Doug Bishop
1764 - 240 +/- St.
Manchester, IA 52057

Book 2005 Page 3245
Document 2005 3245 Type 07 005 Pages 5
Date 9/09/2005 Time 2:04 PM
Rec Amt $27.00

DEBORAH L. PEYTON, RECORDER/REGISTRA
DELAWARE COUNTY IOWA

MEMORANDUM OF LEASE

Recorder's Cover Sheet

Preparer Information:
Thomas J. Hanson, 401 East Main Street, Manchester, Iowa 52057, (563) 927-5920

Taxpayer Information:
Richard D. Bishop
1720 - 240th Street
Manchester, Iowa 52057

Return Address
Thomas J. Hanson
401 East Main Street
Manchester, Iowa 52057

Grantors:
Richard D. Bishop

Grantees:
Douglas R. Bishop and Denise L. Bishop

Legal Description: On Page 4 and 5

Document or instrument number if applicable:

Preparer
Information Thomas J. Hanson, 401 East Main Street, Manchester, (563) 927-5920
Individual's Name Street Address City Phone

Thomas J. Hanson, ISBA # 02110

SPACE ABOVE THIS LINE
FOR RECORDER

MEMORANDUM OF LEASE

This Memorandum of Lease entered into by and between Richard D. Bishop (hereinafter Landlord) and Douglas R. Bishop and Denise L. Bishop, husband and wife (hereinafter Tenants).

WHEREAS, Landlord has leased to Tenants the following described real estate located in Delaware County, Iowa:

See Attached Legal Description

For a term commencing March 1, 2005 and ending February 28, 2010;

AND WHEREAS, as part of said lease agreement the Tenants are granted an option to purchase the herein described real estate under the terms and conditions as set out in said lease.

This Memorandum of Lease is being signed by the parties to memorialize and make of record the right of the Tenants herein to purchase the herein described real estate under the following terms and conditions:

1. The Tenants shall have the right to exercise the option to purchase at any time during the term of the lease.

2. The purchase price for the premises shall be $1,335,000.00, provided however, that the purchase price shall be reduced by $3,000.00 for each year of the lease that the rent is paid in full.

3. The purchase price for the real estate shall be paid by way of a Real Estate Contract over a term of thirty (30) years with annual payments of $3,000.00 plus accrued interest. Interest shall be at the rate of five percent (5%) per annum for the first five years. The Landlord retains the right to increase the interest rate by not more than one percentage point per year after the initial five year term with a maximum interest rate not to exceed eight percent (8%) per annum.

4. The Tenants shall be prohibited from making principal payments in excess of $25,000.00 per year without the written consent of Richard D. Bishop. In addition, if the Tenants exercise the option to purchase, they shall be prohibited from selling any of the herein described real estate to a third party without first offering it the same for sale to Richard D. Bishop at the same price per acre as originally sold under the contract.

5. That all other terms and conditions of the lease of the herein described real estate are contained in the written lease signed by the parties effective March 1, 2005.

Dated this 28th day of July, 2005.

Landlord:

Richard D. Bishop

Tenants:

Douglas R. Bishop

Denise L. Bishop

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 28th day of July, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared, Richard D. Bishop, to me known to be the identical person named in and who executed the foregoing instrument and acknowledged that he executed the same as his voluntary act and deed.

THOMAS J. HANSON
Commission Number 115040
My Commission Expires
September 22, 2007

Notary Public in and for the State of Iowa

STATE OF IOWA, COUNTY OF DELAWARE, ss:

On this 28th day of July, 2005, before me, the undersigned, a Notary Public in and for said State, personally appeared, Douglas R. Bishop and Denise L. Bishop, husband and wife, to me known to be the identical persons named in and who executed the foregoing instrument and acknowledged that they executed the same as their voluntary act and deed.

