

## BUSINESS PROPERTY LEASE

This Business Property Lease (the "Lease") is made and entered into on 1-1, 2020, by and between Lincoln Savings Bank (the "Landlord"), whose address for the purpose of this Lease is 4725 Edgebrook Drive, Waterloo, Iowa 50701, and Anderson Acres Brewing Company, LLC (the "Tenant"), whose address for the purpose of this Lease is 4725 Edgebrook Drive, Waterloo, Iowa 50701.

1. **PREMISES** 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 kept and performed, leases unto the Tenant and Tenant hereby rents and leases from Landlord, the lower level of 3295 University Avenue, Waterloo, Iowa 50701, consisting of \_\_\_\_\_ square feet, more or less (the "Premises").
2. **TERM.** The term shall commence on January 1, 2020 and terminate on the earlier of December 31, 2020 or Tenant's default hereunder.
3. **RENTAL.** As rental for said term, Tenant agrees to pay to Landlord \$3,250.00 a month from January 1, 2020 through June 30, 2020, and \$4,250.00 a month from July 1, 2020 through December 31, 2020, with the first month's rent and the last month's rent payable upon execution of this Lease.
4. **LEASEHOLD IMPROVEMENTS.** Landlord will provide the Premises to the Tenant in an as is condition. At its expense, Tenant may perform other leasehold improvements to the Premises subject to prior approval from the Landlord.
5. **POSSESSION.** Tenant shall be entitled to possession on the first day of the term of this Lease, and shall yield possession to the Landlord at the time and date of the close of this Lease term. Should Landlord be unable to give possession on said date, Tenant's only damages shall be a rebating of the pro rata rental.
6. **USE OF PREMISES.** Tenant covenants and agrees during the term of this Lease to use and to occupy the Premises for brewing operations. Landlord has not reviewed zoning or other applicable legal requirements or limitations imposed by any local, state, or federal governmental authority that may affect Tenant's use of the Premises, and Landlord makes no representation or warranty that the Premises are suitable for Tenant's intended use. Tenant shall conduct its own review of applicable law and shall be solely responsible for meeting all legal requirements, including but not limited to building permits, licensure, or governmental approval.
7. **QUIET ENJOYMENT.** Landlord covenants that its estate in said Premises is fee simple and that the Tenant on paying the rent herein reserved and performing all the agreements by the Tenant to be performed as provided in this Lease, shall and may peaceably have, hold and enjoy the Premises for the term of this Lease free eviction or disturbance by the Landlord or any other persons or legal entity whatsoever. ~~Landlord shall have the right to mortgage all of its right, title, and interest in the Premises at any time without notice, subject to this Lease.~~
8. **CARE AND MAINTENANCE OF PREMISES.** Tenant shall perform its responsibilities of repair and maintenance to the end that the Premises will be kept in a safe and serviceable condition. Tenant shall not allow the Premises to be damaged or depreciated in value by any act, omission, or negligence of itself, its agents or employees.
  - (a) Tenant takes said Premises in their present condition.
  - (b) Landlord shall have the right to approve any contractors hired by Tenant to maintain or repair the Premises and to approve any work done by such contractors, which right shall not be unreasonably exercised.

Tenant shall promptly notify Landlord and its designated service contractors regarding any

defects or problems with plumbing, electrical or ventilation systems. Tenant shall make no structural alterations or improvements without the Landlord's prior written approval of the plans and specifications therefor.

(c) Tenant will make no unlawful use of said Premises. Tenant will not allow trash or debris of any kind to accumulate on said Premises in, on, or about the Premises, and it will remove same from the Premises to the waste container provided by the Landlord. The provisions of this paragraph shall not be construed as creating any duty by Tenant to members of the general public, but only as a duty by Tenant to and for the sole benefit of Landlord.

9. **FACILITY SERVICES.** Tenant, during the term of this Lease, shall pay all charges for electrical and gas utilities and all other utilities or services of whatever kind and nature which may be used in or upon the Premises for the benefit of the Tenant. Tenant shall also pay for use of the internet, cable television and janitor service for the Premises. Landlord shall provide the air conditioning and heating equipment and be responsible for the snow removal, lawn care and landscaping maintenance.

10. **END OF TERM.**

(a) **SURRENDER OF PREMISES.** Tenant agrees that upon the termination of this Lease it will surrender, yield up and deliver the Premises in good and clean condition, except the effects of ordinary wear and tear and depreciation arising from lapse of time.

