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VEHICLE LEASE AGREEMENT

State of Alabama

BACKGROUND:

This Vehicle Lease Agreement (hereinafter the "Agreement") is entered into and made effective as of the date set forth at the end of this document by and between the Lessor, _____, (hereinafter referred to as "Lessor"), of the following address:

_____

and the Lessee, _____ (hereinafter referred to as "Lessee"), of the following address:

_____

The parties agree to the following:

I. *RECITALS.*

WHEREAS, the Lessor is the registered owner of the Vehicle.

WHEREAS, the Lessor wishes to lease the Vehicle to the Lessee on such terms as are set out in this Vehicle Lease Agreement (the "Agreement") and the Lessee wishes to lease the Vehicle from the Lessor on said terms,

WHEREAS, this Agreement is a lease only and the Lessee will have no right, title, or

interest in or to the Vehicle except for the use of the Vehicle as described herein;

WHEREAS, this Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicle,

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

II. *LEASED VEHICLE DESCRIPTION.*

1. The following vehicle (the "Vehicle") is the subject of this Agreement:

Vehicle Age: New

Make: _____

Model: _____

Year: _____

Body Type: _____

Color: _____

Odometer Reading: 2 (two) miles

License Plate: _____

Vehicle Identification Number (VIN): _____

Vehicle's Intended Purpose: Personal

III. *AMOUNT DUE AT LEASE SIGNING.*

2. Lesser and Lessee agree on the following amount due at lease signing, based on these terms:

-- A refundable security deposit shall be paid in the amount of $2 (two US dollars)

-- A down payment shall be made in the amount of $2 (two US dollars)

-- Applicable title, license, and registration fees will be paid in the amount of $2 (two US dollars)

-- Lessor will provide Lessee with GAP Coverage for a fee of $2 (two US dollars)

AMOUNT DUE AT LEASE SIGNING: $8.00

IV. *TRADE-IN ALLOWANCE, DISCOUNTS, AND REBATES.*

3. Lessee will be allowed a net trade-in allowance of $2 (two US dollars)

4. Lessor is offering the following amount in discounts, rebates, and/or incentives: $2 (two US dollars)

V. *LEASE COSTS AND FEES.*

5. The Lessor and Lessee agree to the following terms regarding the total cost of the Lease, excluding any costs for repairing any excess wear and tear of the Vehicle:

a. The full retail cost of the Vehicle is $2 (two US dollars).

b. The Lessor and Lessee have negotiated and agree that the value of the vehicle is $2 (two US dollars).

c. A good faith estimate of the residual value of the Vehicle is $2 (two US dollars).

d. The invoice price of the Vehicle minus any applicable net trade-in allowance, down payment, rebate, non-cash credit, or cash paid (net capitalized cost) is $-4.00 (minus four US dollars)

e. The amortized amount over the term of the Lease is $-6.00 (minus six US dollars).

f. The term of the Lease is for the following number of months: _____ (the "Term").

g. The total base monthly depreciated payment is $_____ (_____).

h. Lessor is charging an interest rate of 100%

VI. *LEASE PAYMENTS.*

6. Lessee shall pay to Lessor annual installments of $2 (two US dollars)

7. The lease payments shall be payable in advance on _____ of each year.

8. Payments may be made in the following acceptable manners:

_____

9. Payments are to be made to the Lessor at the address listed above. The payment address may be changed at the discretion of the Lessor and the Lessee will be informed of such change by written notice.

VII. *SECURITY DEPOSIT.*

10. The Lessee shall pay a security deposit of $2 at the time that this Lease is signed. This deposit will be returned to the Lessee at the termination of the Lease, subject to the option of the Lessor to apply it against Lease charges and damages. Any amount refundable to the Lessee shall be paid at the time this Lease is terminated.

VIII. *LATE PAYMENT FEES.*

11. A late fee of 5% of the overdue payment will be charged on all payments that are paid after the due date.

IX. *MILEAGE LIMIT.*

12. Lessee will be permitted to drive the Vehicle for a maximum of 2 miles per year and will be charged $2 (two US dollars) per extra mile if the Vehicle is driven over the allotted number of miles.

X. *GAP PROTECTION NOTICE.*

13. In the event of theft or damage to the Vehicle that results in a total loss, there may be a gap between the amount due upon early termination and the proceeds of your insurance settlement and deductible.

14. This Lease provides that Lessor will offer gap coverage to Lessee for a fee of $2 (two US dollars).

XI.

XII.

XIII. *END OF TERM LIABILITY.*

15. The residual value of the Vehicle is based on a reasonable, good faith estimate of the value of the Vehicle at the end of the lease term. If the actual value of the vehicle at that time is greater than the residual value, Lessee will have no further liability under this Lease, except for other charges already incurred. If the actual value of the Vehicle is less than the residual value, Lessee will be liable for any difference up to three (3) times the monthly payment. For any differences in excess of that amount, Lessee will only be liable if:

(a). Excessive use or damage representing more than normal wear and use resulting in an unusually low value at the end of the term;

(b). The matter is not otherwise resolved and Lessor wins a lawsuit against Lessee seeking a higher payment;

(c). Lessee voluntarily agrees with Lessor after the end of the lease term to make a higher payment.

16. Should the Lessor bring a lawsuit against the Lessee, the Lessor must prove that the original estimate of the value of the leased property at the end of the lease term was reasonable and was made in good faith. For example, Lessor might prove that the actual was less than the original estimated value, although the original estimate was reasonable, because of an unanticipated decline in value for that type of vehicle. Lessor must also pay for attorney's fees.

