

VEHICLE LEASE AGREEMENT

This Vehicle Lease Agreement (hereinafter referred to as "Agreement" or "Lease") is entered into by and between the **COUNTY OF GENESEE**, a Michigan municipal Corporation, 1101 Beach St., Flint, MI 48502 ("Lessee"), and **SUSKI CHEVROLET BUICK, INC.** ("Lessor"), 8700 Main St., P.O. Box 326, Birch Run, MI 48415, a corporation organized and existing under the laws of the State of Michigan. Both parties collectively referred to as the "Parties" and separately as the "Party."

The following terms and conditions shall apply for the length of the lease:

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

WHEREAS, the Lessor is desirous of leasing the Vehicle to the Lessee on such terms as are set out in this Agreement and the Lessee is desirous of leasing the Vehicle from the Lessor on said terms,

WHEREAS, this Agreement is a lease-only and Lessee will have no right, title, or interest in or to the Vehicle except for the use of the Vehicle as described in this Agreement,

NOW, THEREFORE, IT IS HEREBY AGREED , for valid consideration, as follows:

1. DESCRIPTION OF LEASED VEHICLE

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

TYPE:

YEAR:

MODEL:

MILEAGE:

VIN:

INTENDED VEHICLE PURPOSE: Business Use by the Sheriff's Department

2. AMOUNT DUE AT LEASE SIGNING

Lessor and Lessee agree that there will be no amount due at lease signing.

3. LEASE COSTS AND FEES SUMMARY.

The Lessor and Lessee agree that at the end of the term of this lease the total cost of the lease will be \$450.00 per month. This total is based on the following provisions:

The term of the Lease is for six (6) months or 10,000 miles, whichever occurs first (the "Term"). Once the vehicle is returned, the Lessee's obligation to pay the monthly fee of \$450 per month shall cease.

4. FORM OF PAYMENT.

The monthly payments are \$450.00 each, with the first payment due ten (10) days after execution of the lease and subsequent payments due on the 15th day of each month (if the first payment is made before the 15th of the month, the second payment shall not be due until the 15th of the following month). Payments may be made by personal check, cashier's check, money order, certified check, or by any other means agreed upon by the Lessor and Lessee. Payments are to be paid to the Lessor at the address listed above, unless the parties agree that payment is to be submitted elsewhere.

5. MILEAGE PERMITTED.

Lessee will be permitted to drive the Vehicle for up to 10,000 miles. If 10,000 miles is reached prior to the end of the six-month term, the Lessee will return the vehicle to Lessor. There is no early termination penalty for returning the vehicle early. Once the vehicle is returned, the Lessee's obligation to pay the monthly fee of \$450 per month shall cease.

6. INSURANCE.

The Lessee must maintain Automobile Liability Insurance in the form of any applicable bodily injury and property damage coverage, and collision and comprehensive insurance, as required by Michigan state law. Proof of insurance or the insurance card must be provided to the Lessor upon request. The Lessee is responsible for insuring the Vehicle with bodily injury coverage with \$100,000/\$300,000 limits; property damage coverage with \$50,000/\$500,000 limits or combined single limit; collision, fire, theft, and comprehensive coverage with a maximum deductible of \$1,000. The Lessor will be named as the registered owner and as "Additional Insured" and loss payee in the insurance policy. Lessee's policy must state that Lessor will be given at least 10 days' notice of any material coverage change, reduction, or cancellation.

If the vehicle is damaged, stolen, or destroyed, and money becomes available from insurance, a judgment, a settlement, or the like, Lessor will be entitled to the money. If the Lease ends in connection with Lessor's receipt of the money, Lessor will treat any of the money not used to repair the vehicle as part of the price Lessor received for the vehicle at disposition.

NOTICE: PHYSICAL DAMAGE OR LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE TO OTHERS IS NOT INCLUDED IN THIS LEASE.

7. TAXES AND FEES.

During the term of this Lease, the Lessee shall pay all applicable taxes, assessments, and license and registration fees on the Vehicle. Notwithstanding the forgoing, The County is a Michigan Municipal Corporation. The Lessor acknowledges that the County is exempt from Federal Excise Tax and Michigan Sales Tax.

8. EARLY TERMINATION DISCLOSURE.

There is no penalty for early termination of this Lease.

