VEHICLE LEASE AGREEMENT

1. THE PARTIES. This Vehicle Lease Agreement ("Lease") is made on _____, by and between:

Lessor: _____ with a mailing address of _____ ("Lessor"), and

Lessee: _____ with a mailing address of _____ ("Lessee").

For the good and valuable consideration set forth below, Lessor and Lessee agree to the following terms:

2. VEHICLE LEASED. Lessor leases to Lessee the motor vehicle described as follows (the "Vehicle"):

a.) Condition *(check one)*: ☐ - **New** ☐ - **Used**
b.) Year: _____
c.) Make: _____
d.) Model: _____
e.) Body Type: _____
f.) Color: _____
g.) License Plate Number: _____
h.) Vehicle Identification Number (VIN): _____
i.) Odometer Reading at Delivery: _____ miles

3. PAYMENT TERMS. This is a closed-end lease. Lessee shall make _____ monthly payments under the following terms:

a.) Lease Start Date: _____
b.) Scheduled Lease Expiration Date: _____
c.) Original Vehicle Value: $_____
d.) Estimated Vehicle Value: $_____, being the estimated value of the Vehicle at the Scheduled Lease Expiration Date (the "Estimated Vehicle Value")
e.) Monthly Payment: $_____ per month, plus applicable tax
f.) Due Date: The _____ day of each month, with the first payment due on _____

If any monthly payment is more than ten (10) days past due, Lessee shall pay a late charge equal to five percent (5%) of the past-due payment, or the maximum amount permitted by applicable law, whichever is less.

4. SECURITY DEPOSIT. In addition to the rental, Lessee has this day deposited with Lessor a security deposit for the Vehicle in the amount of $_____ (the "Security Deposit"). The Security Deposit shall be held by Lessor as security for the full and faithful performance by Lessee of all the terms, conditions, and provisions of this Lease. The existence of the Security Deposit does not in any way limit or waive any other rights or remedies of Lessor.

5. PURCHASE OPTION. *(check one)*

☐ - **No Purchase Option**. Lessee has no option under this Lease to purchase the Vehicle. Lessee will not acquire any right, title, or interest in the Vehicle other than that of a lessee.

☐ - **Purchase Option**. Lessee has the option to purchase the Vehicle on an "As Is" basis at or before the end of the term of this Lease, for a purchase price as follows:

(1) On scheduled termination: (a) a purchase price equivalent to the Estimated Vehicle Value; plus (b) any official fees or taxes imposed in connection with the purchase of the Vehicle; plus (c) any unpaid monthly payments due to Lessor accrued through the date of termination, late charges, and other amounts arising from Lessee's failure to perform Lessee's obligations under this Lease.

(2) On early termination: (a) a disposition fee equivalent to the difference between the Estimated Vehicle Value and the current value of the Vehicle as determined by Kelley Blue Book; plus (b) a purchase price equivalent to the Estimated Vehicle Value; plus (c) any official fees or taxes imposed in connection with the purchase of the Vehicle; plus (d) any unpaid monthly payments due to Lessor accrued through the date of termination, late charges, and other amounts arising from Lessee's failure to perform Lessee's obligations under this Lease.

6. EXCESS MILEAGE. Lessee agrees that driving the Vehicle more than _____ miles per year, beginning on the date of execution of this Lease, constitutes "excessive use" of the Vehicle under the terms of this Lease. Lessee agrees to pay Lessor an excess mileage charge of _____ cents per mile for each mile driven in excess of that annual limit.

7. CHARGES FOR FINES PAID. Lessee agrees that Lessee is responsible for paying all fines related to the Vehicle during the term of this Lease, and agrees to do so in a timely manner. Lessee acknowledges that Lessor is not responsible for any fines incurred by Lessee. Anytime Lessor pays a fine for which Lessee is liable, Lessee will pay Lessor the amount of the fine and, if permitted by applicable law, a reasonable administrative fee to the extent permitted by said law.

