

**VEHICLE LEASE AGREEMENT**

This Vehicle Lease Agreement (this "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2018 (the "Effective Date") by and between the California Vanpool Authority, a joint powers authority established under the Joint Exercise of Powers Act ("CalVans") and the County of Kings, California (the "County"), each of which may be referred to herein separately as a "Party" or collectively as the "Parties."

1. Vehicles: CalVans will lease to the County, and the County will lease from CalVans the following vehicles (the "Vehicles"):

Year: \_\_\_\_\_ Make: \_\_\_\_\_ Model: \_\_\_\_\_ VIN: \_\_\_\_\_

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2. Term: The term of this Agreement (the "Term") shall commence on the Effective Date and end one day before the third (3rd) anniversary of the Effective Date.

3. Lease Fee: The County will pay to CalVans three hundred dollars (\$300) per Vehicle per month (the "Lease Fee"), commencing on the Effective Date and continuing on the first day of each month for the Term of this Agreement. The Lease Fee, up to the full amount, will be credited to the monthly rent payment CalVans pays to the County for rental of its office space under that separate rental agreement. Any portion of the Lease Fee in excess of the rental amount due the County shall be paid to CalVans on the first day of the month in which the Lease Fee is due.

4. Transfer Upon Expiration: Upon expiration of the Term, provided that neither Party is in default, CalVans will transfer title to the Vehicles to the County. The transfer contemplated in this Section 4 will take place by a separate written instrument between both Parties.

5. CalVans' Responsibilities:

- a. CalVans will maintain legal title of the Vehicles throughout the Term.
- b. CalVans will pay current and keep in good standing any debts or obligations that may, now or in the future, threaten title to the Vehicles, including Department of Motor Vehicles registration fees, if any.

6. The County's Responsibilities:

- a. The County will maintain the Vehicles in good working order. Upon the expiration or earlier termination of this Agreement, the County shall return the vehicles to CalVans in as good or better condition as they were delivered, reasonable wear and tear

excepted. The County will replace or repair the Vehicles as necessary to comply with this Section 6.a.

b. The County shall insure the Vehicles from collision and comprehensive damage in an amount sufficient to replace the actual value of the Vehicles in the event of a total loss. As of the Effective Date, the Parties agree that the total value of each Vehicle is sixteen thousand dollars (\$16,000). CalVans shall be named as an additional insured on the insurance policy.

c. The County shall not use the Vehicles in connection in any illegal or unlawful way or in connection with any illegal or unlawful act.

d. The County shall not permit any lien to be secured against the Vehicles.

e. Nothing in this Agreement transfers any title or ownership interest in the Vehicles to the County.

7. Assignment:

a. The County shall not assign its interests under this Agreement without the express written consent of CalVans, which shall not be unreasonably withheld. In the event that CalVans consents to such assignment, payment of the Lease Fee as a credit against the monthly office space rent owed by CalVans to the County shall not be affected.

b. CalVans may assign its interest in this Agreement to any party who purchases the Vehicles.

c. This Agreement applies to each and every one of the Vehicles. If only one or two of the Vehicles are assigned pursuant to this Section 7, the terms and conditions of this Agreement continue in full force and effect as to each assignee for the Vehicle associated with that assignment.

d. No Vehicle shall be rented, sublet, or otherwise used by a third party without a full assignment of interest pursuant to the terms and conditions of this Section 7.

8. Termination; Default and Remedies: In the event of either Party's breach of any material term of this Agreement and, (if the breach is capable of remedy), such breaching Party fails to remedy the breach within thirty (30) days of receiving written notice by the Party not in breach, the Party not in breach may terminate this Agreement. Without limiting any other rights that either Party may have, this Agreement may be terminated:

a. by CalVans if:

i. The County fails to pay the Lease Fee when due; or

ii. The County violates any of its responsibilities under Section 6; or

- iii. The County attempts to assign or sublet any of the Vehicles in violation of Section 7; or
- iv. The County becomes bankrupt or is unable to pay its debts; or
- v. The County or any of its agents or representatives institutes or actively participates as an adverse party in, or otherwise provides material support to, any action, suit or other proceeding that challenges CalVans' claim to the Vehicles.

b. By the County if:

- i. CalVans violates any of its responsibilities under Section 5; or
- ii. CalVans becomes bankrupt or is unable to pay its debts.

In the event either Party terminates this Agreement because of the other Party's breach of the terms herein, the non-breaching Party may, at that Party's sole option, do the following: (i) terminate the Agreement pursuant to this Section 8 and bring an action for compensatory damages and all manner of equitable relief as provided for by law; and/or (ii) enforce specific performance of this Agreement against the breaching Party.

Any termination of this Agreement will not release a Party from any prior breach of this Agreement.

