

FILED CUMING CO. NE
INSTRUMENT NUMBER
20111465

2011 OCT -5 PM 12:47

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LEASE AGREEMENT

Preparer Information:

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LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into effective as of the 1st day of October, 2011, even though it may be executed on a different date, and between **R & K PARTNERS, L.L.C.**, a Nebraska limited liability company, (herein the "Landlord") and **ARNOLD MOTOR SUPPLY, L.L.P.**, an Iowa limited liability partnership (herein "Arnold Motor").

WITNESSETH:

The Landlord, for and in consideration of the rent, covenants and agreements hereinafter set forth to be paid, kept and performed by Arnold Motor, hereby demises and leases to Arnold Motor, and Arnold Motor does hereby rent from the Landlord, the premises hereinafter described, for the period, at the rental, and upon the terms and conditions hereinafter set forth:

SECTION 1. LEASED PREMISES. The Landlord leases to Arnold Motor, and Arnold Motor rents from the Landlord, the following described real estate, to-wit:

Lots One (1), Two (2), Three (3) and Four (4), Block Thirteen (13), Original Plat of the City of West Point, Cuming County, Nebraska, (herein the "Real Estate").

The building(s) on the Real Estate, the fixtures on the Real Estate, the improvements on the Real Estate, and the Real Estate are herein collectively referred to as the "Leased Premises". The Leased Premises includes all buildings, fixtures and improvements located on the Real Estate, and all rights, easements and appurtenances thereto.

The Landlord represents and warrants to Arnold Motor that there are full rights of ingress to, and egress from, the Leased Premises to a public road for the use of the customers, suppliers, employees and other patrons of the business to be conducted by Arnold Motor on the Leased Premises; that the Leased Premises, and Arnold Motor's proposed use of the Leased Premises, will be in compliance with all laws, regulations

and ordinances governing the Leased Premises or the use and occupancy thereof; that there are no encroachments onto the Leased Premises or from the Leased Premises; and that there are no other matters which will adversely affect Arnold Motor's use and occupancy of the Leased Premises as an auto parts supply store.

Notwithstanding the foregoing, Arnold Motor and the Landlord agree that the Landlord shall have the right to use the West twenty-two (22) feet of the building located on the Real Estate during the Term of this Lease Agreement. Arnold Motor and the Landlord agree that the Landlord shall have the right of ingress and egress to the West Twenty-two (22) feet of the building from the overhead doors in the building.

SECTION 2. ORIGINAL TERM. The original term of this Lease Agreement will be the period beginning October 1, 2011 and ending September 30, 2016.

SECTION 3. LEASE EXTENSION OPTIONS. The Landlord grants Arnold Motor the right and option to extend the term of this Lease Agreement for the three (3) year period from October 1, 2016 to September 30, 2019, on the same terms, conditions and rental set forth in this Lease Agreement. Arnold Motor may exercise the three (3) year lease extension option by giving the Landlord written notice of Arnold Motor's exercise of this lease extension option prior to September 30, 2016.

In the event Arnold Motor exercises the three (3) year lease extension option, Arnold Motor will have the right to rent the Leased Premises for the period from October 1, 2011 to September 30, 2019, on the terms, conditions and rental set forth in this Lease Agreement.

SECTION 4. RENTAL. The rental payable by Arnold Motor to the Landlord during the initial five (5) year term of this Lease Agreement, and any extension thereof, will be Two Thousand Six Hundred Thirty-three Dollars and Thirty-three Cents (2,633.33) per month, payable in advance, on October 1, 2011, and on the first (1st) day of each month thereafter during the initial term of this Lease Agreement, and on the first

(1st) day of each month during the extended term of this Lease Agreement if the three (3) year lease extension option is exercised by Arnold Motor. The Landlord and the Tenant agree that the monthly rental shall not be considered to be delinquent and in default until ten (10) days after the due date.

