

# CLOSED-END MOTOR VEHICLE LEASE AGREEMENT

You, the undersigned Lessee(s), are leasing the Vehicle described below from the independent dealer (Owner), a Northland Associate, named below. As used in this Agreement, "you" and "your" mean the person(s) (whether one or more) signing this Agreement as Lessee(s). The terms "Lessor," "we," "us" and "our" mean the Owner. The term "Lease" means this Closed-End Motor Vehicle Lease Agreement and "Vehicle" or "Property" means the leased motor vehicle described below.

Name and Address of Owner/Lessor Coast to Coast Motor Cars, 30021 Tomas Street, Suite 300, Rancho Santa Margarita, CA 92688 Bus. Ph. 714-200-2850  
 Name and Address of Lessee MICHAEL YSLAS, 5022 PREMIERE AVE, LAKEWOOD CA 90712  
 County LOS ANGELES Driver's Lic. # A7723155 State CA Res. Ph. 562-686-3599 Cell Ph. 562-706-9866  
 Co-Lessee's Name and Address N/A  
 County \_\_\_\_\_ Driver's Lic. # \_\_\_\_\_ State CA Res. Ph. \_\_\_\_\_ Cell Ph. \_\_\_\_\_  
 Ins. Co GAICO Insurance Agent \_\_\_\_\_ Ph. \_\_\_\_\_

## LEASE DISCLOSURES

**A. DESCRIPTION OF LEASED MOTOR VEHICLE:**  
 Year 2001 Make CHEVROLET Model SILVERADO Body Style PU VIN # 1GCEC19T21Z146042  
 Color GREEN Veh. Lic. # 6K90451 New N/A Used X Odometer Reading 139230

**B. TRADE-IN VEHICLE DESCRIPTION:**  
 Year N/A Make N/A Model N/A VIN # \_\_\_\_\_ Net Trade-In Allowance \$ 0.00

## FEDERAL CONSUMER LEASING ACT DISCLOSURES

Amount Due at Lease Signing or Delivery (itemized below)*	MONTHLY* Periodic Payments	Other Charges (not part of your periodic payment)	Total of Payments (The amount you will have paid by the end of the lease)
\$ 1500.65	Your first periodic payment of \$ <u>411.56</u> is due on <u>SIGNING OR DELIVERY</u> , followed by <u>47</u> payments of \$ <u>411.56</u> of each <u>MONTH</u> starting <u>09/28/2010</u> . The total of all of your periodic payments is \$ <u>19754.88</u> (Lessee(s) initial)	Disposition fee (if you do not purchase the Vehicle) \$ <u>0.00</u>	\$ 21338.97
		Rebates and noncash credits \$ <u>N/A</u>	
		Est. Other Fees/Taxes due over term \$ <u>495.00</u>	
		<b>Total \$ 495.00</b>	

### \*Itemization of Amount Due at Lease Signing or Delivery

Amount Due at Lease Signing or Delivery:	How the Amount Due at Lease Signing or Delivery will be paid:
Security deposit (refundable) \$ <u>0.00</u>	Net trade-in allowance \$ <u>0.00</u>
Capitalized cost reduction \$ <u>787.00</u>	Rebates and noncash credits \$ <u>N/A</u>
Title fee \$ <u>15.00</u>	Amount to be paid in cash \$ <u>1500.65</u>
Registration fee \$ <u>150.00</u>	N/A \$ <u>N/A</u>
Document preparation fee (max. \$55.00) \$ <u>55.00</u>	N/A \$ <u>N/A</u>
First periodic payment \$ <u>411.56</u>	N/A \$ <u>N/A</u>
N/A \$ <u>0.00</u>	N/A \$ <u>N/A</u>
Applicable Taxes \$ <u>82.09</u>	N/A \$ <u>N/A</u>
<b>Total \$ 1500.65</b>	<b>Total \$ 1500.65</b>