THOMAS J. HANSON
Commission Number 115040
My Commission Expires
September 22, 2007

Notary Public in and for the State of Iowa

Bishop Legal Description

Parcel #1

The Northeast Quarter (NE¼), and the Northeast Quarter (NE¼) of the Southwest fractional Quarter (SWfr¼), and the North one-half (N½) of the Southeast Quarter (SE¼), and the Southeast Quarter (SE¼) of the Southeast Quarter (SE¼), of Section Seven (7), Township Eighty Eight (88) North, Range Five (5), West of the Fifth P.M., except the railroad right-of-way, except that deeded to the State of Iowa by Warranty Deed recorded in Book 88 L.D., Page 329, except the North four hundred fifty three (453) feet of the East three hundred three (303) feet of the Northeast Quarter (NE¼) of the Southeast Quarter (SE¼) of said Section Seven (7), and also except Parcel A located in the NE¼ of Section 7 Twp. 88 North Range 5 West of the 5th P.M. Delaware County, Iowa, according to plat recorded in Book 7 Plats, Page 34.

Parcel #2

An undivided one-half interest in and to the following described real estate:

The SW¼ of Section 8, Township 88 North, Range 5, West of the 5th P.M., subject to highways and easements of record, except that part of said SW¼ described as follows: Commencing at the Southwest corner of said Section 8, thence North 1,915.4 feet along the West line of said Section 8 to the point of beginning, thence North 88°-10' East 461.3 feet, thence North 2°-41' West 197.7 feet, thence South 87°-54' West 211.6 feet, thence North 2°-06' West 224.9 feet, thence North 77°-45' West 237.5 feet, thence South 479.6 feet to the point of beginning, said exception containing approximately 3.44 acres, together with access easement; and further excepting that part of the Northwest Quarter of the Southwest Quarter of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. described as the West 190 feet of the East 2178.7 feet of the South 197.7 feet of the North 708.5 feet thereof.

Parcel #3

The West one-half (W½) of the Southeast Quarter (SE¼) of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. except the Southwest 1.75 acres of said West one-half (W½) of the Southeast Quarter (SE¼) described as follows: Commencing at the Southwest corner of the West one-half (W½) of the Southeast Quarter (SE¼) of Section Eight (8), thence North 284.0 feet, thence East 258.0 feet, thence Southeasterly 284.8 feet to a point 278.9 feet East of said Southwest corner, thence West 278.9 feet to the point of beginning.

Parcel #4

The North one-half (N½) of the Northeast Quarter (NE¼), the Southeast Quarter (SE¼) of the Northeast Quarter (NE¼) and the North one-half (N½) of the Southwest Quarter (SW¼) of the Northeast Quarter (NE¼), all in Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. including Lot One (1) of the Survey and Plat of part of the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. in Delaware County, Iowa, according to plat recorded in Book 6, Page 144 of the records of the Delaware County Recorder, except the following described real estate:

A. Lots Two (2) and Three (3) of the Survey and Plat of part of the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. in Delaware County, Iowa, according to Plat recorded in Book 6, Page 144 of the records of the Delaware County Recorder;

B. Parcel "E" of Plat of Survey, part of the Southeast Quarter (SE¼) of the Northeast Quarter (NE¼) of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. in Delaware County, Iowa, according to plat recorded in Book 1999, Page 1574 of the records of the Delaware County Recorder;

C. Parcel "G" in the Northeast Quarter (NE¼) of the Northeast Quarter (NE¼) of Section Eight (8), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. in Delaware County, Iowa, according to plat recorded in Book 2004, Page 2313 of the records of the Delaware County Recorder.

D. Parcel "F" being part of the Southwest Quarter of the Northeast Quarter (SW¼-NE¼) of Section 8, Township 88 North, Range 5 West of the Fifth Principal Meridian, Delaware County, Iowa, according to plat recorded in Book 2003, Page 5177.

Parcel #5

The Northwest Quarter (NW¼) of the Northwest Quarter (NW¼) (including Parcel A according to plat recorded in Book 7 Plats, Page 40) and the West one-half (W½) of the Northeast Quarter (NE¼) of the Northwest Quarter (NW¼) of Section Sixteen (16), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. except the North one-half (N½) of Parcel A located in the Northwest Quarter (NW¼) of Section Sixteen (16), Township Eighty Eight (88) North, Range Five (5), West of the 5th P.M. in Delaware County, Iowa, according to plat recorded in Book 7 Plats, Page 40 of the records of the Delaware County Recorder.