9. EXCESSIVE WEAR AND USE.

Lessee may be charged for excessive wear based on Lessor's specifications and generally accepted standards for normal use. Excessive wear is wear beyond the minor wear reasonably expected to result from ordinary use of the vehicle, assuming you maintain the vehicle as the Lease requires. Excess wear 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.

10. PURCHASE OPTION AT THE END OF LEASE TERM.

Lessee will not have the option to purchase the leased vehicle.

11. NOTICE.

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 this Lease.

12. ASSIGNMENT.

The Lessee shall not assign, transfer, or sublet any of its obligations, rights, or interest 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.

13. DEFAULT, RESPOSESSION, AND OTHER REMEDIES

If any of the following occurs, Lessee will be in default under this Lease: Lessee does not pay any payment on its scheduled due date under this Lease. Lessee does not pay any other amount due under this Lease when Lessor asks that Lessee pay it. Lessee provides any false or misleading information in any Lease application. Lessee fails to maintain required insurance. Lessee loses possession of the vehicle by confiscation, forfeiture, or other involuntary transfer whether or not the vehicle is the subject of judicial or administrative proceedings. Lessee assigns the Lease or transfer the vehicle without Lessor's prior written permission or attempt to do either. Lessee starts a bankruptcy, receivership, or insolvency proceeding, or one is started against Lessee or its property. Lessee does anything that endangers the vehicle or its ability to pay the Lease obligations. Lessee fails to return the vehicle when required to do so under this Lease. Lessee fails to meet any other obligation under this Lease. Lessee does anything the law says is a default.

If Lessee is in default, after waiting any time the law requires, Lessor may do any of the following: End the Lease and require Lessee to pay the amount due at early termination. Take any action Lessor believes is required to protect its interest in the vehicle (for example buying insurance) and the action will not cure the default. Add any amounts Lessor spends taking these actions to the Lease obligation and charge rent on the amount added, or at Lessor's option, ask Lessee to pay these amounts right away. If the vehicle has an electronic locating device, use it to find the vehicle. Cancel any optional products and services included with this Lease and apply any refund to your Lease obligations (Lessee hereby instructs any provider of such products and services to pay Lessor any refund or credit due on early cancellation). Take (repossess) the vehicle wherever

Lessor finds it and enter any property where the vehicle may be to do so. Sue Lessee for damages or to get the vehicle back. Pursue any other remedy the law gives Lessor.

Lessor will exercise its rights without breach of the peace, at reasonable times and places, in a reasonable way, as the law allows. Lessor may use the license plates on the vehicle to move it to a storage place. After repossessing the vehicle, Lessor will hold it free of any rights Lessee may have under this Lease, subject to any right the law gives you to cure the default or recover the vehicle. Lessor may take and store any personal items that are in the vehicle. If you do not ask for these items back, Lessor may dispose of them as the law allows. Unless Lessee tells Lessor within five business days of any personal property you claim was in the vehicle when it was repossessed, Lessor will not be responsible for that property. Lessee will pay Lessor's reasonable expenses of taking these actions as the law allows. These expenses may include expenses of taking and storing the vehicle, attorney's fees, collection costs, and court costs.

14. VEHICLE RETURN.

At the end of the lease the vehicle may be returned to the care of Lessor at a place designated by Lessor. Lessee agrees to make the vehicle available for inspection at Lessor's request. When Lessee returns the vehicle, Lessee must give a completed, signed odometer disclosure statement. If Lessee keeps the vehicle after the scheduled lease end, unless Lessee returns it within any grace period Lessor offers, Lessee will pay Lessor at the beginning of each month for any part of the month Lessee keeps the vehicle in an amount equal to the monthly payment amount of the Lease. Payment under this provision does not permit Lessee to keep the vehicle unless Lessee gets Lessor's permission in advance.

15. REGISTRATION, PARKING TICKETS, TOLLS, AND TAXES.

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

16. MAINTENANCE.

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. Lessee also agrees to comply with the Lessor's requirements of maintenance of the vehicle such as, but not limited to, one oil change during the term of the lease, and one tire rotation during the term of the lease.

17. SEVERABILITY.

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.

18. RISK OF LOSS.

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 a vehicle, Lessee shall

give Lessor prompt notice of the occurrence and thereafter will place the Vehicle in good repair, condition and working order.

