

**VEHICLE LEASE AGREEMENT**

**THIS VEHICLE LEASE AGREEMENT** (the "Lease") made and entered into this 1st day of January, 0001 (the "Execution Date"),

**BETWEEN:**

\_\_\_\_\_ of \_\_\_\_\_ (the "Lessee")

OF THE FIRST PART

and

\_\_\_\_\_ of \_\_\_\_\_ (the "Lessor")

OF THE SECOND PART

**BACKGROUND**

**A.** The Lessor desires to lease the vehicle described as a \_\_\_\_\_, with vehicle identification number \_\_\_\_\_ (the "Vehicle") to the Lessee, and the Lessee desires to lease the Vehicle from the Lessor for .

**B.** \_\_\_\_\_ owns the Vehicle that is the subject of this "Lease".

**IN CONSIDERATION** of the mutual covenants and promises in this Lease and other valuable consideration, the sufficiency of which consideration the Parties hereby acknowledge, the Lessor leases the Vehicle described in this Lease to the Lessee, and the Lessee leases the Vehicle from the Lessor on the following terms:

**Lease Cost Disclosure**

1. The full retail value of the Vehicle as of this date is \$\_\_\_\_\_.
2. The amount to be amortized over the term of the Lease is \$\_\_\_\_\_.
3. The residual value (the "Residual Value") of the Vehicle is \$\_\_\_\_\_.

4. The lease rate is \_\_\_\_\_% per annum.
5. A refundable security deposit of \$\_\_\_\_\_ is due upon signing this Lease.
6. The term of the Lease is \_\_\_\_\_ months (the "Term").
7. The number of annual miles allowed under this Lease is 0.00 per year. Any miles in excess of that amount are charged at a rate of \$0cents per mile when the Vehicle is returned.
8. The total amount payable by the Lessee upon signing this Lease is \$0.00.
9. The monthly payment (the "Monthly Payment") under this Lease is \$0.00, plus sales/use tax of \$0.00 spread over the term of the lease, for a total monthly payment of \$0.00. The monthly payments are to be made on the  
  
day of each month of the Lease, with the first payment made on . The Lessor reserves the right to change the monthly Payment to adjust for increases or decreases in taxes.
10. Monthly payments may be made by cheque, post-dated cheques, money order, or bank draft.
11. At the conclusion of the Lease, if all payments are made, the total cost of the Lease will be \$0.00, excluding any cost for repairing excess wear and tear to the Vehicle.
12. Except as expressly provided in this Lease, no warranties, either express or implied, statutory or otherwise, as to any matter whatsoever, have been given by the Lessor.

**Lessee Obligations**

13. The Lessee will assume all risk of loss and damage to the Vehicle. The Lessee is responsible for insuring the Vehicle based on its full value, with the following coverage:
  - a. bodily injury and property damage coverage in the minimum amount of \$.
  - b. comprehensive fire and theft insurance with a maximum deductible of \$.
  - c. collision insurance with a maximum deductible of \$.

The Lessee will ensure that the Lessor is named as registered owner, and as "Additional Insured" and loss payee in the insurance policy (the "Insurance Policy").

