DEL. CO. AUDITOR

DELAWARE COUNTY IOWA
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DEBORAH L. PETION
DELAWARE CO RECORDER
N/C

Prepared by: John W. Bernau, Delaware County Attorney, Delaware County Courthouse, 301 East Main Street, Manchester, Iowa 52057; 563-927-3819

VEHICLE LEASE

THIS VEHICLE LEASE ("Lease") is made and effective 8/9/01 (date), by and between Delaware County, Iowa, and the Penn Center.

Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, certain tangible personal property.

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. Lease.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the following described vehicle (the "vehicle"): White 2000 Dodge Ram Wagon, VIN No. 2B5WB3528YK16680Z.

2. Term.

The term of this Lease shall be for a period of three (3) years.

4. Rent and Deposit.

A. The total rent for the vehicle over the term of the lease shall be $1.00. Rent is due at time of the execution of this Lease.

B. No deposit shall be required of the Lessee.

5. Use.

A. Lessee shall use the vehicle in a careful and proper manner and shall comply with and conform to all national, state, municipal and other laws, ordinances, and regulations in any way relating to the possession, use or maintenance of the vehicle.

B. When not in use, the vehicle shall be parked or stored on the premises of the Penn Center located at 2237 245th Street, Delhi, Iowa.

6. Repairs and Maintenance.

A. Lessee, at its own cost and expense, shall keep the vehicle in good repair, condition and working order and shall furnish and/or pay for any and all parts, mechanisms and service required to keep the vehicle in good mechanical working order.

B. Lessee shall keep a maintenance record for the vehicle which shall be turned over to the Lessor upon termination or expiration of this lease.

7. Loss and Damage.

A. Lessee hereby assumes and shall bear the entire risk of loss and damage to the vehicle from any and every cause whatsoever. No loss or damage to the vehicle or any part thereof shall impair any obligation of Lessee under this Lease which shall continue in full force and effect through the term of the Lease.

B. In the event of loss or damage of any kind whatever to the vehicle, Lessee shall, at Lessor's option:

(i) Place the same in good repair, condition and working order; or

(ii) Replace the same with like equipment in good repair, condition and working order; or

(iii) Pay to Lessor the replacement cost of the vehicle.

8. Surrender.

Upon the expiration or earlier termination of this Lease, Lessee shall return the vehicle to Lessor in good repair, condition and working order, ordinary wear and tear resulting from proper use thereof alone, excepted, by delivering the vehicle at Lessee's cost and expense to such place as Lessor shall specify within the city or county in which the same was delivered to Lessee.

9. Insurance.

Lessee shall procure and continuously maintain and pay for:

A. All risk insurance against loss of and damage to the vehicle for not less than the full replacement value of the vehicle, naming Lessor as loss payee, and;

B. Combined public liability and property damage insurance with limits as approved by Lessor, naming Lessor as additionally named insured and a loss payee.

The insurance shall be in such form and with such company or companies as shall be reasonably acceptable to Lessor, shall provide at least thirty (30) days advance written 2 notice to Lessor of any cancellation, change or modification, and shall provide coverage for the protection of Lessee and Lessor without regard to any other coverage carried by Lessee or Lessor protecting against similar risks. Lessee shall provide Lessor with an original policy or certificate evidencing such insurance. Lessee hereby appoints Lessor as Lessee's attorney in fact with power and authority to do all things, including, but not limited to, making claims, receiving payments and endorsing documents, checks or drafts necessary or advisable to secure payments due under any policy of insurance required under this Agreement.

10. Registration Fees and Liens.

Lessee shall keep the vehicle free and clear of all levies, liens and encumbrances. Lessee, or Lessor at Lessee's expense, shall report, pay and discharge when due all license and registration fees.

11. Lessor's Payment.

In case of failure of Lessee to procure or maintain said insurance or to pay fees, assessments, charges and taxes, all as specified in this Lease, Lessor shall have the right, but shall not be obligated, to effect such insurance, or pay said fees, assignments, charges and taxes, as the case may be. In that event, the cost thereof shall be repayable to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequences, including interest at ten percent (10%) per annum, as failure to pay any installment of rent.