SECTION 5. UTILITIES. During the term of this Lease Agreement (and any extension thereof) Arnold Motor agrees to pay for all electricity, telephone, gas, water, sewer and, garbage disposal services furnished to the Leased Premises.

SECTION 6. QUIET ENJOYMENT. The Landlord covenants that its estate in the Leased Premises is in fee simple, and that Arnold Motor, on payment of the rent herein reserved, shall and may peaceably have, hold and enjoy the Leased Premises for the term of this Lease Agreement, and any extension hereof, free from molestation, eviction or disturbance by the Landlord or any other persons or legal entity whatsoever, and that Arnold Motor, or its assignee, shall be allowed to use the Leased Premises for the conduct of an auto parts supply store or any other lawful purpose.

If all or any portion of the Leased Premises are now or hereafter made subject to a mortgage lien, charge or encumbrance, Landlord shall, at its sole cost and expense, and in order of priority, either (a) obtain from the holder of the same a recordable subordination agreement, in a form acceptable to Arnold Motor, which subordination agreement will make said lien, charge or encumbrance subject to and of lower priority than Arnold Motor's leasehold estate in the Leased Premises; or (b) in the event the holder of same declines to subordinate such lien, charge or encumbrance to this Lease, obtain from the holder of said lien, charge or encumbrance an agreement (hereinafter referred to as a "non-disturbance agreement") in recordable form, and in form and content satisfactory to Arnold Motor, providing that the holder of said mortgage lien, charge or encumbrance shall recognize all Arnold Motor's rights, benefits and privileges provided in this Lease and also covenanting that so long as Arnold Motor is not in

default under this Lease Agreement, that Arnold Motor's possession and use of the Leased Premises, and its exercise of rights under this Lease Agreement, shall not be disturbed.

SECTION 7. REAL ESTATE TAXES. Arnold Motor shall pay the regular real estate taxes against the Real Estate which are attributable to the period Arnold Motor has actual possession of the Leased Premises during the term of this Lease Agreement (and any extensions thereof if Arnold Motor exercises its lease extension option). The Landlord shall promptly forward all real estate tax bills and other correspondence relating to the real estate taxes against the Leased Premises to Arnold Motor. The Landlord grants Arnold Motor the right to protest any tax assessment made against the Real Estate. The Landlord agrees that any such protest(s) made by Arnold Motor may be prosecuted by Arnold Motor in the name of the Landlord. All legal costs incurred on behalf of the Landlord in any such protest proceeding(s) shall be paid by Arnold Motor.

SECTION 8. REPAIRS AND MAINTENANCE. During the term of this Lease Agreement (and any extensions thereof) Arnold Motor will pay the first Five Hundred Dollars (\$500.00) per item of the cost of each item of repair necessary to maintain the buildings, fixtures, equipment and improvements on the Leased Premises in good repair and operating condition. During the term of this Lease Agreement (and any extension thereof) the Landlord will pay all costs of each item of repair exceeding a cost of Five Hundred Dollars (\$500.00) per item necessary to maintain the buildings, fixtures, equipment and improvements on the Leased Premises in good repair and operating condition.

SECTION 9. INSURANCE. Arnold Motor will procure and maintain liability insurance in an amount not less than \$1,000,000.00 for any person injured, \$1,000,000.00 for any one (1) accident, and with limits of \$100,000.00 for property damage for any accident causing personal injury or property damage on the Leased Premises during the term of this Lease Agreement (and any extension thereof). Arnold Motor agrees to name

Landlord as an "additional insured" on this insurance policy.

Arnold Motor will also procure and maintain fire and extended coverage insurance for the building, fixtures and improvements located on the Leased Premises for the replacement cost thereof during the term of this Lease Agreement (and any extension thereof). All proceeds received from this policy of fire and extended coverage insurance shall be paid by the insurance company to Arnold Motor and the Landlord and shall be held by Arnold Motor and the Landlord, in trust, to be disbursed pursuant to Section 11 of this Lease Agreement.

