

BELUGA CONSTRUCTION COMPANY, LLC

2014 Vehicle Lease Agreement

This Motor Vehicle Lease Agreement (this "Lease") is made effective as of _____, 20____, between Beluga Construction, LLC ("Beluga"), 5001 Eagle Street, Anchorage, Alaska 99503, and _____ ("Lessee"), _____, and states the terms of the agreement of the parties as follows.

1. **VEHICLE SUBJECT TO LEASE.** Beluga shall lease the vehicle listed on Schedule 1 which is attached and is part of this lease.
2. **PAYMENT TERMS.** The lease payments amounts shall be as provided in Schedule 1. Payment in full shall be due upon the return of the Vehicle except as follows:
 - (a) In the event that the lease term is longer than one week, the first week's lease payment shall be due in advance.
 - (b) In the event that the Lease term is longer than one month, the first month's lease payment shall be due in advance.
3. **LEASE TERM.** This Lease shall begin on _____ and shall terminate on _____ unless otherwise terminated in a manner consistent with the terms of this Lease.
4. **USE OF THE VEHICLE.** The Vehicle may only be used and operated in a careful and proper manner. Its use must comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the Vehicle, including registration and or licensing requirements, if any.
5. **MAINTENANCE AND REPAIR.** The Lessee shall maintain, at the Lessee's cost, the Vehicle in good repair and operating condition, allowing for reasonable wear and tear. Such costs shall include labor, material, parts, and similar items.
6. **LESSOR'S RIGHT OF INSPECTION.** Beluga shall have the right to inspect the Vehicle during Lessee's normal business hours.
7. **RETURN OF VEHICLE.** At the end of the Lease term, the Lease shall be obligated to return the Vehicle to Beluga at the Lessee's expense.
8. **ACCEPTANCE OF VEHICLE.** The Lessee shall inspect the Vehicle delivered pursuant to this Lease. The Lessee shall immediately notify Beluga of any damage to, or deficiencies of, the Vehicle. If the Lessee fails to provide such notice in writing with three (3) days after the delivery of the Vehicle, the Lessee will be conclusively presumed to have accepted the Vehicle as delivered.

9. **SERVICE CHARGE.** If any Lease installment is not paid within three (3) days after the due date the Lessee shall pay to Beluga a service charge of fifty dollars (\$50).
10. **OWNERSHIP AND STATUS OF VEHICLE.** Beluga retains title to the Vehicle at all times, unless Beluga transfers the title by sale. The Lessee shall immediately advise Beluga regarding any notice of any claim, levy, lien, or legal process issued against the Vehicle or arising out of the use of the vehicle pursuant to this lease.
11. **ALTERATIONS.** Lessee shall make no alterations to the Vehicle without the prior written consent of Beluga. All alterations shall be the property of Beluga and subject to the terms of this Lease.
12. **INDEMNITY OF LESSOR FOR LOSS OR DAMAGES.** The Lessee assumes all risks of loss or damage to the Vehicle from any cause, and agrees to return it to Beluga in the same condition as when received from Beluga, with the exception of normal wear and tear. If the Vehicle is damaged or lost, Beluga shall have the option of requiring the Lessee to repair the Vehicle to a state as good as when the vehicle was delivered and accepted by Lessee. Lessee shall indemnify, hold harmless and defend Beluga from and against all suits, arbitrations, controversies and claims arising out of Lessee's use and operation of the Vehicle for property damage and personal injury, including death.
13. **WARRANTY.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BELUGA MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ALL, REPRESENTATIONS OR WARRANTIES OF ANY KIND WITH RESPECT TO THE LEASED VEHICLE, INCLUDING WITHOUT LIMITATION ANY REPRESENTATION OR WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
14. **AUTOMOBILE INSURANCE:** Lessee shall maintain auto insurance that will provide insurance coverage for liability and casualty during the lease period in amounts of not less than \$1,000,000 per injury and \$2,000,000 per occurrence and shall name Beluga as an additional insured, with a waiver of subrogation. Lessee shall provide Beluga with proof of insurance at the time of entering into this Lease.
15. **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.
16. **DEFAULT.** The occurrence of any of the following shall constitute a default under this Lease.
 - A. The failure to make a required payment under this Lease when due.
 - B. Engaging in a prohibited use of the vehicle.

- C. The violation of any provision or requirement (other than a violation of B of this section) that is not corrected with 4 days after written notice of the violation is given.
 - D. The insolvency or bankruptcy of the Lessee.
 - E. The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.
17. **RIGHTS ON DEFAULT.** In addition to any other rights afforded Beluga by law, if the Lessee is in default under the Lease, without notice to or demand on the Lessee, Beluga may take possession of the Vehicle as provided by law, deduct the cost of recovery (including attorney fees and legal costs), repair and related costs, and hold the Lessee responsible for any deficiency. The rights and remedies of Beluga provided by law and this Agreement shall be cumulative in nature. Beluga shall be obligated to mitigate the damages from the default, only as required by law.
18. **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.
19. **ASSIGNMENT.** The Lessee shall not assign or sublet any interest in this lease or the Vehicle or permit the Vehicle to be used by anyone other than the Lessee or Lessee's employees, without Lessor's prior written consent.
20. **PROHIBITED USES.** Lessee will not use, or permit others to use the Vehicle in violation of any law or contrary to the provisions of any insurance policies covering the Vehicle,
21. **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 signed by both parties. This Lease replaces and all prior agreements between the parties.
22. **GOVERNING LAW.** This Lease shall be construed in accordance with the laws of the State of Alaska.
23. **SEVERABILITY.** If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
24. **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.

25. CERTIFICATION. Lessee certifies that the application, statements, trade references, and all financial reports submitted to Beluga, if any, are true and any material misrepresentations will constitute a breach of this Lease.

BELUGA CORPORATION, LESSOR:

Dated: _____

Title: _____

LESSEE:

Dated: _____

Title: _____

SCHEDULE 1
LEASED VEHICLE

Check applicable vehicle

____ 2002 (BLK) **Chevy Silverado** 1500 EXT VIN#IGCEK19V92E13190

Daily rental \$ _____ 275 _____ per day.

____ 2000 (WHT) **Ford F-350** VIN#1FTSW31S0YEC50023

Daily rental \$ _____ 275 _____ per day.

____ 2010 **Polaris Snow machine** VIN#SN1NT5BSXAC843547

Daily rental \$ _____ 235 _____ per day.

____ 2010 **Polaris Snow machine** VIN#SN1NT5BS1AC843548

Daily rental \$ _____ 235 _____ per day.

____ 2011 (Lime Green) **4-Wheeler Arctic Cat** 350CR VIN#RFB11ATV7BK6N0288

Daily rental \$ _____ 235 _____ per day.