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LISA SMITH, COUNTY RECORDER
MADISON COUNTY IOWA

CHEK

LEASE - BUSINESS PROPERTY - SHORT FORM
THE IOWA STATE BAR ASSOCIATION
Official Form No. 165
Recorder's Cover Sheet

Preparer Information: (name, address and phone number)

Mark L. Smith, POB 230, Winterset, IA 50273, Phone: (515) 462-3731

Taxpayer Information: (name and complete address)

Union State Bank

POB 110

Winterset, IA 50273

Return Document To: (name and complete address)

Mark L. Smith

P.O. Box 230

Winterset, IA 50273

Grantors:

Union State Bank

Grantees:

JKA Enterprises, LLC

Legal Description: See Page 2

Document or instrument number of previously recorded documents:

LEASE - BUSINESS PROPERTY - SHORT FORM

THIS LEASE, made and entered into this January 27, 2017, by and between JKA Enterprises, LLC. ("Landlord"), whose address, for the purpose of this lease, is 1602 U.S. Highway 169, Winterset, IA, 50273, and Union State Bank ("Tenant"), whose address for the purpose of this lease is 611 West Highway 92, Winterset, IA, 50273.

The parties agree as follows:

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

The East One-Half (E 1/2) of Lots One (1) and Two (2) in Block Eleven (11) of the Original Town of Winterset, Madison County, Iowa, together with all improvements thereon, and all rights, easements and appurtenances thereto belonging, for a term of seven (7) years from the commencement date, upon the condition that Tenant performs as provided in this lease. See Addendum A for renewal options and renewal notices.

2. **RENT.** Tenant agrees to pay Landlord as rent \$ 6,000.00 per year. First payment shall occur after all three contingencies in Addendum A, Paragraph A(1-3) hereof are deemed by Union State Bank to have been met. All payments thereafter shall be made annually on or before that same date and said date shall be considered the commencement date of this agreement.

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 5 % 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/PURPOSE.** Tenant shall use the premises for a drive-up ATM and all necessary appurtenances thereto; a rough sketch is attached.

5. **CARE AND MAINTENANCE.**

(a) Tenant takes the premises as is, except as herein provided.

(b) 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. Landlord shall make no structural changes or alterations to the leased area without prior written consent of the 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 TENANT'S USE OF THE PREMISES. Tenant shall make no structural changes or alterations without the prior written consent of Landlord, except as it relates to the ATM.

Tenant agrees to remove all snow and ice and other obstructions from the sidewalk on or abutting the premises.

(d) Landlord warrants that the subject property is free from any easement or other impediment that would restrict the use of the property as planned by the Tenant in paragraph 4 hereof.

6. UTILITIES AND SERVICES. Tenant shall pay for all utilities and services which may be used on the premises. 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.

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 special form causes of loss (formerly all risks 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 \$1,000,000 per each occurrence and \$2,000,000 annual aggregate per location. This policy shall be endorsed to include the Landlord as an additional insured, with a copy of such policy provided to Landlord.

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 any 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 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 or sixty (60) business days in the case of equipment malfunction; (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.

D. If the Tenant prevails in any suit against it by the Landlord or is forced to bring legal action to force compliance by Landlord. Tenant shall be entitled to prove its claim and obtain judgment against Landlord for all expenses in defending said litigation or for all expenses and damages related to Landlord's breach, including attorney's fees and court costs.

15. **SIGNS.** Landlord, during the last 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. **CERTIFICATION.** Tenant certifies that it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person" or any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control; and it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation. Tenant hereby agrees to defend, indemnify and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certification.

19. **ADDITIONAL PROVISIONS.** Addendum A is attached hereto and is made a part of this contract. If there is a conflict between a provision in this contract and Addendum A, the language in the addendum controls.

JKA Enterprises, LLC.
by: Joan K. Acala

JKA Enterprises, LLC, LANDLORD

Union State Bank by
Stephen J. Nolan, Pres 1/1/20

Union State Bank, TENANT

ADDENDUM A

- A. This Lease is contingent upon:
1. Union State Bank being allowed by Variance of the Zoning Commission for the City of Winterset to have and operate a drive-thru ATM machine at this location;
 2. Approval by the Iowa Division of Banking; and
 3. Reasonable internet and electrical power accessibility.
- B. This Lease shall be extended for two additional periods of seven years unless written notice to terminate is provided by one Party to the other at least 180 days prior to the Termination Date of this Lease. The Termination Date shall be the last day of the first seven year period that this Lease is effective or the last day of any additional seven year period.
- C. The Commencement Date of this Lease shall be the date the first payment is made.
- D. At the end of this Lease, as may be extended, the Tenant, upon receiving a written request from the Landlord and at Tenant's expense, shall remove the concrete driveway and replace it with gravel. Tenant shall complete this work within 90 days of the termination of this Lease. This provision is null and void if the Landlord terminates the Lease prior to seven years.
- E. Union State Bank will pay the real estate taxes on the property attributable to the incremental increase in property value because of the ATM machine. Landlord will notify Tenant of the increase upon receiving the property tax statement. Subject to mutual agreement of the taxes due, Tenant agrees to pay Landlord for such incremental increase. This will be done by reimbursement by Tenant to Landlord. Tenant's payment may increase annually if there are changes in the property value of the ATM. Landlord shall notify Tenant of all tax changes.
- F. Union State Bank will mow and maintain the premises; including snow removal of the sidewalk on leased property.
- G. Union State Bank is not responsible for watering any trees, maintenance or replacement of any landscaping.
- H. All changes, including landscape and signage, require approval of the Landlord and Tenant, excluding Union State Bank signage on the ATM. Landlord to approve engineering plan for ATM and access drive. The approvals required by this paragraph shall not be unreasonably withheld by the landlord.
- I. All ATM related expenses and utilities attributable to ATM shall be paid by Tenant.
- J. No removal of trees or plantings without Landlord's permission. Any trees that are dead or dying shall either be replaced or removed by Landlord at Landlord's expense.

State of Iowa
County of Madison

On this 27th day of January, 2017, before me, a Notary Public in the State of Iowa, personally appeared Joan K. Acela, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

My Commission Expires: 4-7-18

Erin Walsh

Notary Public in the State of Iowa



State of Iowa
County of Madison

On this 27th day of January, 2017, before me, a Notary Public in the State of Iowa, personally appeared Jeffrey J. Nolan, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

My Commission Expires: 4-7-18

Erin Walsh

Notary Public in the State of Iowa





1' contour intervals
↓ drainage →

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|---------------------------------------------------------------------------------------------------------------|-------|------------|----------|
| Drawn by | JDK | Date | 01/14/16 |
| Job Number | 22012 | Proj. Name | 22012ST |
| 10008 T. Street Omaha, Nebraska 68127 Phone: (402) 342-8000 Fax: (402) 342-8178 www.tmsdesign.com | | | |



UNION STATE BANK
WINTERSET, IA
H9900 KLOCK W/ NCR 6636

PAGE 3 OF 5

PROPOSED SITE #2 (OPTION 2) - NOT TO SCALE