secretary

LESSEE.

Fred Hunter

Fred Hunter

Ralph Hunter

Ralph Hunter

LESSOR.

Kenneth J Heaberlin

Richard Jensen James A Spratt

L J Krogulski

STATE OF IOWA }
Madison COUNTY } SS.

BE IT REMEMBERED, That on this 10 th day of May A. D., 19 66 before me, the undersigned, a Notary Public in and for Madison County, Iowa personally appeared Fred Hunter and Ralph Hunter each to me personally known to be the identical person s whose name s are subscribed to the foregoing instrument, and each severally acknowledged the execution of the same to be their voluntary act and deed.

WITNESS my hand and official seal the day and year last above written.

Hazel M. Boos

Commission expires July 4, 19 66 Notary Public in and for Madison County, Iowa

STATE OF IOWA }
Polk COUNTY } SS.

BE IT REMEMBERED, That on this 10th day of May A. D., 19 66 before me, the undersigned, a Notary Public in and for Polk County, Iowa personally appeared Charles S. Haigh and John A. Evans, each being to me personally known, who being by me duly sworn did on oath, depose and say that they are the President and Secretary, respectively, of Earlham Pharmacy Company

That the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed by authority of the Board of Directors of said corporation, and the said and acknowledged the execution thereof to be the voluntary act and deed of the said corporation by it voluntarily executed.

William Wimer

Commission expires July 4, 19 66 Notary Public in and for Polk County, Iowa

The undersigned do hereby sell, transfer and assign to all of right, title and interest in and to the within lease, from and after the day of , 19 , on the express condition that by acceptance hereof, the said assumes and agrees to perform all of the terms and conditions of said lease. This or any other future assignment of this lease shall not release any of the parties hereto from any of the obligations of this lease.

Dated this day of , 19

Accepted by

By mutual agreement of parties hereto, the within lease is hereby renewed and extended for from , 19 , to , 19 , upon the same terms and conditions and rental as therein stated.

Dated , 19

No.

LEASE

FILED NO. 1172
BOOK PAGE

1968 AUG 29 AM 10:23

FROM E. WILLEY
COUNTY RECORDER
MADISON COUNTY, IOWA

TO

Begins

Expires

Renewed to

VACATED

ADDENDUM TO LEASE

Addendum to Lease executed by and between Fred Hunter and Ralph Hunter, as lessors, and Earlham Pharmacy Company, as lessee, dated May _____, 1966.

The parties further agree as follows:

1. In the event the lessee shall during the term of this lease well and faithfully perform all the terms and conditions contained in this lease, the lessor hereby grants to the lessee the exclusive right and option to renew the lease for two additional and successive terms of five years each upon the same terms and conditions as herein contained.

To exercise both the first option and the second option, the lessee shall give lessor notice in writing at lease one hundred eighty(180) days prior to the expiration of the original term and the first option period, as the case may be.

2. It is understood that at the time of the execution of the lease construction of the building upon the premises has not begun but that the parties are agreed as to the general type and size of the building and are agreed as to the other specifications which shall include, but are not limited to the following:

(a) the building shall be air conditioned;

(b) there shall be a partition across the rear creating a ten foot wide rear room;

(c) the front shall be suitable and attractive for a pharmacy;

(d) the glass in the front shall be tinted;

(e) that the floor shall be of good quality vinyl tile suitable and attractive for a pharmacy;

(f) that lessees shal provide its own signs and lettering.

3. That the lessee has deposited with the lessors the sum of One Thousand Dollars ($1,000.00) in the form of an earnest money or good faith deposit, mindful of the fact that lessors are going to construct the building on the strength of this lease. Therefore, if for any reason, other than that occassioned by the fault of lessor, the lessees should fail to take possession of the building and to commence performance under the terms of this lease, the One Thousand Dollars ($1,000.00) shall be forfeited and become the property of lessor as liquidated damages and in full satisfaction of any and all claims against the lessee arising out of the breach of any of the terms of the lease. If and when the lessee takes possession of the building and enters upon the performance of this lease, the One Thousand Dollars ($1,000.00) deposit shall be returned by lessor to lessee.

4. Lessor shall pay all real estate taxes and special assessments against the property and shall keep the building insured against loss by fire and similar losses. Lessee shall be responsible for keeping the contents of the building insured against fire and similar losses.

5. If the building is completed prior to August 1, 1966, the lessee shall have the right to occupy same upon completion and lessee shall commence rent payments to lessor as soon as lessee takes possession.