### Your Periodic Lease Payment is Determined as Shown Below:

Itemization of Gross Capitalized Cost (See Exhibit A & Addenda for further details)	
(1) The value of the vehicle at the time of signing the lease	\$ 20787.00
(2) The value and description of each accessory and item of optional equipment the lessor agrees to add to the vehicle after signing the Lease	+ \$ 0.00
(3) The premium for each policy of insurance	+ \$ 0.00
(4) The amount charged for each service contract	+ \$ 0.00
(5) Any charge for an optional debt cancellation protection	+ \$ 0.00
(6) Any outstanding prior credit or lease balance to be paid by Lessor	+ \$ 0.00
(7) An itemization by type and agreed-upon value of each additional good or service included in the Gross Capitalized Cost	+ \$ 0.00
(8) Gross capitalized cost	= \$ 20787.00
(9) Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost	- \$ 787.00
(10) Adjusted capitalized cost. The amount used in calculating your base periodic payment	= \$ 20000.00
(11) Residual value. The value of the vehicle at the end of the Lease used in calculating your base periodic payment	- \$ 2000.00
(12) Depreciation and amortized amounts. The amount charged for the vehicle's decline in value through normal use and for other items paid over the Lease term	= \$ 18000.00
(13) Rent charge. The amount charged in addition to the depreciation and any amortized amounts	+ \$ 0.00
(14) Total of base periodic payments. The depreciation and any amortized amounts, plus the rent charge	= \$ 18000.00
(15) Lease term payments. The number of periodic payments in your Lease	+ 48
(16) Base periodic payment	= \$ 375.00
(17) Periodic sales/use tax	Rate <u>9.7500</u> % + \$ 36.56
(18) Non Taxable Amount	+ \$ 0.00
(19) Total periodic payment	= \$ 411.56

**Excessive Wear, Use and Excess Mileage.** You will be charged for excessive wear and damage based on our standard for normal use (see back Section 16). You will be charged at three (3) month intervals for excess mileage at a charge rate of 15 cents for each excess mile over 1250 miles per month. Non-payment of excess mileage charges is a breach of this Lease. The excess mileage dollars received will be refunded in the event you complete an option to purchase the vehicle.  
**Purchase Options:** A. At the end of the Lease Term: If you have made all of your lease payments as required, you will have an option to purchase the Vehicle at the end of the full term of this Lease for an amount equal to the Residual value plus official fees and taxes. B. Early Purchase Option: You have an option to terminate the lease and purchase the Vehicle early for an amount equal to the sum of (a) the amount of all unpaid Base Periodic Payments through the date of termination, plus (b) all other amounts due and unpaid under this Agreement (other than excess wear and mileage charges), plus (c) an amount equal to the Adjusted Capitalized Cost less Depreciation and Amortized Costs accrued through the date of termination calculated in accordance with the constant yield or other generally accepted actuarial method plus (c) official fees and taxes.  
**Other Important Terms.** See all your lease documents for additional information relating to "Early Termination", "Purchase Options" and maintenance responsibilities, warranties, late and default charges, "Excessive Wear, Use and Excess Mileage", insurance, security interest, etc. as applicable.

**LATE PAYMENT CHARGE:** You will pay a charge of \$ 15.00, without notice, for payments not paid within five (5) business days of the due date set forth herein.  
**OTHER FEES and TAXES:** The total amount you will pay for official and license fees, registration, title, and taxes over the term of your Lease, whether included with your monthly payments or assessed otherwise is estimated to be \$ 2496.97. Agencies may vary fee and taxes from year to year without our knowledge at this time.  
**INSURANCE: INSURANCE FOR PHYSICAL DAMAGE AND INSURANCE FOR LIABILITY FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED IN THIS LEASE.** You are required to purchase and maintain insurance for the benefit of the public and the Owner. You agree to provide the Required Insurance coverage in (at least) the amount and types specified on the back of this Agreement. (Lessee(s) Initial)  
**Acknowledgement of Vehicle Condition.** By signing this Lease, you acknowledge that you are receiving the Vehicle in good operating condition and all equipment is functional, except as expressly noted on the attached Vehicle Inspection Sheet. (Lessee(s) initial)

### NOTICE TO LESSEE AND CO-LESSEE - READ BEFORE SIGNING

THIS BOX IS FOR YOU AND LESSOR TO MEMORIALIZE TRADE-IN, TURN-IN OR OTHER INDIVIDUALIZED AGREEMENTS. ANY ASSIGNEE OF LESSOR SHALL NOT BE OBLIGATED FOR SUCH AGREEMENTS. SEE ALSO EXHIBIT A AND ADDENDA ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE

**THERE IS NO COOLING OFF PERIOD**  
 California law does not provide for a "cooling off" or other cancellation period for vehicle leases. Therefore, you cannot later cancel this Lease simply because you change your mind or decide the vehicle cost too much, or wish you had acquired a different vehicle. You may cancel this Lease only with the agreement of the Lessor or for legal cause, such as fraud.

**GAP LIABILITY NOTICE**  
 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 for damage to the vehicle and the proceeds of your insurance settlement and deductible. THIS LEASE PROVIDES THAT YOU ARE LIABLE FOR THE GAP AMOUNT. Optional coverage for the GAP amount may be offered for an additional price.