12. Indemnity.

Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorney's fees and costs, arising out of, connected with, or resulting from Lessee's use of the vehicle including without limitation the manufacture, selection, delivery, possession, use, operation, or return of the vehicle.

13. Default.

If Lessee fails to observe, keep or perform any provision of this Lease required to be observed, kept or performed by Lessee, Lessor shall have the right to exercise any one or more of the following remedies:

A. To take possession of the vehicle, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession.

B. To terminate this Lease.

C. To pursue any other remedy at law or in equity.

Notwithstanding any repossession or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of the Lessee to be performed under this Lease. All of Lessor's remedies are cumulative, and may be exercised concurrently or separately.

14. Bankruptcy.

Neither this Lease nor any interest therein is assignable or transferrable by operation of law. If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Lessee, or if the Lessee is adjudged insolvent, or if Lessee makes any assignment for the benefit of his creditors, or if a writ of attachment or execution is levied on the vehicle and is not released or satisfied within ten (10) days thereafter, or if a receiver is appointed in any proceeding or action to which the Lessee is a party with authority to take possession or control of the vehicle, Lessor shall have and may exercise any one or more of the remedies as set forth in Section 13 hereof; and this Lease shall, at the option of the Lessor, without notice, immediately terminate and shall not be treated as an asset of Lessee after the exercise of said option.

15. Ownership.

The vehicle is, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

16. Additional Documents.

If Lessor shall so request, Lessee shall execute and deliver to Lessor such documents as Lessor shall deem necessary or desirable for purposes of recording or filing to protect the interest of Lessor in the vehicle.

17. Entire Agreement.

This instrument constitutes the entire agreement between the parties on the subject matter hereof and it shall not be amended, altered or changed except by a further writing signed by the parties hereto.

18. Notices.

Service of all notices under this Agreement shall be sufficient if given personally or mailed certified, return receipt requested, postage prepaid, at the address hereinafter set forth, or to such address as such party may provide in writing from time to time.

If to Lessor: Delaware County Board of Supervisors, Delaware County Courthouse, 301 East Main Street, Manchester, Iowa 52057.

If to Lessee: Penn Center, Inc. 2237 245th St. Delh., Iowa 52223

19. Assignment.

Lessee shall not assign this Lease or its interest in the vehicle without the prior written consent of Lessor.

20. Governing Law.

This Lease shall be construed and enforced according to laws of the State of Iowa.

21. Headings.

Headings used in this Lease are provided for convenience only and shall not be used to construe meaning or intent.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this 20 day of August, 2001.

DELAWARE COUNTY, IOWA

By: Bill Skinner
Bill Skinner, Chairman
Delaware County Board of Supervisors

By: Sharon McCrabb
Sharon McCrabb, Auditor

STATE OF IOWA)
) ss:
DELAWARE COUNTY)

On this 20 day of August, 2001, before me, Carolyn A. Wilson, a Notary Public in and for the State of Iowa, personally appeared Bill Skinner and Sharon McCrabb to me personally known, and who, being by me duly sworn, did say that they are the Chairperson of the Board of Supervisors and County Auditor, respectively, of the County of Delaware, Iowa; that the seal affixed to the foregoing instrument is the county seal of the county and that the instrument was signed and sealed on behalf of the county, by authority of its Board of Supervisors, as contained in Ordinance No. _____ passed (or Resolution adopted) by the Board of Supervisors under Roll Call No. _____ of the Board of Supervisors on the 20 day of August, 2001, and Bill Skinner and Sharon McCrabb acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the county, by it voluntarily executed.

NOTARIAL SEAL IOWA
CAROLYN A. WILSON
Commission Number 167742
My Comm. Exp. 12-17-01

Carolyn A. Wilson
Notary Public, State of Iowa

THE PENN CENTER OR THE ABBE CENTER

By: Diane Brecht RN BSN
_____, Administrator

Subscribed and sworn to before me, a Notary Public, this 10 day of August, 2001.

Sharon McCrabb
Notary Public, State of Iowa

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