(b) **REMOVAL OF PROPERTY.** At the expiration of the term of this Lease, Tenant may remove any equipment and trade fixtures which Tenant has installed in the Premises; provided that (i) Tenant repairs any and all damages caused by removal; (ii) Tenant has fully satisfied all obligations of payment to Landlord under this Lease; and (iii) Tenant is not in default under this Lease or any other agreement with Landlord. For purposes of this Lease, sinks, toilets, and other plumbing fixtures do not constitute trade fixtures and shall not be removed by Tenant.

11. **ASSIGNMENT AND SUBLETTING.** Tenant may not assign this Lease or sublet the Premises or any part thereof without the written permission from Landlord.

12. **PROPERTY TAXES.** Landlord shall pay all real estate taxes with respect to the Premises. Tenant shall timely pay all taxes, assessments, or other public charges levied or assessed by lawful authority against its personal property on the Premises during the term of this Lease. Each party reserves the right to protest any assessment of taxes.

13. **INSURANCE.** (a) Tenant will keep the entire property wherein the Premises are located reasonably insured for an amount deemed acceptable to Landlord against hazards and casualties: that is, fire and those items usually covered by extended coverage; and Tenant will procure and deliver to Landlord a certification from the respective insurance companies to that effect. Such insurance shall be made payable to the parties hereto as their interests may appear. To the extent permitted by its policy, Tenant waives all rights of recovery of insurance payments against Landlord.

(b) Tenant further covenants and agrees that it will at its own expense procure and maintain casualty and liability insurance in a responsible company or companies authorized to do business in the State of Iowa, in amounts not less than \$1,000,000 for any one person injured, and \$2,000,000 in the aggregate on an annual basis, and with limits of \$500,000 for property damage. Such insurance shall cover liability arising from Premises operations, independent contractors, personal injury, products, and completed operations and liability assumed under an insured contract, including but not limited to the activities of Tenant, its employees and agents. Certificates or copies of said policies, naming the Landlord as an additional insured, and providing for thirty (30) days' advance notice to the Landlord before cancellation, shall be delivered to the Landlord no later than first day of the Lease term. A renewal certificate shall be provided to Landlord prior to expiration of any policy.

(c) Tenant will not do or omit the doing of any act which would vitiate any insurance, or increase the insurance rates in force upon the real estate improvements on the Premises or upon any personal property of the Tenant upon which the Landlord by law or by the terms of this Lease, has or shall have a lien.

(d) Tenant further agrees to comply with recommendations of Iowa Insurance Services Office and to be liable for and to promptly pay, as if current rental, any increase in insurance rates on said Premises and on the building of which said Premises are a part, due to increased risks or hazards resulting from Tenant's use of the premises otherwise than as herein contemplated and agreed.

(e) Except as expressly stated to the contrary in this Lease, subrogation rights are not waived.

(f) Landlord shall settle and adjust any claim against any insurance company under said policies of insurance for the Premises, and said insurance monies shall be paid to and held by the Landlord to be used in payment for cost of repairs or restoration of damaged building, if the destruction is only partial.

14. **INDEMNITY.** Except as to the sole negligence of the Landlord or its agents in the performance of any obligation of Landlord under this Lease, and to the extent not covered by insurance maintained by Tenant, Tenant will protect, indemnify, and save harmless the Landlord from and against any and all loss, costs, damage, and expenses of any kind whatsoever, including but not limited to attorneys' fees and expenses, occasioned by, or arising out of, any accident or other occurrence causing or inflicting injury and/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 the Tenant or any person claiming through or under the Tenant, including but not limited to suppliers and patrons or Tenant or persons who suffer injury, loss, or damage directly or indirectly by the acts or omissions of such persons. The provisions of this paragraph shall survive the expiration, abandonment, or termination of this Lease.

15. **FIRE AND CASUALTY.** (a) **PARTIAL DESTRUCTION OF PREMISES.** In the event of a partial or total destruction or damage of the Premises which causes a business interference by preventing the conduct of a normal business operation and which is repairable within 60 days after its occurrences, this Lease shall not terminate but the rent for the Premises shall abate during the time of such business interference. In the event of a partial destruction, Landlord shall repair such damages within 60 days of its occurrence unless prevented from doing so by acts of God, government regulations, or other causes beyond Landlord's reasonable control.

(b) **ZONING ORDINANCE** If the zoning ordinance of the municipality in which this property is located makes it impossible for the Landlord, using diligent and timely effort, to obtain necessary permits to repair and/or build so that Tenant is able to conduct its business on the Premises, then such partial destruction shall be treated as a total destruction as described in paragraph 15(c).