You have the right to return the vehicle, and receive a refund of any payments made if your credit application is not approved, unless non-approval results from an incomplete application or from incorrect information that you have provided.

(1) Do not sign this Lease before you read it or if it contains any blank spaces to be filled in; (2) You are entitled to a complete filled in copy of this Lease; (3) Warning-Unless a charge is included in this Lease for public liability or property damage insurance, payment for that coverage is not provided by this Lease.

By signing below, you acknowledge that (1) this Lease is completely filled out, (2) you have read this entire Lease carefully and agree to all of its terms, including the additional terms on the reverse side and attached in Exhibit A and Addenda hereto, and (3) you have received a complete copy of this Lease and Addenda and any credit statement, which you have signed in connection with the Lease.

LESSEE MICHAEL YSLAS OWNER/LESSOR Coast to Coast Motor Cars  
 PRINT NAME MICHAEL YSLAS BY J. Sigala  
 CO-LESSEE \_\_\_\_\_ PRINT NAME \_\_\_\_\_  
 PRINT NAME \_\_\_\_\_ ITS Wm DATE August 28, 2010

## ADDITIONAL PROVISIONS

**STANDARDS FOR WEAR AND USE.** When you return the Vehicle to us, it must be in good working order and condition and not subject to "excessive wear and damage." "Excessive wear and damage" includes, among other things but not limited to: (1) glass that is damaged or broken or that has been tinted; (2) damaged body, fenders, metal work, lights, trim or paint; (3) missing equipment that was in the Vehicle when delivered and has not been replaced with equipment of equal quality and design; (4) missing wheel covers, jack or wheel wrench; (5) missing or unsafe wheels or tires (including spare); (6) any tire with less than 1/8 inch of tread remaining at the shallowest point; (7) torn, damaged or stained dash, floor covers, seats, headrests, upholstery, interior work or trunk liners; (8) damage or other condition that makes the Vehicle unsafe or unlawful to operate; (9) any mechanical damage or other condition that causes the Vehicle to operate in a noisy, rough or improper manner; and (10) any other damage not covered by insurance. You agree to pay the cost of all repairs needed because of excessive wear and damage and to put the Vehicle in good working order and condition.

**MAINTENANCE, DAMAGE, REPAIRS, LOSS OR DESTRUCTION:** The Lessee agrees to maintain, service and repair the Property, keeping it in good working order and condition. You agree to pay for all operating costs including without limitation gas, oil, antifreeze, replacement tires, parking fees, inspection, title, license, registration and certification fees, fines, and towing charges. Any and all maintenance or repairs to the Property must be performed by the Lessee at Lessee's sole expense. The Owner will not be responsible for any costs of repairs performed by Lessee or at its request even though Owner retains title to the Property. You are also responsible for any damage, repairs, loss, destruction, seizure or theft of the Vehicle during the Lease Term. You will notify us promptly of any such damage, loss, destruction, seizure or theft. If any damage occurs to the Vehicle, you will have all damage to the vehicle promptly repaired at your expense (after receiving prior approval from us as to the repair facility, work to be done and materials/methods to be used).

**WARRANTIES.** If the vehicle is new, it is covered by a standard new vehicle warranty from the manufacturer. If the vehicle is pre-owned, it is not covered by a warranty unless indicated by a check in the corresponding box:

N/A Remainder of standard new vehicle warranty from manufacturer; or

N/A Pre-owned vehicle warranty from manufacturer; or

N/A Pre-owned warranty from other third-party provider.

We lease the vehicle to you "AS IS". EXCEPT AS EXPRESSLY PROVIDED UNDER THIS LEASE, AND UNLESS PROHIBITED BY LAW, WE MAKE NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, AS TO THE VEHICLE'S (OR ANY PART OR ACCESSORY THEREOF) CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND WE MAKE NO OTHER REPRESENTATION OR WARRANTY WHATSOEVER.

**SECURITY INTEREST.** Lessee hereby grants to Lessor a security interest in and lien against the security deposit granted with this Lease, if any, and all of the Lessee's present and future interest in the Vehicle, and all products and proceeds thereof, to secure Lessee's obligations under the Lease, and any and all modifications and extensions of the Lease.

**EARLY TERMINATION.** You may terminate this Lease before the end of the Lease term, for any reason, by returning the Vehicle to the Owner in the same condition as upon initial delivery to you, reasonable "Wear and Use" and mileage excepted as set forth herein. The termination shall be effective not later than the day before your next periodic payment is due.