9. **Indemnification:** Each Party (each an "Indemnitor") agrees to indemnify, defend, and hold harmless, the other party (an "Indemnitee"), its parents or affiliated companies, members, managers, directors, officers, employees, agents, or anyone otherwise affiliated with Indemnitee and their successors and assigns (collectively, "Indemnified Parties") from all claims, demands, expenses, including reasonable attorney fees and expert witness costs thereto, liabilities, penalties, costs, causes of action, enforcement procedures, and suit of any kind of nature ("Claims") of which Indemnified Parties may hereinafter incur as a result of Indemnitor's gross negligence or willful misconduct or omission. Neither party shall be obligated to defend or indemnify Indemnified Parties for any Claims that arise solely out of the Indemnified Parties' gross negligence or willful misconduct or omission.

10. **NO REPRESENTATIONS; DISCLAIMER OF WARRANTY:** CALVANS SHALL USE REASONABLE EFFORTS TO ENSURE THAT ALL VEHICLES ARE IN GOOD WORKING ORDER AT THE TIME OF DELIVERY TO THE COUNTY. HOWEVER, THE COUNTY AGREES AND ACKNOWLEDGES THAT IT HAS HAD AN OPPORTUNITY TO INSPECT THE VEHICLES AND TAKES POSSESSION OF THE VEHICLES IN "AS-IS" CONDITION. CALVANS SHALL NOT BE LIABLE FOR ANY DEFECT, KNOWN OR UNKNOWN, THAT MAY ARISE, WHETHER OR NOT SUCH DEFECT CAUSES ANY LOSS OR INJURY TO THE COUNTY OR ANY OTHER PERSON OR ENTITY. CALVANS MAKES NO WARRANTIES, EXPRESS OR

**IMPLIED, TO THE COUNTY. ALL IMPLIED WARRANTIES INCLUDING OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED. THE COUNTY SHALL NOT BE RESPONSIBLE FOR ANY LOSS OF PROFITS, ECONOMIC OR OTHER CONSEQUENTIAL LOSS THE COUNTY OR ANY OTHER PARTY MAY SUFFER OR INCUR AS A RESULT OF THE OPERATION OF THIS AGREEMENT OR THE EXERCISE OF ANY OF THE RIGHTS GRANTED PURSUANT TO THIS AGREEMENT, AND EXCEPT FOR FRAUD BY CALVANS, THE COUNTY SHALL NOT BE LIABLE FOR ANY PUNITIVE DAMAGES.**

CALVANS: \_\_\_\_\_

THE COUNTY: \_\_\_\_\_

11. Miscellaneous

a. Any waiver of any provision of this Agreement, or a waiver of a breach hereof, must be in writing and signed by the waiving Party to be effective. Any waiver of a breach of this Agreement, whether express or implied, shall not constitute a waiver of a subsequent breach hereof.

b. This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and supersedes any and all prior or contemporaneous understandings and agreements, whether oral or written, between the Parties. This Agreement can only be modified by a written agreement signed by the Parties.

c. This Agreement is for the benefit of each Party. The validity, interpretation, enforceability, and performance of this Agreement shall be governed and construed in accordance with the laws of the State of California. Any recourse to judicial remedy under this Agreement shall be made only to the Superior Court in and for the County of Kings, California without regard to conflicts of law rules.

d. This Agreement shall be binding on the Parties, their successors, and assigns. No Party may assign any of its rights or delegate any of its obligations under this Agreement, except as set forth in Section 7 of this Agreement.

e. If any provision hereof is unenforceable or invalid, it shall be given effect to the extent it may be enforceable or valid, and such unenforceability or invalidity shall not affect the enforceability or validity or any other provision of this Agreement.

f. Each person signing below represents and warrants that he or she has been duly authorized by the Party for whom he or she signs to execute this Agreement on behalf of that Party.

g. This Agreement may be executed in counterparts, each of which shall be deemed an original. This Agreement may be executed and delivered by facsimile or electronic transmission and the Parties agree that such facsimile or electronic (pdf) execution and delivery shall have the same force and effect as delivery of an original document with original signatures, and that each Party may use such facsimile or electronic signatures as evidence of the execution

and delivery of this Agreement by the Parties to the same extent that an original signature could be used.

h. Any notice hereunder shall be made in writing, unless otherwise agreed by the Parties, and shall be delivered in person or sent by certified mail, postage prepaid, by overnight delivery, by a nationally recognized overnight delivery service, or by electronic mail or facsimile with an original sent immediately thereafter by postage prepaid mail, addressed as follows:

If to CalVans: Ron Hughes, Executive Director  
CALVANS  
1340 North Drive  
Hanford, CA 93230  
Fax: (559) 587-0714

If to the County: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Fax: \_\_\_\_\_

All notices shall be effective upon delivery if delivered personally, by overnight delivery, or by electronic mail or facsimile transmission. If delivered by mail, such notices shall be effective three days following deposit in the U.S. mail, postage prepaid.

Each Party may periodically change any address to which notice is to be given it by providing written notice of such change to the other Party.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its proper and duly authorized agent as of the Effective Date:

**CALIFORNIA VANPOOL  
AUTHORITY:**

**COUNTY OF KINGS:**

By: Ron Hughes, Executive Director

By: \_\_\_\_\_, \_\_\_\_\_