19. ACCEPTABLE DRIVERS, LIMITATIONS, and MODIFICATIONS TO THE VEHICLE.

The Vehicle is not to be operated by drivers without an appropriate license or those restricted under the insurance policy. Lessee agrees that it will not permit the Vehicle to be located in a state other than the state in which Vehicle is then 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. Using the Vehicle on trips of less than sixty (60) days within continental North America is permitted. Lessee will not take the vehicle out of the United States without Lessor's written consent except for trips to Canada that do not exceed 30 days. Any exceptions can only be made upon Lessor's prior written consent. Any modifications or cosmetic additions to the Vehicle are not permitted without the Lessor's prior written consent.

20. ODOMETER OBLIGATIONS

Lessee will maintain the odometer of the vehicle so that it always reflects the vehicle's actual mileage. If the odometer is at any time inoperable, Lessee will provide Lessor with reasonable evidence of the vehicle's actual mileage. Lessee will provide Lessor with odometer certification at the request of Lessor.

NOTICE: Federal law requires Lessee to tell Lessor the vehicle's mileage in connection with a transfer of vehicle ownership. Lessor may be fined and/or imprisoned if it does not complete the disclosure or if Lessor makes a false statement.

21. WAIVER.

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.

22. WARRANTIES.

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.

23. EARLY TERMINATION.

There is no cancellation period before the end of the term of this vehicle lease. This lease may only be terminated with the agreement of the Lessor or upon proven and valid legal cause.

24. INSPECTION.

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.

25. CONFIDENTIALITY

Lessor understands that Genesee County and/or the Office of the Genesee County Sheriff will be using the leased vehicles from Lessor for use in undercover law enforcement operations and that the terms of this agreement are strictly confidential. By executing this lease, Lessor swears that it will keep confidential any information that is received or obtained in the course of the working relationship with Lessee pursuant to the terms of this Lease. This includes non-disclosure of the make, model, year, color, and any other identifying characteristics of the leased vehicle.

Lessor and any representative, employee, or agent of Lessor that will obtain access to this confidential information may be required by Lessee to sign a notarized statement, under penalty of perjury, demonstrating that they agree to abide by the confidentiality provisions of this Lease.

Lessor further understands that if any representative, employee, or agent of Lessor violates the confidentiality provision he or she and Lessor could face criminal charges including, but not limited to, perjury and/or obstruction of justice.

26. ENTIRE AGREEMENT AND MODIFICATION.

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.

27. NON-DISCRIMINATION

The Lessor covenants that it will not discriminate against an employee or applicant of employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status or a disability that is unrelated to the individual's ability to perform the duties of a particular job or position, and that it will require the same non-discrimination assurances from any subcontractor who may be used to carry out duties described in this contract. Lessor covenants that it will not discriminate against businesses that are owned by women, minorities or persons with disabilities in providing services covered by this Lease, and that it shall require the same assurances from subcontractors. Breach of this covenant shall be regarded as a material breach of this Lease.

28. ARBITRATION.

Any controversy or claim relating to this Lease whether in contract, tort, statute, or otherwise, including the construction or application of this Lease or this arbitration provision, will be settled by binding arbitration under the rules of the American Arbitration Association, or similar dispute resolution service, and any judgment granted by the arbitrator(s) may be enforced in any court of proper jurisdiction. The arbitrator shall apply governing law and any applicable statutes of limitation. Arbitration shall be conducted in Genesee County, Michigan. The cost of arbitration shall be split equally between the Parties and each party shall be responsible for its own legal fees and costs associated with any dispute pursuant to this Lease.

The Parties understand and agree that this provision waives the right to participate as a class representative or class member on any class claim that may be brought against the Lessor, including any right to class arbitration, or any consolidation of individual arbitrations. Lessor

expressly waives any right Lessor may have to arbitrate a class action. The Parties also understand and agree that discovery and rights to appeal in arbitration are generally more limited than in a lawsuit, and other rights that the Parties may would in court may not be available in arbitration.

If federal law provides that a claim or dispute is not subject to binding arbitration, this Arbitration Provision shall not apply to such claim or dispute.

29. GOVERNING LAW.

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

30. SIGNATORIES.

This Agreement shall be executed by the Director of Administration of the Board of behalf of Lessee and by _____ on behalf of Lessor. This Agreement shall be effective as of the date mentioned above:

Signatures Appear on Next Page

LESSEE:

By: _____ Date: _____
Joshua M. Freeman, Director of Administration

LESSOR:

By: _____ Date: _____

(Print name and Title)