(c) **TOTAL DESTRUCTION OF BUSINESS USE.** In the event of a destruction or damage of the Premises including the parking area so that Tenant is not able to conduct its business on the premises or the then current legal use for which the Premises are being used and which damages cannot be repaired within 60 days, this Lease may be terminated at the option of either the Landlord or Tenant. Such termination in such event shall be effected by written notice of one party to the other within 20 days after such destruction. Tenant shall surrender possession within 10 days after such notice issues and each party shall be released from all future obligations and Tenant shall pay rent pro rata only to the date of such destruction. In the event of such termination of this Lease, Landlord at its option, may rebuild or not, at its discretion.

16. **TERMINATION UPON EVENTS OF DEFAULT.** The Landlord shall have the option of terminating this Lease immediately if (i) Tenant fails to make any payment of rental herein by the 10<sup>th</sup> day of the

month; or (ii) Tenant breaches any other terms or provision of this Lease.

17. **SIGNS.** Tenant shall have the right and privilege, at its sole expense of adding Tenant's company name on the signage tombstone, provided only (1) that any and all signs shall comply with the ordinances of Waterloo and with the laws of the State of Iowa; and (2) such signs are consistent with the lettering of other tenants; and (3) such signs shall be subject to the prior written approval of the Landlord.
18. **MECHANIC'S LIENS.** Neither the Tenant nor anyone claiming by, through, or under the Tenant, shall have the right to file or place any mechanic's lien or other lien of any kind or character whatsoever upon said Premises or upon any building or improvement thereon, or upon the leasehold interest of the Tenant therein, and notice is hereby given that no contractor, subcontractor, or anyone else who may furnish any material, service, or labor for any building, improvements, alteration, repairs or any part thereof, shall at any time be or become entitled to any lien thereon, and for the further security of the Landlord, the Tenant covenants and agrees to give actual notice thereof in advance to any and all contractors and subcontractors who may furnish or agree to furnish any such material, service, or labor.
19. **RIGHTS CUMULATIVE.** The various rights, powers, options, elections, and remedies of either party as provided in this Lease shall be construed as cumulative and no one of them as exclusive of the others or exclusive of any rights, remedies, or priorities allowed either party by law, and shall in no way affect or impair the right of either party to pursue any other equitable or legal remedy to which either party may be entitled as long as any default remains in any way unremedied, unsatisfied, or undischarged.
20. **NOTICES AND DEMANDS.** Notices as provided for in this Lease shall be given to the respective parties hereto at the respective addresses designated on page one of this Lease unless either party notifies the other, in writing, of a different address.
21. **BINDING EFFECT.** Each and every covenant and agreement herein contained shall extend to and be binding upon the respective heirs, personal representatives, successors, and assigns of the parties hereto; except that if any part of this Lease is held in joint tenancy, the successor in interest shall be the surviving joint tenant.
22. **CHANGES TO BE IN WRITING.** None of the covenants, provisions, terms, or conditions of this Lease to be kept or performed by Landlord or Tenant shall be in any manner modified, waived, or abandoned, except by a written instrument duly signed by the parties and delivered to the Landlord and Tenant. This Lease contains the entire agreement of the parties and supersedes any and all discussions, negotiations, understandings, or agreements pertaining to the subject matter hereof.
23. **CONSTRUCTION.** Words and phrases herein, including acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine, or neuter, according to the context.
24. **RIGHT OF FIRST REFUSAL.** During the term of this Lease, in the event Landlord enters into a Purchase Agreement ("Purchase Agreement") with another party for the sale and purchase of 3295 University Avenue, Waterloo, Iowa (the "Real Estate"), Landlord shall provide Tenant with an executed copy of the Purchase Agreement and Tenant shall have fifteen (15) days thereafter to advise Landlord in writing if Tenant wishes to purchase the Real Estate upon the same terms and conditions as required by the buyer under the Purchase Agreement, unless otherwise agreed by Landlord.

IN WITNESS WHEREOF, the parties hereto have executed this Business Property Lease by their duly authorized representatives as of the date first written above.

**TENANT:**

ANDERSON ACRES BREWING COMPANY, LLC

By:   
Jordan Davis, Manager

**LANDLORD:**

LINCOLN SAVINGS BANK

By:   
Duane Amhof, 1<sup>st</sup> VP/Regional Lending Manager