

LEASE

This lease made and entered into as of October 29, 2015 between Edwin McIntyre Company, Inc. hereafter referred to as "Landlord", and Fastenal Co., hereinafter referred to as "Tenant".

In consideration of the terms, covenants and conditions herein contained, Landlord and Tenant covenant and agree as follows:

1. Demise. Landlord leases to tenant, and Tenant leases from Landlord, certain premises, described as follows: Warehouse and Office space located at 408 West Front St, Evergreen, AL 36401 and consisting of a total of approximately 4,200 square feet.

2. Term and Renewal. The term of this lease shall be for a period of 3 years, with a Commencement Date of December 1, 2015. Tenant shall pay Landlord as and for rent the sum of \$,1500 per month payable monthly in advance via ACH (direct deposit) commencing on December 1, 2015. The monthly rental shall be binding for the entire term of this lease and shall be prorated for any partial month.

After 3 years, Landlord grants to Tenant an option to renew this lease for a period of 3 years, on the same terms and conditions herein, except Tenant shall pay Landlord the rental sum of \$1,925 per month commencing on December 1, 2018 and continuing until November 30, 2021. Tenant will provide Landlord sixty (60) days advance notice concerning its intention to exercise its option to renew the Lease, under these terms.

2.1 Rental Sales Tax. If state enacts a rental sales tax, Tenant shall be responsible for any sales tax applicable to this Lease, in addition to the rent. Tenant shall pay said sales tax directly to the Landlord for collection on a monthly basis or sooner, if required by law. Landlord shall be solely responsible for collecting any applicable sales tax and timely paying said funds directly to the proper tax authority. Landlord shall maintain accurate records of all sales tax collected and paid. Landlord shall indemnify, hold harmless and defend Tenant from and against any and all claims, levies, taxes, fines, penalties, losses and liability that arise out of or are related to a breach by Landlord of its obligations hereunder.

3. Assignment and Subletting. Tenant will not assign this Lease in whole or in part, or sublet all or any part of the leased premises, without obtaining the written consent of the Landlord, which written consent shall not be unreasonably withheld.

4. Use of Premises by Tenant. Tenant shall use the leased premises for sales and warehousing of fasteners and related products or materials, or any other legal business purpose.

5. Maintenance and Cost of Maintenance of Common Area. Landlord shall, at his sole expense, maintain and repair all common areas, if any, which Tenant is entitled to utilize including, but not limited to parking areas, driveways, sidewalks and landscaped areas.

6. Fixtures and Alterations. Tenant shall not make or cause to be made any alterations, additions or improvements or install or cause to be installed any trade fixtures, exterior signs, floor covering, interior or exterior lighting, plumbing fixtures, shades or awnings or make any changes to the warehouse front without first obtaining Landlord's written approval and consent, which consent Landlord shall not unreasonably withhold. Tenant shall present to Landlord plans and specifications for such work at the time approval is sought. Alterations made by Tenant shall become property of Landlord at the expiration of the term of this lease or any extensions thereof unless Landlord has specifically agreed, in writing, that Tenant may remove any such alterations.

7. Maintenance of Leased Premises. Tenant shall at all times maintain the interior of the leased premises in good condition and repair. Landlord shall be solely responsible for repair and maintenance of the roof, building exterior, heating and air conditioning and all plumbing and electrical needs for the building. If Landlord refuses or neglects to repair property as required hereunder as soon as reasonably possible after written demand, to the reasonable satisfaction of Tenant, Tenant may make such repairs and upon completion thereof, and Landlord shall pay Tenant's costs for making such repairs upon presentation of a bill therefore. Landlord shall at Landlord's sole cost and expense perform semiannual standard maintenance services of heating and air conditioning systems. *Seven hundred* Tenant's maximum responsibility for any repairs or service costs will be limited to a maximum of ~~two hundred~~ and fifty (\$750) dollars during the term of this Lease. Under no circumstances will Tenant be required to replace any existing roof, heating and air conditioning units, plumbing or electrical systems and applicable appendages for the building, except in the event of the gross negligence of Tenant. In the event of gross negligence, Tenant's responsibly will be limited to replacement with equipment or material of like kind, quality and useable life.

8. Insurance. Tenant will insure its contents and leasehold improvements at all times with "All-Risk" coverage for the full replacement value thereof. Tenant will also maintain liability insurance to protect Tenant in an amount of \$1,000,000.00 or more for each occurrence for injuries or damage to property. Landlord will insure the building at all times for fire, extended coverage and additional perils, commonly referred to as "All-Risk" coverage, in an amount equal to the full value of the building, as determined by the Landlord.