(a) **Charges for early termination:** Upon early termination you will pay all outstanding charges due including all Lease payments through the due date of the next periodic payment and all excess "Wear and Use" and mileage charges, not to exceed the maximum amount permitted by law. No refunds or adjustments will be made for payments already made unless required by law. Except as set forth herein, there is no charge for your early termination of the Lease.

(b) **We may terminate this Lease before the end of the term under the following conditions:** Any uncured default as described in this Agreement.

(c) **Upon any termination by Owner for your default,** in addition to any other charges for early termination, you shall pay to us our reasonable cost to recondition the Vehicle and costs incurred to repossess and store the Vehicle (including, but not limited to, attorney's fees and costs, repossession, and towing charges, unless prohibited by law), not to exceed the maximum amount permitted by law. To the extent termination charges take into account the value of the Vehicle at termination, if you disagree with the value we assigned to the Vehicle, you may obtain, at your own expense, from an independent third party agreeable to both of us, a professional appraisal of the fair market value of the Vehicle, which could be realized at sale.

**OBLIGATIONS AT TERMINATION OF LEASE.** On Lease termination, you agree to immediately return the Vehicle to Owner at the address set forth above and to pay Owner the following: (a) all past due periodic payments, late charges and other charges; (b) any amounts owed as a result of excess "Wear and Use" as provided above; and (c) any excess mileage charges.

**SECURITY DEPOSIT.** The refundable security deposit which you are making with this Lease may be used to pay all amounts that you fail to pay under this Lease or to satisfy or remedy a default. Any portion of the security deposit not applied to amounts that you owe will be returned to you after termination of the Lease and our determination that the amounts you owed at the end of the Lease have been paid. Even if we have refunded all or any portion of the security deposit, you are still responsible for amounts due and owing after the termination of this Lease. You may not apply the security deposit to any monthly payment. You will not earn interest on the security deposit.

**OWNERSHIP AND LIABILITY FOR DAMAGE OR LOSS.** We own and retain title to the Vehicle. In the event the Vehicle is stolen, lost, damaged, or destroyed during the term of this Agreement, including renewals and extensions, you are fully responsible to the Owner for the Early Termination and Buy-Out Option price of the Vehicle at the time of any such loss or damage. You are responsible to the Owner for any loss or damage to the Vehicle regardless of whether the Vehicle is operated by someone other than you without your knowledge or permission.

## ADDITIONAL TERMS OF THIS LEASE AGREEMENT

1. **DEFAULT:** (a) You will be in "Default" if any of the following occurs: (1) you do not make your periodic payment on or before its due date; (2) any information in your credit application or that of a guarantor of this Lease is false or misleading; (3) you do not keep in force the insurance coverage this Lease requires (see below); (4) you do not promptly or properly perform any promise or agreement under this Lease; (5) you or any guarantor die, become incarcerated, become subject to bankruptcy or in solvency proceedings, or become legally incompetent; (6) the Vehicle is lost, damaged, stolen, abandoned, confiscated by a governmental authority or subjected to undue peril and the event is not covered by insurance; or (7) you commit any other act that constitutes a default under applicable law or this Lease. (b) In the event of Default, Owner can, at its option: (i) take steps to perform your obligation that gave rise to the Default (in which case you agree to pay all our costs and expenses in so doing immediately on our demand); and (ii) immediately terminate this Lease and do any or all of the following after giving notice required by applicable law, if any: (i) sue you for damages and to recover the Vehicle; (ii) take the Vehicle from you by any method or manner permitted by law (and if there is any personal property in the Vehicle, we will store it at your expense or dispose of it as required by applicable law); (iii) collect from you any Lease payments that are already due to us and an amount equal to the total of all scheduled Lease payments from the date of Default through the date of the natural termination of the Lease plus any other amounts owing under this Lease, whether as a result of the default or otherwise; and (iv) pursue any other remedy permitted by law.

2. **REQUIRED INSURANCE:** You agree to provide at least the following coverage ("Required Insurance") on the Vehicle, at all times during the term of this Agreement, including any extensions or renewals: (A) LIABILITY in an amount of at least (1) \$30,000 per person, \$60,000 per occurrence, bodily injury or death of others; and \$10,000 per occurrence, property damage to others; OR (2) the minimum amount set forth in the applicable state financial responsibility law; and (B) COLLISION and COMPREHENSIVE (including fire and theft coverage) with a deductible not to exceed \$500. You agree to provide the insurance at your own expense with a duly licensed insurer of your choice who is reasonably acceptable to us. This insurance may be provided through existing policies that you own or control. You also agree to name us or our assignee as loss payee and additional insured. The insurance policy must provide for at least 10 days advance notice to us of any cancellation or other material change in coverage. At our request, you will promptly provide us with written proof of insurance. You will promptly contact us in writing if any of the insurance provider information changes. You appoint us, through our appointed officer or employee, as your attorney in fact, to endorse your name on any check we receive for insurance proceeds. This power of attorney is coupled with any interest, and is irrevocable until all obligations you owe under this Lease are paid in full.