SECTION 10. SIGNS. Arnold Motor shall have the right and privilege of attaching, affixing, painting or exhibiting signs on the exterior and the interior of the building on the Leased Premises, subject to city, state and federal regulations.

SECTION 11. DESTRUCTION OF LEASED PREMISES. In the event the Leased Premises are damaged so that Arnold Motor, or its assignee, is not able to conduct normal business operations on the Leased Premises, and such damage cannot be repaired within thirty (30) days from the date of occurrence of such damage, then Arnold Motor shall have the option to terminate this Lease Agreement, and to be released from all future obligations hereunder. In the event this termination option is exercised by Arnold Motor, the portion of the insurance proceeds held pursuant to Section 9 of this Lease Agreement which is attributable to the buildings and fixtures on the Leased Premises shall be disbursed to the Landlord.

In the event Arnold Motor does not exercise the foregoing termination option, then the Landlord shall promptly proceed to rebuild, repair and/or replace the Leased Premises to the same condition that existed prior to the event of damage or destruction with the cost of such renovation, repair and/or rebuilding being to be first paid from the insurance proceeds held by Arnold Motor pursuant to Section 9 of this Lease Agreement.

SECTION 12. CONDEMNATION. If Arnold Motor's operation or use of the Leased Premises is prevented, obstructed, limited or impaired, in whole or in part, by any

act or omission of any governmental authority; or if Arnold Motor's operation or use of the Leased Premises becomes illegal, and such condition continues for thirty (30) days; or, if the Leased Premises is condemned for public or quasi-public use; then Arnold Motor may terminate this Lease, by giving the Landlord thirty (30) days written notice thereof, and if so terminated, Arnold Motor shall be forever fully released from any and all obligations thereafter arising out of, or as a result of, this Lease. In the event Arnold Motor does not exercise its right to terminate this Lease, the rent shall be reduced proportionately for the resulting loss of business sustained by Arnold Motor, or its assignee, as determined by Arnold Motor in its good faith business judgment.

The proceeds of any condemnation award shall be divided between Landlord and Arnold Motor in accordance with the applicable laws of the State of Nebraska and as their respective interests may appear. The interest of Arnold Motor in any such condemnation award shall include, but not be limited to, the award of an amount equal to the unamortized costs of all of Arnold Motor's improvements to the Real Estate; the unamortized costs of all of Arnold Motor's leasehold improvements and fixtures on the Real Estate; any and all relocation, severance and moving costs of Arnold Motor; any and all loss of business and loss of goodwill sustained by Arnold Motor; any and all loss of leasehold value sustained by Arnold Motor; and any and all replacement costs sustained by Arnold Motor related to such acts of condemnation.

SECTION 13. DEFAULT. In the event default shall be made by the Landlord, or Arnold Motor, in the performance of, or compliance with, any of the terms, covenants or conditions of this Lease Agreement, and such default shall have continued for thirty (30) days after written notice thereof from the non-defaulting party to the party in default, then the non-defaulting party, in addition to all other remedies now or hereafter provided by law or equity, may, but need not, perform such term, covenant or condition or make good such default and any amount advanced shall be repaid by the other party forthwith on demand, together with interest at the rate of nine percent (9%) from the date

of each such advance.

In addition to the above the Landlord and Arnold Motor agree that in the event of any default by Landlord in the performance of any of the terms and provisions of this Lease Agreement, which default continues for a period of thirty (30) days after receipt by Landlord of a written notice from Arnold Motor specifying the event of default, then Arnold Motor, at its option, may elect to declare this Lease terminated and void and vacate the Leased Premises within an additional period of thirty (30) days, paying rent only to the date of Arnold Motor's vacation of the Leased Premises.

SECTION 14. RENOVATION OF LEASED PREMISES. During the term of this Lease Agreement, and any extension thereof, Arnold Motor shall have the right and privilege of renovating, remodeling, removing, adding to, or otherwise modifying the Leased Premises and the buildings, fixtures and improvements on the Leased Premises at Arnold Motor's expense. Arnold Motor agrees that all work accomplished by Arnold Motor on the Leased Premises will be done in a good and workmanlike manner.