8. RETURNED FUNDS. If any payment Lessee makes to Lessor is unpaid for any reason, Lessee agrees to make a new, viable payment at the earliest possible time, and

to pay Lessor a processing fee of $_____ or a sum equal to the maximum amount permitted by applicable law, whichever is less.

9. INSURANCE. Lessee agrees to be responsible for and maintain the following types and amounts of insurance coverage during the term of this Lease, and in no event less than the minimum coverage required by the law of the state in which the Vehicle is registered:

a.) Comprehensive, including fire and theft insurance, with a maximum deductible of $_____;
b.) Collision, with a maximum deductible of $_____;
c.) Property Damage Liability of $_____ per occurrence; and
d.) Bodily Injury Liability of $_____ per person and $_____ per occurrence.

Lessee shall cause the insurance policy to name Lessor as "loss payee" on coverages (a) and (b) and shall provide Lessor primary coverage as an "additional insured" on coverages (c) and (d). At Lessor's request, Lessee will provide Lessor with proof that the coverages are in effect. Lessee must provide Lessor with at least thirty (30) days' notice of any cancellation, reduction, or other material change in coverage. Lessee appoints Lessor as Lessee's attorney-in-fact to arrange for and procure payment of insurance proceeds directly with each insurance company providing an insurance policy hereunder and to endorse, present, and collect insurance proceeds checks, the appointment being irrevocable and coupled with an interest.

10. VEHICLE OPERATING COSTS AND MAINTENANCE. Lessee will provide and pay for all fuel, oil, anti-freeze and other fluids and all other operating, maintenance, and non-warranty repair expenses arising from the operation of the Vehicle. Lessee agrees to have the Vehicle serviced in accordance with the manufacturer's recommendations, at Lessee's expense, to maintain the Vehicle in good running order and condition, and to have all necessary repairs made.

11. VEHICLE DELIVERY. Lessor agrees to use all reasonable diligence to deliver the Vehicle to Lessee. Provided that Lessor has exercised reasonable diligence in doing so, Lessor will not be liable to Lessee for any failure or delay in making delivery of the Vehicle.

12. VEHICLE RETURN. On Lease termination, whether early or at maturity, Lessee agrees to return the Vehicle at Lessee's expense to the location specified by Lessor. Lessee acknowledges that Lessee has no right to keep the Vehicle beyond Lease maturity unless Lessee enters into a new agreement with Lessor extending the term of or renewing this Lease. Lessee agrees to pay Lessor for damages Lessor suffers due to Lessee's failure to return the Vehicle at the end of the Lease term.

13. EXCESS WEAR AND TEAR. At maturity or early termination of this Lease, Lessee shall pay for all repairs to the Vehicle that are not the result of normal wear and tear or,

on Lessor's request, pay Lessor the amount it would cost for the repairs. These costs include, but are not limited to, the costs necessary to:

(1) Repair: (a) inoperative mechanical parts, including power accessories; (b) dents, scratches, chips, or rusted areas on the body; (c) mismatched paint; (d) cracks, scratches, pits, or chips in the windshield; broken windows or inoperative window mechanisms; broken headlight lenses or sealed beams; (e) bumper dents, scratches, or cuts more than two inches long through the chrome on bumpers; (f) broken grilles or dents in the grilles; (g) single dents or a series of small dents on other trim parts, including headlight and tail light bezels; or (h) seats, seat belts, head lining, door panels, or carpeting that is torn or damaged beyond ordinary wear and tear or is burned.

(2) Replace: (a) any tire not part of a matching set of five (5) tires (or four (4) with an emergency "doughnut" spare) or tires with less than ⅛ inch of tread remaining at the shallowest point. Tires on the Vehicle at Lease maturity or early termination must be comparable in type and quality to the tires furnished with the Vehicle on commencement of this Lease and must constitute a matching set; or (b) missing parts, accessories, and adornments, including bumpers, ornamentation, aerials, hubcaps, chrome stripping, rear view mirrors, radio, and stereo components or spare tire.