17. If Lessee disagrees with the value assigned to the Vehicle, Lessee may obtain, at Lessee's own expense, from an independent third party agreeable to both parties,

a professional appraisal of the value of the leased vehicle which could be realized at sale. The appraisal value shall then be used as the actual value.

XIV. *EARLY TERMINATION DISCLOSURE.*

18. Lessee may have to pay a substantial charge if this Lease is ended early. The charge may be up to several thousand dollars. The actual charge will depend on when the Lease is terminated. The earlier the Lease is ended, the greater this charge is likely to be.

19. Lessor may unilaterally terminate lease early if it is discovered that the leased vehicle is being used for anything other than its agreed upon purpose.

XV. *EXCESSIVE WEAR AND USE.*

20. Lessee may be charged for excessive wear based on Lessor's specifications and generally accepted standards for normal use. Excessive wear and tear includes, but is not limited to: damaged glass, damaged body panels, lights, fenders, paint, dysfunctional accessories, extremely worn tire tread, any damage to the interior, and any mechanical damage that interferes with the safe and lawful operation of the Vehicle.

XVI. *PURCHASE OPTION AT END OF LEASE TERM.*

21. Lessee will have the option to purchase the Vehicle at the end of the Lease term for $2 (two US dollars).

XVII. *NOTICES.*

22. All notices required or permitted under this Lease shall be deemed delivered when delivered in person or by mail, postage prepaid, addressed to the appropriate party at the address shown for that party at the beginning of the Lease.

XVIII. *ASSIGNMENT.*

23. The Lessee shall not assign, transfer, or sublet of any of its obligations, rights, or interests under this Agreement to any third party, whether an associated entity or

not, whether in whole or in part without prior written consent of the Lessor.

XIX. *TERMINATION.*

24. If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement, Lessor may terminate this Agreement upon thirty (30) days written notice and exercise any remedies under applicable law.

XX. *EVENT OF DEFAULT.*

25. The Lessee will be in default if the Lessee fails to make a payment on its prescribed due date, the Lessee has misrepresented personal or financial information, the vehicle is damaged or is beyond repair, the vehicle is not returned at the end of the Lease term, Lessee fails to maintain vehicle insurance as required, or Lessee breaches any other term of this Lease.

XXI. *RETURN OF VEHICLE.*

26. At the end of the Lease the Vehicle may be returned to the care of Lessor. Lessee shall pay any applicable end-of-lease costs.

XXII. *COSTS, EXPENSES, FEES, AND CHARGES.*

27. Lessee agrees to pay all fines, tickets, or penalties incurred in connection with the operation of the vehicle during the term of this Agreement.

XXIII. *MAINTENANCE.*

28. Lessee agrees, at its expense, to maintain the Vehicle in good condition, repair maintenance, and running order and in accordance with all manufacturers and warranty requirements. Lessee shall be responsible for all expenses that shall result as a part of the normal wear and tear of the automobile.

29. Lessee agrees to comply with the Lessor's requirements of maintenance of the Vehicle such as, but not limited to, tire rotation and replacement, replacement of the air filter, replacements of hoses, clamps, belts, spark plugs, and oil changes.

XXIV. *SEVERABILITY.*

30. If a court holds any provision of this Agreement to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect and the Parties will amend this Agreement to give effect to the stricken clause to the maximum extent possible.

XXV. *RISK OF LOSS.*

31. Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to, or destruction of the Vehicle from any cause whatsoever. In the event of such occurrence to Vehicle, Lessee shall give Lessor prompt notice of the occurrence and thereafter will place the Vehicle in good repair, condition, and working order.

XXVI. *LIMITATIONS, ACCEPTABLE DRIVERS, AND VEHICLE MODIFICATIONS.*

32. The Vehicle is not to be operated by drivers without an appropriate license or those restricted under the insurance policy.

33. Lessee agrees that it will not permit the Vehicle to be located in a state other than the state in which the Vehicle is titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

34. Using the Vehicle on trips of less than sixty (60) days within continental North America is permitted. Any exceptions can only be made upon Lessor's prior written consent.

35. Any modifications or cosmetic additions to the Vehicle are not permitted without the Lessor's prior written consent.

XXVII. *WAIVER.*

36. The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

XXVIII. *WARRANTIES.*

37. The Vehicle herein is in an "as is" condition and Lessor has not made, and does not hereby make, any representation, warranty, or covenant expressed or implied with respect to the condition, quality, durability, capability, or suitability of the Vehicle or against any patent or latent defects therein.

XXIX. *EARLY TERMINATION.*

38. There is no cancellation period before the end of this Lease. This Lease may only be terminated with the Agreement of the Lessor or upon proven and valid legal cause.

XXX. *INSPECTION.*

39. Lessor and Lessee acknowledge that the Vehicle has been inspected and the Lessee accepts the Vehicle as being in good condition, not including manufacturer's defects.

XXXI. *ENTIRE AGREEMENT AND MODIFICATION.*

40. This Lease constitutes the entire agreement between the Parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties.

XXXII. INDEMNIFICATION.

41. Lessee agrees to indemnify and hold harmless the Lessor from any loss and shall keep the Vehicle free from encumbrances, fines, liens, claims, and expenses resulting from the maintenance and use of the Vehicle.

XXXIII. GOVERNING LAW.

42. This Lease shall be construed in accordance with the laws of Alabama.

SIGNATURE OF LESSOR:

By: _____
_____

Date: _____

SIGNATURE OF LESSEE:

By: _____
_____

Date: _____