9. Waiver of Subrogation. Landlord and Tenant hereby release each other from and waive any claims against each other respecting any property damage to the premises, the building in which the leased premises are located and all personal property located therein to the extent such property damage is required to be insured under the terms of this lease and regardless of the cause of such property damage including negligence. All policies of insurance pertaining to the lease premises and its contents shall be endorsed to provide that the insurance company may not be subrogated with respect to insurance carried by Tenant against Landlord, it being agreed that neither Tenant nor Tenant's insurance company or companies shall have any right of action against Landlord for any loss or damage to Tenant's property in or about the leased premises which loss or damage is in fact covered by insurance carried by Tenant, and that neither Landlord nor Landlord's insurance company or companies shall have any right of recovery against Tenant for any loss or damage to the building, the leased premises, or to Landlord's property in or upon the leased premises, which loss or damage is in fact covered by insurance carried by the Landlord.

10. Mutual Release of Liability. Neither party shall be liable to the other for damage arising out of the occurrence of damage to or destruction of the building or the leased premises, the damage or destruction of the contents thereof by fire or other casualty, or personal injuries, which loss is covered by any insurance policy of either party, and each party does hereby waive all claims against the other for any such damages, whether or not such damage or destruction be the result of negligence on the part of either party, its agents, servants or employees.

11. Utilities and Taxes. Tenant shall be solely responsible for and promptly pay all charges for all utilities used or consumed which are separately metered to the leased premises. In those cases that utilities are not separately metered, Tenant shall pay its proportional share of the monthly charges for shared utilities upon receipt of the invoice from Landlord, which shall include a copy of the original utility invoice and a breakdown evidencing Tenant's proportionate share. Tenant shall also be solely responsible for and promptly pay all personal property taxes, which may be levied or assessed by any lawful authority against any of Tenant's personal property located in the leased premises. Landlord shall be solely responsible for all real estate taxes for the lease premises.

Gas Meter # _____ Payable to: _____
(list name of Utility Co. or Landlord if reimbursed)

Electric Meter # _____ Payable to: _____
(list name of Utility Co. or Landlord if reimbursed)

Water Meter # _____ Payable to: _____
(list name of Utility Co. or Landlord if reimbursed)

12. Certificate of Occupancy/Business License. If required, Landlord shall obtain the required "Certificate of Occupancy" and Tenant will cooperate with Landlord as needed to obtain it. If Tenant must suspend business operations as a result of Landlord's failure to obtain a required "Certificate of Occupancy", abatement of rent shall occur until the required documentation is obtained and business is permitted to commence or resume. Tenant shall be entitled to all remedies available under the law for damages caused to Tenant resulting from the Landlord's failure to timely comply with requirements of this paragraph.

13. Substantial Damage & Total Destruction of Property. If there shall be total destruction of the leased premises by fire or otherwise, the lease portion of this agreement shall terminate at the option of Tenant, and if Tenant shall so exercise its right to terminate, Landlord shall be liable for reimbursement to Tenant for any rent paid in advance but not yet accrued as of the date of said destruction. If the leased premise is caused to be untenable by acts or omissions of the Landlord, the Tenant may terminate this Lease with ten days prior written Notice to Landlord. In the event that the leased premises is damaged to the point where Tenant is prevented from using more than 25% of the leased premises, and the damaged area cannot be repaired within sixty (60) days from the date of loss, then Tenant may terminate this lease, with no further obligations, by giving Landlord written notice.

14. Condemnation. If the premises or any part thereof are taken or condemned for a public or quasi-public use, this lease shall, as to the part so taken, terminate as of the date title shall vest in the condemnor, and the rent shall be adjusted accordingly as to the part so taken, or shall cease if the entire premises be so taken. In no event shall any part of any condemnation award belong to the Tenant, but the same shall be the sole, absolute and exclusive property of the Landlord.

15. Default of the Tenant. In the event of any failure by Tenant to pay any rental due hereunder within ten (10) days after the same shall be due, or any failure to perform any other of the terms, conditions or covenants or this lease to be observed, or performed by Tenant for more than thirty (30) days after written notice of such default shall have been given to Tenant (unless such default cannot be cured within said thirty (30) day period and Tenant has commenced to cure such default), then Landlord, besides other rights and remedies it may have, shall have the immediate right of reentry and may remove all persons or property from the leased premises by legal process. Should Landlord at any time terminate this lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach.

16. Right of Entry. Landlord or Landlord's agents shall have the right to enter the leased premises during normal business hours except in the case of emergency to examine the same and show them to prospective purchasers or lessees of the building, and to make such repairs, alterations, improvements or additions as the Landlord may deem desirable so long as said entry does not unreasonably interfere with Tenant's use of the leased premises.

17. Landlord's Covenant. Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the leased premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through, or under the Landlord subject, nevertheless, to the terms and conditions of this lease.