14. The Lessee agrees to co-operate with the Lessor and the insurance company in pursuing or defending any claim or action resulting from the use of the Vehicle. Any award or money the Lessee receives as a result of a claim or action is to be assigned to the Lessor. If the Lessee fails to maintain insurance or if a claim is denied by the Lessee's insurance company for any reason, the Lessee remains responsible to pay the total cost of the Lease.
15. The Lessee agrees to indemnify the Lessor from any loss, and in order to prevent such loss, the Lessee will do the following:
  - a. keep the Vehicle free of encumbrances, such as fines and liens.
  - b. indemnify the Lessor from all claims and expenses resulting from the maintenance and use of the Vehicle.
  - c. pay all amounts owed under this Lease without deducting any amounts the Lessee claims to be owed by the Lessor.
16. The Lessee is prohibited from using, transferring, or altering the Vehicle, as follows:
  - a. the Vehicle is not to be used by drivers without an appropriate license or those restricted under the Insurance Policy.
  - b. the Vehicle is not to be used illegally, in a manner contrary to the Insurance Policy, or as a vehicle for hire or public transport.
  - c. the Lessee will not transfer or assign this Lease, or ownership of the Vehicle, to a third party, except with the Lessor's prior written consent. The Lessee will also ensure that the Vehicle is not seized, confiscated, or involuntarily transferred, even if the Vehicle is the subject of judicial or administrative proceedings.
  - d. the Lessee will not remove the Vehicle from the State in which this Lease was signed without the Lessor's prior written consent, with the exception of trips within continental North America of less than 60 days.
  - e. the Lessee will not install accessories in the Vehicle, or alter the Vehicle in any way, without the Lessor's prior written consent.

17. During the term of the Lease, the Lessee will be responsible for paying all fees required for registration, licensing, testing, and any inspection of the Vehicle requested by a government or other authority. The initial cost of registration must be paid prior to removing the Vehicle from the Lessor's possession.

### **Inspections**

18. The Lessee acknowledges that the Vehicle has been inspected and the Lessee accepts the Vehicle as being in a good state of repair, not including manufacturer's defects which would not have been visible upon inspection.
19. The Lessor has the right to inspect the Vehicle, without prior notice, at all reasonable times during the Term of this Lease.

### **Event Of Default**

20. The Lessee will be in default under this Lease if:
  - a. the Lessee fails to make a monthly payment on the due date;
  - b. a bankruptcy, receivership, or insolvency proceeding is initiated by the Lessee or against the Lessee;
  - c. a creditor or a government authority seizes the Vehicle;
  - d. the Lessee has misrepresented personal or financial information;
  - e. the Lessee is no longer living;
  - f. the Vehicle is stolen or damaged beyond repair;
  - g. the Vehicle is not returned at the end of the Term; or
  - h. the Lessee breaches any other term of this Lease.
21. In the event that the Lessee defaults under this Lease, the Lessee will be required to pay the amounts applicable to the Vehicle during the remainder of the Term.
22. If the Lessee defaults under this Lease, the Lessor will pursue the remedies outlined in this Lease, in addition to any other remedies allowed by law. If the Lessee defaults, the Lessor

may terminate this Lease, and may recover the Vehicle and sue the Lessee for damages.

23. **There may be a substantial charge if you end this Lease early. The charge may be up to several thousand dollars. The actual charge will depend on when the Lease is terminated. The earlier you end the Lease, the greater this charge is likely to be.**

**Excessive Wear and Tear**

24. The Lessee is responsible for ensuring that the Vehicle is regularly maintained and is kept in good repair. Regular maintenance and repair includes, but is not limited to, the excessive wear and tear provisions below. The Lessee is to pay the costs of regular maintenance and any costs for repairs not covered by warranty.
25. Excessive wear and tear will include, but is not limited to, the following, even if covered by the Lessee's Insurance Policy:
- a. cracked, damaged, or tinted glass;
  - b. dented or damaged body panels, fenders, lights, or paint;
  - c. missing equipment or accessories that were provided with the Vehicle, including but not limited to wheel covers, jack, wheel wrench, and spare tire or regular tires;
  - d. tires with less than 3mm of tread remaining at lowest point;
  - e. damage to the interior of the Vehicle, including but not limited to dash, seats, floor covering, upholstery, truck liner, and center console (if applicable); or
  - f. mechanical damage that affects the safe, proper, or lawful operation of the Vehicle, which would include damage that causes the Vehicle to fail a safety inspection in the State where this Lease was signed.
26. If the Vehicle has excess wear and tear, there will be a charge to the Lessee for the excess wear and tear.

**The remainder of this document will be available  
when you have purchased a license.**

