L E A S E A G R E E M E N T

THIS LEASE AGREEMENT made and entered into this 1st day of July, 1976, by and between HUGH WELCH and MARGARET WELCH, Husband and Wife, of Winterset, Iowa, hereinafter called "Landlord", and H. C. JACKSON, of Winterset, Iowa, hereinafter called "Tenant", WITNESSETH:

1. PREMISES AND TERM.

The Landlord, in consideration of the rents herein reserved and of the agreements and conditions herein contained on the part of the Tenant to be performed, leases unto Tenant and Tenant hereby leases from Landlord, according to the provisions herein, the following described real estate situated in Winterset, Madison County, Iowa, to-wit:

> The first story and basement of the two-story brick building situated on the East 88 feet of the middle one-third and on the West 22 feet of the East 88 feet of the South one-third of Lot Eight (8) in Block Eighteen (18) of the Original Town of Winterset, Iowa, being the same premises occupied by the Jackson Pharmacy,

with the improvements thereon and all rights, easements and appurtenances thereto belonging for a term of fifteen (15) years, commencing on July 1, 1976, and ending on June 30, 1991, upon the condition that the Tenant pays rent therefor and otherwise performs as in this lease provided.

2. RENTAL.

Tenant agrees to pay to Landlord as rent for said premises the sum of One Hundred Fifty Dollars ($150.00) per month in advance, the first rent payment being due on July 1, 1976, and the same amount per month in advance on the first day of each month thereafter during the term of this lease. The monthly rental shall be adjusted on the fifth annual and the tenth annual anniversary dates of the lease, said adjustment to be based upon any advance or decline in the Consumer Price Index as published by the United States Department of Commerce or any successor United States governmental agency publishing said index with the base index to be the one in effect as of July 1, 1976. All rents shall be paid to the Landlord at his residence in Winterset, Iowa.

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3. TERMINATION OF LEASE.

This lease shall terminate upon expiration of the demised term and, since this lease provides in writing for an option for renewal, if such option is exercised by the Tenant then this lease will terminate at the expiration of the option term. Upon default in payment of rent herein or upon any other default by Tenant in accordance with the terms and provisions of this lease, this lease may, at the option of Landlord, be canceled and forfeited provided however, before any such cancellation and forfeiture, the Landlord shall give Tenant a written notice specifying the default or defaults and stating that the lease will be canceled and forfeited ten days (10) after the giving of such notice unless such default or defaults are remedied within such grace period.

4. LANDLORD'S LIEN AND SECURITY INTEREST.

The Landlord shall have, in addition to the lien given by law, a security interest as provided by the Uniform Commercial Code of Iowa, upon all personal property and all substitutions therefor kept and used on the premises by Tenant. Landlord may proceed at law or in equity with any remedy provided by law or by this lease for the recovery of rent, or for termination of this lease because of Tenant's default in its performance.

5. TOTAL DESTRUCTION OF BUSINESS USE.

In the event of destruction or damage of the leased premises so that Tenant is not able to conduct its business on the premises, and which damage cannot be repaired within sixty (60) days, this lease may be terminated at the option of either the Landlord or the Tenant. Such termination in such event shall be effected by written notice of one party to the other twenty (20) days prior to actual date of termination, Tenant paying rent pro-rata to the date of such destruction.

If the premises shall be repairable within sixty (60) days from the happening of said damage and Landlord elects to repair them, the rent shall not accrue while the repairs are being made but shall recommence immediately after such repairs have been completed. In the event said premises shall be

so slightly damaged as not to be rendered unfit for occupancy, then Landlord shall repair the same with reasonable promptitude and the rent accruing or accrued shall not cease or be terminated by reason of said damages.

6. USE OF PREMISES.

Tenant covenants and agrees, during the term of this lease, to use and occupy the leased premises for retail business purposes only and that he will not use the premises for any unlawful purposes.

7. ASSIGNMENT OF LEASE.

Tenant shall have the right to assign this lease to any partnership or corporation of which he is a member or shareholder. Tenant covenants that he will not assign this lease or sublet any of the premises other than as above stipulated without Landlord's written permission which shall not be unreasonably withheld.

8. CARE AND MAINTENANCE OF PREMISES.

Tenant takes said premises in their present condition and shall at its own expense care for and maintain said premises in a reasonably safe and serviceable condition except for structural parts of the building. Tenant will furnish its own interior and exterior decorating and shall have the right to affix signs to the exterior of the building as Tenant may deem necessary for his business purposes. Tenant will not permit or allow said premises to be damaged by any acts of negligence of the Tenant, his agents or employees. Tenant agrees to keep faucets closed so as to prevent waste of water and flooding of premises, and to promptly take care of any leakage or stoppage of any water, gas or waste pipes.

Landlord will keep the roof, structural part of the floor, walls and other structural parts of the building in good repair.

9. UTILITIES.

Landlord shall furnish sufficient heat and water, free of charge, during the term of this lease for Tenant's business purposes.

10. IMPROVEMENTS.

Tenant shall have the right to install light fixtures, floor coverings, subflooring and fixtures of all types and kinds which property shall remain the property of Tenant.

11. AIR CONDITIONING.

Tenant shall not install a water type air conditioner without the written consent of Landlord.

12. ICE AND SNOW REMOVAL.

Tenant agrees to keep the ice and snow removed from the sidewalks immediately adjacent to the premises leased and in all respects to comply with the requirements of all city ordinances in keeping said premises, streets and alleys adjacent thereto free and clear of all filth and obstruction. Landlord agrees to also comply with the requirements of all city ordinances in keeping his adjacent premises free of all filth and obstruction and shall also keep the ice and snow removed from the sidewalks adjacent to the leased premises which he controls.

13. OPTION TO LEASE FOR AN ADDITIONAL TERM.

Landlord hereby grants Tenant the option to lease the premises herein described for a period of fifteen (15) years from the date of the expiration of this lease on the usual terms of a business lease at a rental to be determined based upon any increase or decrease in the Consumer Price Index as hereinbefore described.

14. OPTION TO PURCHASE.

In the event Landlord ever desires to sell the real estate upon which the leased premises are located, he shall first offer the same to Tenant and Tenant shall have the right to purchase said property for a price equal to an amount of the highest and best offer received by Landlord for said premises and upon the same terms and conditions of said highest and best offer. This option to purchase shall be binding upon Landlord, his successors, executors, administrators and assigns.

H. C. Jackson
TENANT

Hugh Welch

Margaret Welch
LANDLORD

STATE OF IOWA :
:ss
COUNTY OF MADISON :

On this 4 day of ~~July~~ August, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared Hugh Welch and Margaret Welch, to me personally known to be the identicals persons named in and who executed the within and foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

Marguerite Powers Deputy
~~Notary Public~~ in and for the State of Iowa
Clerk of Court.

STATE OF IOWA :
:ss
COUNTY OF MADISON :

On this 4th day of ~~July~~ August, 1976, before me, the undersigned, a Notary Public in and for said State, personally appeared H. C. Jackson, to me personally known to be the identical person named in and who executed the within and foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

Shirley A. Webster
Notary Public in and for the State of Iowa
SHIRLEY A. WEBSTER
Notary Public in and for the State of Iowa
My Commission Expires September 30, 1978