18. Notices. All notices, requests and other communications hereunder shall be in writing and shall be deemed to be duly given if delivered or deposited in the U.S. Mail, first class postage prepaid, or certified, (except for rent payment) to the Landlord as follows:

Name Edwin McIntyre Co, Inc

Contact Name: Marc McIntyre

Address PO Box 28

Phone: 334-488-3500

City Andalusia

Email: edmcco@yahoo.com

State & County _AL___ Covington_

Zip Code __36420__

and to Tenant as follows:

Fastenal Company

Phone: 507-313-7181

Property Administration

Fax: 507-453-8257

P.O. Box 30022

Email:property_admin@fastenal.com

Winona, MN 55987

Each party may, from time to time, designate a different address by notice given in conformity with this paragraph. The date of mailing as indicated by U.S. Postal return receipt shall be the commencement date for calculating any time periods associated with the giving of notice hereunder.

19. **Amendments.** It is acknowledged that the covenants and obligations herein are the full and complete terms of this lease agreement, and no alteration, amendments or changes to such terms shall be binding unless first reduced to writing and executed with the same formality as this agreement. This provision shall not apply to changes of address for forwarding of notice or rental payments.
20. **Headings.** The headings hereof are intended as guides only and shall not be construed as having any legal effect.
21. **Heirs, Successors, and Assigns.** Each and every obligation contained in this lease agreement shall be jointly and severally binding upon the respective parties, their heirs, legal representatives, successors, and assigns.
22. **No Waiver.** Failure of either party to insist on strict performance of the terms of this Agreement, or the waiver of any breach of term or condition of this Agreement by such party, will not be construed as waiving any other terms or conditions that remain or continue under this Agreement, and the Agreement will remain in full force and effect.
23. **Disputes.** In the event of litigation, the prevailing party shall be awarded court costs and reasonable attorneys' fees.
24. **Estoppel – Subordination Agreement.** Lessee covenants and agrees with the Lessor that Lessee shall, if and whenever reasonably required by Lessor and at Lessors expense, consent to and become a party to any instrument relating to this lease which may be required by or on behalf of any purchaser, bank or mortgagee from time to time of the said premises including, but without restricting the generality of the foregoing, an acknowledgement/estoppel certificate confirming the terms of the lease, the date of commencement and termination of the lease, prepaid rents if any, and confirming that all work required to be done under the lease with respect to the demised premises has been performed by the Lessor and that the Lessor is not in default under the terms thereof.
25. **Hazardous Materials.** Lessor shall indemnify, defend and hold Lessee harmless from any claims, judgments, damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims and costs of cleanups) or loss including attorney's fees, consultant fees and expert fees that arise during or after the term of this lease from or in connection with the presence or suspected presence of toxic or hazardous substances in the soil, groundwater, or soil vapor on or under the leased premises, unless the toxic or hazardous substances are present solely as a result of the gross negligence or willful misconduct of Lessee, its officers,

employees or agents. Tenant shall not engage in the mixing, refilling or manufacture of hazardous chemicals in the leased premises.

26. **Compliance With Laws.** Landlord expressly warrants that the leased premises complies with all applicable laws, rules, and regulations, and Landlord shall be solely responsible for any repairs or improvements required to adhere to such laws, rules and regulations. If the Tenant makes improvements or alterations to the leased premises, it shall be the Tenant's responsibility to comply with all applicable laws, rules and regulations regarding such improvements or alterations, at Tenant's sole cost and expense.
27. **Sales Tax Registration.** A copy of Landlord's sales tax registration certificate shall be submitted to Tenant upon signing of Lease. Landlord shall also submit a current copy of Landlord's sales tax registration certificate to Tenant annually. In the event of failure by Landlord to submit a sales tax registration certificate for more than five (5) days after written notice Tenant shall withhold and place into escrow any sales tax due and Landlord shall be assessed a Fifty Dollar and no/100 (50.00) administrative fee per month.
28. **Building Modifications** Refer to Exhibit B.
1. Tenant reserves the right to review and approve blueprints prior to construction.

29. **Other Terms**

Tenant shall pay rent to Landlord via ACH/EFT. A voided check is attached and bank information is as follows:

Bank Name Bank of Evergreen

Bank Address PO Box 270, Evergreen, AL 36401

Account Name Edwin McIntyre Company, Inc.

Account Number 308293

ABA number 062105532

Bank Phone Number 251-578-2250

IN WITNESS WHEREOF, the parties have caused these presents to be executed in duplicate as of the day and year last above written.

LANDLORD: 

DATE: 10-29-15

Printed Name: Marc McIntyre

Landlord Tax ID or SSN: 63-0919861

TENANT: Fastenal Company 

DATE: 10-29-15

Printed Name: Ron Kitcher