SECTION 15. HOLD HARMLESS AGREEMENT. The Landlord shall indemnify, defend and hold harmless Arnold Motor from and against all claims, demands, liabilities, damages, losses, costs and expenses (including cleanup or remediation costs, deficiencies, interest, fines, penalties, court costs, and reasonable consultants' and attorneys' fees and disbursements) that Arnold Motor suffers, incurs or may potentially suffer or incur arising out of or related to any conditions existing on, or activities conducted at, the Leased Premises on or before the first day of the term of this Lease Agreement. The foregoing indemnity agreement shall include, but shall not be limited to, all claims, demands, liabilities, damages, losses, costs and expenses unpaid and/or assessed against Arnold Motor arising under any federal, state or local laws, ordinances, rules or regulations, or any common law regarding health, safety or the

environment including, but not limited to, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, or any equivalent state and/or local laws of, and regulations promulgated pursuant thereto.

Arnold Motor will hold Landlord exempt and harmless for and on account of injury or damage to persons or property arising from the use of the Leased Premises by Arnold Motor; or from the failure of Arnold Motor to comply with the terms of this Lease Agreement, unless caused by the negligence of Landlord, Landlord's agents or employees or the failure of Landlord to comply with the terms of this Agreement

SECTION 16. RECORDATION. The parties agree that this Lease Agreement may be recorded by either the Landlord or Arnold Motor with the applicable Cuming County, Nebraska recording office.

SECTION 17. NOTICES. All notices and other communications required by this Lease Agreement shall be in writing, and shall be considered to have been duly given or served if sent by certified mail, return receipt requested, to the party at its address set forth below, or to such other address as such party may hereafter designate by written notice to the other party.

- A. If to the Landlord to: R & K Partners, L.L.C.
c/o Roger Miserez
1894 H Road
West Point, Nebraska 68788-4504
- B. If to Arnold Motor to: Arnold Motor Supply, L.L.P.
601 First Avenue Southwest
Spencer, Iowa 51301
ATTENTION: Managing Partner.

SECTION 18. BENEFIT. This Lease Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective heirs, beneficiaries, personal

representatives, successors, transferees and assigns.

SECTION 19. ENTIRE AGREEMENT. This Lease Agreement constitutes the entire agreement between the Landlord and Arnold Motor. It may not be changed orally but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

SECTION 20. COUNTERPARTS. This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one (1) and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Agreement the date and year first above written.

LANDLORD:

ARNOLD MOTOR SUPPLY, L.L.P.:

R & K PARTNERS, L.L.C.:

By: Roger Miserez
Roger Miserez, Member and
Manager

By: Dennis Spooner
Dennis Spooner, Managing Partner

By: Keith Batenhorst
Keith Batenhorst, Member and
Manager

STATE OF NEBRASKA, County of Cuming, ss:

On this 24th day of September, 2011, before me, the undersigned, a Notary Public in and for said County and State, personally appeared **Roger Miserez** and **Keith Batenhorst**, to me personally known, who being by me duly sworn did say that they are a Member and Manager of the limited liability company, and that said instrument was signed on behalf of the said limited liability company by authority of its Member and Manager and the said **Roger Miserez** and **Keith Batenhorst** acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company by it voluntarily executed.



Mark Svec
Notary Public in and for said State

STATE OF IOWA, County of Clay, ss:

On this 24 day of September, 2011, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared **Dennis Spooner**, to me personally known, who being by me duly sworn, did say that he is the Managing Partner of the limited liability partnership, executing the within and foregoing instrument, that the instrument was signed on behalf of said limited liability partnership by authority of its partners; and that the said **Dennis Spooner** as Managing Partner acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability partnership, by it and by him voluntarily executed

Gayle M Johnson
Notary Public in and for said State