14. LIABILITY AT MATURITY. Upon the termination of this Lease, Lessee shall immediately pay to Lessor all past due monthly payments, late charges, and other charges established under this Lease, including, but not limited to, any amounts owed as a result of excess wear and tear, as provided under Section 13, and any excess mileage charge set forth under Section 6.

15. LIABILITY AT EARLY TERMINATION. Lessee may terminate this Lease at any time in accordance with this Section. If Lessee elects to terminate this Lease before the end of its term, Lessee shall: (a) perform all duties and obligations required of Lessee at scheduled lease maturity; (b) pay all liabilities and debts described in Section 14; and (c) pay Lessor an early termination charge of $_____, which Lessor and Lessee agree is a reasonable estimate of the harm Lessor will suffer from early termination and is not a penalty.

16. DEFAULT. Any failure by Lessee to fulfill the obligations or perform any of the terms, conditions, or covenants set forth herein shall constitute a default of this Lease. Lessor, at Lessor's option, may accept from Lessee a reasonable remedy to any such default to bring this Lease back into good standing. Lessor's acceptance of any such remedy from Lessee shall not waive any of Lessor's future rights should Lessee again default. Before exercising any remedy, Lessor shall give Lessee any notice of default and opportunity to cure required by applicable law.

17. SPECIAL LOSS PROTECTION NOTICE. If the Vehicle is stolen (and not recovered) or destroyed and Lessor accepts an insurance settlement, and if Lessee is

in compliance with the insurance requirements hereunder, Lessee's policy fully covers the casualty, Lessee has paid Lessor the deductible required by the policy, and this Lease is not in default, Lessor agrees to accept the insurance loss proceeds in full satisfaction of Lessee's early termination liabilities under this Lease.

18. DAMAGE, LOSS, OR POTENTIAL LOSS OF VEHICLE. Lessee shall be responsible for the risk of loss, damage, or destruction of the Vehicle during this Lease term or until Lessee returns the Vehicle to Lessor. If the Vehicle is damaged or destroyed in an accident or other occurrence or confiscated by any governmental authority, or is stolen, abandoned, or subjected to undue peril, Lessee will immediately notify Lessor of the occurrence or condition and Lessor reserves the right to terminate this Lease. If this Lease is terminated, Lessee's termination liability will be determined on the basis of an early termination.

19. REMOVAL OF VEHICLE FROM STATE. Lessee shall not remove the Vehicle from the United States, nor shall Lessee remove the Vehicle from Lessee's state of residence as provided herein for a period of time or under circumstances that would require Vehicle registration or licensing in any other state without Lessor's prior written agreement. If Lessor agrees to allow the Vehicle to be relocated, Lessee shall pay all costs, fees, taxes, and expenses necessary to title, register, and use the Vehicle in another state.

20. VEHICLE USE. Lessee shall cause the Vehicle to be used solely for lawful purposes and only in compliance with applicable state, federal, and local laws. Except for incidental use by others with Lessee's permission, Lessee agrees to retain possession of the Vehicle. Lessee agrees that the Vehicle will not be used to transport goods or people for hire and that it will not be operated by any person not duly licensed and qualified as an operator. Lessee further agrees that the Vehicle will not be used for any unlawful purpose.

21. VEHICLE MODIFICATION. Lessee agrees to obtain Lessor's written consent prior to making any changes to or installing any equipment on the Vehicle. If any such modifications are made, Lessee must pay to return the Vehicle to its original condition, or pay Lessor for the cost to do so, even if Lessor consented to the modification.

22. WARRANTIES. *(check one)*

☐ - **Manufacturer's Warranty.** The Vehicle is covered by the manufacturer's warranty. Lessor has furnished Lessee with a copy of said warranty and Lessee acknowledges receipt of the same. No additional warranty covers the Vehicle.