**NOTICE: Liability insurance coverage for bodily injury, property damage and motor vehicle damage caused to others is not included in this Agreement.**

**NOTICE: The Vehicle is subject to immediate recovery, without notice (or as otherwise specified by applicable state laws), if the required insurance is not in force at all times during the term of this Lease.**

3. **INDEMNITY:** To the fullest extent permitted by law and unless otherwise prohibited by law, you agree to indemnify and hold us, and our successors and assigns, harmless from any and all liability, claims, losses, demands, damages of all kinds, expenses (including reasonable legal fees and expenses, unless prohibited by law), fines and/or penalties we may suffer or incur resulting from the possession, operation, condition, maintenance, or use of the Vehicle.

4. **LOCATION OF VEHICLE:** You warrant and agree that you will store said Vehicle in your possession at your resident address, set forth above. In the event you move without previously notifying Owner in writing, you are in Default under this Agreement, giving the Owner the right to immediate possession, subject to paragraph 1 above.

5. **PROHIBITED USE:** You agree that you will not: (1) use or permit the use of the Property for any illegal purpose or in violation of any law; (2) use or permit the use of the Property for any improper purpose, including use that exceeds the Property manufacturer's recommendations or specifications; (3) use or permit the use of the Property for hire or any other commercial purposes; (4) use or permit the use of the Property outside of the United States at any time or use or permit the use of the Property outside of the State in which you have agreed it will be stored or garaged for more than seven (7) consecutive days unless we consent in writing. Such location shall not be changed without providing at least seven (7) business days prior written notice of the change to Owner and we acknowledge in writing. You will breach this agreement, giving the Owner the right to immediate possession of the Property if this Section is not followed.

5. **LESSEE'S RIGHTS:** You have the right to possess the Vehicle only when you are not in default of your obligations under this Agreement. You have no right to sell, mortgage, pledge, encumber, transfer, or dispose of the Vehicle, whether by gift or otherwise, including a transfer by operation of law. Any such transfer or encumbrance shall constitute a default.

6. **INSPECTION:** We reserve the right to inspect the Vehicle at any reasonable time and place and you agree to provide us with reasonable access to the Vehicle for this purpose.

7. **OWNER'S RIGHT TO TAKE POSSESSION:** The Owner and its agents, upon termination of the Agreement, are authorized to possess the Vehicle. In the event that termination occurs, the Owner can repossess the Vehicle. You agree the Owner and its agents are released and discharged from any claims or causes of action arising due to the legal act of repossession of the Vehicle, and you agree to further indemnify Owner and its agents and hold them harmless and free from any and all costs, expenses (including reasonable attorney's fees, unless prohibited by law), and/or damages arising directly or indirectly from, or in any way related to, the legal act of repossession of the Vehicle.

8. **ASSIGNMENT:** This Agreement may be sold, transferred, and assigned by Owner without restriction. You, however, have no right to assign, sublease, or transfer the vehicle or your rights under this Agreement.

9. **ENTIRE AGREEMENT/AMENDMENT:** This Agreement sets forth the entire Agreement of the Parties regarding the Lease terms and other factors considered. This Agreement may not be modified, varied, altered, or extended, or the agreements or conditions hereof waived, except by a writing signed by you and on behalf of the Owner by its duly authorized employees or agent.

10. **MISCELLANEOUS:** You give us permission (direct expressed consent, clear, definite and unequivocal) to call you on your phone or cell phone using any existing technology (or as otherwise provided or limited by applicable law). Lessee(s) is liable for payment of all parking tickets, tolls, fines for toll evasion, and all other fines (or as otherwise provided or limited by applicable law). Each person who signs this Lease is jointly and severally liable under this Lease and for all payments, whether or not we try to collect from the other signers. We do not give up or waive any of our rights by delaying or failing to exercise them. In the event of your default under this Lease, we will be entitled to repossess the Vehicle and exercise any and all other rights and remedies we may have under this Lease, at law or in equity. In the event we need to enforce our rights or remedies, you agree to pay all of our costs and expenses, including without limitation attorneys fees. This Lease is governed by the laws of the state where it was signed. This Lease constitutes the entire agreement between you and us with regard to this Vehicle, and supersedes any and all prior agreements, statements, understandings and representations. We make no representations or promises with regard to tax benefits to you.