☐ - **Lessor's Warranty.** Lessee acknowledges receipt of a separate, written warranty from Lessor and understands that said warranty governs all terms and conditions of the warranty and no additional warranty covers the Vehicle.

☐ - **No Warranty**. No warranty applies to the Vehicle.

LESSEE UNDERSTANDS THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW AND EXCLUDING ANY WARRANTY SPECIFICALLY PROVIDED ABOVE, LESSOR IS NOT OFFERING ANY WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE VEHICLE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY; AND LESSOR MAKES NO CLAIM OR GUARANTEE THAT THE VEHICLE WILL BE FIT FOR ANY PARTICULAR PURPOSE.

23. REQUIRED DOCUMENTATION. Lessee agrees to sign a written statement upon taking possession of the Vehicle regarding the Vehicle's odometer reading. In connection with any transfer of ownership of the Vehicle by Lessor, Lessee shall provide Lessor with a written disclosure of the Vehicle's mileage, unless the Vehicle is exempt from odometer disclosure under federal law. **NOTICE: FEDERAL LAW (49 U.S.C. § 32705; 49 C.F.R. § 580.7) REQUIRES LESSEE TO PROVIDE LESSOR WITH A WRITTEN DISCLOSURE REGARDING THE MILEAGE OF THE VEHICLE. FAILURE TO COMPLETE THE DISCLOSURE OR PROVIDING FALSE INFORMATION MAY RESULT IN FINES AND/OR IMPRISONMENT.** Lessee further agrees to provide or complete any other document requested by Lessor that is necessary to comply with any applicable federal, state, or local law or regulation regarding the Vehicle or this Lease.

24. ASSIGNMENT. Lessor may assign Lessor's interest in this Lease, the Vehicle, and any guaranty of this Lease without Lessee's consent. LESSEE UNDERSTANDS THAT LESSEE HAS NO RIGHT TO ASSIGN, TRANSFER, OR SUBLEASE ANY OF LESSEE'S RIGHTS UNDER THIS LEASE. LESSEE AGREES TO KEEP THE VEHICLE FREE FROM ALL LIENS AND ENCUMBRANCES, EXCEPT THOSE IN LESSOR'S FAVOR.

25. INDEMNITY. Lessee agrees to indemnify Lessor for any amount of loss, liability, or other expense arising from the use, condition, or operation of the Vehicle during the term of this Lease and thereafter, until Lessee returns the Vehicle to Lessor. This indemnity will survive the term of this Lease, covers any claim made against Lessor, and is not affected by Lessee surrendering the Vehicle to Lessor.

26. GOVERNING LAW. This Lease will be governed by the laws of the State of _____.

27. SEVERABILITY. If any portion or provision of this Lease is found to be invalid, illegal, or unenforceable, that portion or provision shall be ineffective only to the extent of the invalidity, illegality, or unenforceability without affecting in any way the remaining portions or provisions of this Lease.

28. NOTICES. Lessee agrees to notify Lessor, in writing, within thirty (30) days of any change in Lessee's address. Unless Lessor has been so notified by Lessee, Lessee agrees that any notices Lessor sends Lessee are sufficient if sent to Lessee's address

as shown on this Lease. Notices provided for under this Lease will be deemed given when mailed to the addresses of Lessee and Lessor as contained in this Lease.

29. ENTIRE AGREEMENT. This Lease sets forth all of the agreements between Lessor and Lessee for the lease of the Vehicle. There is no other written or oral agreement. The only way this Lease can be changed is by a new written agreement signed by both Lessor and Lessee.

30. ADDITIONAL TERMS AND CONDITIONS. Lessor and Lessee agree to the following additional terms and conditions, if any:

SIGNATURES

Lessor's Signature: _____ Date: _____

Print Name: _____

Lessee's Signature: _____ Date: _____

Print Name: _____