

## Leased Vehicle Assignment Agreement

<b>Midwest:</b> Midwest Transit Equipment, Inc. 146 W. Issert Drive, P.O. Box 582, Kankakee, IL 60901 Attn: Chris Lounsbury Telephone: (815) 933-2412 Fax: (815) 933-3966 Email: <a href="mailto:chris.lounsbury@midwesttransit.com">chris.lounsbury@midwesttransit.com</a>	<b>Lessee:</b> Name: Mattoon C.U.S.D. #2 Address: 1710 Charleston Avenue, Mattoon, IL 61938 Attn: Tom Sherman, Assistant Superintendent for Business Telephone: 217-238-8850 Fax: 217-238-8855 Email: <a href="mailto:shermant@mattoon.k12.il.us">shermant@mattoon.k12.il.us</a> State of Organization: Illinois
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**The Parties Agree as follows:**

Date of This Agreement: March 31, 2017	" <b>Transfer Date</b> " (i.e. the date Lessee will terminate Lease and assign Vehicles to Midwest): July 1, 2022
Date of Termination of Lease by its terms: July 15, 2022	

1. **LEASE.** Contemporaneously with the execution of this Agreement, Lessee is entering into a Municipal Lease Agreement (the "**Lease**") with Santander Leasing, Inc. ("**Lessor**"), a true, accurate and complete copy of which is attached to this Agreement as **Exhibit A**, pursuant to which Lessee is leasing those busses identified in the schedule attached to the Lease (the "**Vehicles**").

2. **ASSIGNMENT.** Lessee hereby assigns to Midwest the exclusive right to acquire legal title to the Vehicles upon the termination of the Lease in accordance with Section 3 of the Lease (including without limitation, any termination arising out of an Event of Non-Appropriation, as provided in Section 4 of the Lease). In addition to the foregoing, Lessee hereby acknowledges that Midwest is the assignee identified in Section 18 of the Lease, and assigns to Midwest the exclusive right to acquire legal title to the Vehicles upon termination of the Lease in accordance with Section 18 of the Lease.

3. **COVENANTS OF LESSEE.** During the term of the Lease, Lessee shall: (1) pay and perform all obligations under the terms of the Lease arising or accruing prior to the date of termination, including without limitation, the obligation to pay rent and other payments due under the Lease and to maintain insurance, (2) operate and maintain all Vehicles in accordance with **Exhibit B** (the "**Guidelines**"), (3) deliver to Midwest a copy of any notices given or received by Lessee under the terms of the Lease, and (4) if any one or more Vehicles are not operated and maintained in accordance with the Guidelines and delivered to Midwest in the condition required under the Guidelines, Lessee shall pay to Midwest on the termination date an amount equal to the cost to repair and replace the Vehicle caused by Lessee's failure. Lessee shall deliver all notices required in a timely fashion and shall terminate the Lease in accordance with Section 18 of the Lease effective as of the Transfer Date. Lessee shall not terminate the Lease pursuant to Section 18 of the Lease prior to the Transfer Date.

4. **CLOSING.** On the Lease termination date (which the parties agree is intended to be the Transfer Date set forth above): (1) Lessee shall deliver the Vehicles to Lessor at the address designated by Midwest in the condition required pursuant to the Guidelines, (2) Lessee shall pay to Lessor any amounts then due and owing under the Lease which are accrued but unpaid, (3) Midwest shall pay to Lessor all amounts due and owing under the Lease on termination, as set forth on the Schedule attached to the Lease, and (4) Lessee shall pay to Midwest the amounts due pursuant to Section 3(4) of this Agreement.

5. **LESSEE'S REPRESENTATIONS.** Lessee hereby represents and warrants that: (1) Lessee is a political subdivision of the State of Organization (set forth above), existing and operating under the constitution and law of the State of Organization, (2) the Lease and this Agreement have been duly authorized and have been executed by an authorized representative, (3) the Lease and this Agreement create a legal, valid and binding obligation of the Lessee, and the Lease and this Agreement are enforceable in accordance with their respective terms, and (4) the Vehicles are not being used for other than a public purpose.

6. **GOVERNING LAW; SUCCESSORS.** This Agreement shall be governed in accordance with the laws of the State of Illinois and shall be binding upon Midwest and Lessee and their respective successors and assigns. Neither the Lease nor this Agreement may be assigned by Lessee without Midwest's prior written consent.

**MIDWEST:**

Midwest Transit Equipment, Inc. a Nevada corporation

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

Title: \_\_\_\_\_

**LESSEE:**

Mattoon C.U.S.D. #2

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

Title: \_\_\_\_\_

**Please have notary sign and stamp, or use school seal stamp.**

"Signed and sworn before me this \_\_\_\_ day of \_\_\_\_\_"



## **ACCEPTANCE GUIDELINES FOR RETURN OF LEASED VEHICLES**

### **LEASE-END:**

MIDWEST TRANSIT WANTS TO MAKE SURE THAT YOUR END-OF-LEASE EXPERIENCE IS AS CONVENIENT AND HASSLE FREE AS POSSIBLE. TO HELP YOU THROUGH OUR LEASING PROCESS WE HAVE CREATED SOME BASIC GUIDELINES FOR YOU TO FOLLOW.

### **PREVENTION OF WEAR AND USE:**

ALWAYS ABIDE BY AND STAY IN ACCORDANCE TO THE MANUFACTURER'S RECOMMENDATIONS. TO MAINTAIN YOUR VEHICLE AND KEEP IT IN GOOD CONDITION:

- CHANGE THE OIL AND OIL FILTER REGULARLY BASED ON MILEAGE AND HOURLY REQUIREMENTS
- ROTATE TIRES AND MAINTAIN TIRE PRESSURE
- INSPECT AND REPLACE BELTS AND HOSES
- MAINTAIN FLUID LEVELS
- WASH BUS THOROUGHLY UNDERNEATH, ESPECIALLY AREAS WHERE SALT IS SPREAD FROM MELTING OF SNOW AND ICE

### **MILEAGE LIMIT:**

IF YOU SURPASS THE MILEAGE ALLOWANCE FOR YOUR LEASE TERM, YOU WILL BE SUBJECT TO A PREDETERMINED MILEAGE FEE AS OUTLINED IN THESE GUIDELINES.

### **WEAR AND TEAR GUIDELINES:**

AS YOU NEAR THE END OF YOUR LEASE, IT'S IMPORTANT THAT YOU UNDERSTAND THE RESPONSIBILITIES FOR YOUR VEHICLE MAINTENANCE AND REPAIR USE. THE FOLLOWING GUIDELINES SHOULD BE USED TO APPRAISE THE CONDITION OF YOUR VEHICLE. ANY VEHICLE RETURNED WITH "NORMAL WEAR AND TEAR" WILL BE ACCEPTABLE.

### **NOTE:**

LESSEE WILL RETURN THE BUSES TO THE DISTRIBUTOR WHO FURNISHED THE BUSES TO LESSEE ON THE INSTRUCTIONS OF LESSOR. ALL THE EQUIPMENT AND ACCESSORIES ORIGINALLY FURNISHED WITH THE BUSES WILL BE IN PLACE AND IN GOOD OPERATING CONDITION. IF THE LESSOR/DISTRIBUTOR HAS TO PERFORM REPAIRS FOR THE FOLLOWING DEFECTS, THE LESSEE WILL BE RESPONSIBLE FOR PAYMENT AT THE TIME OF INVOICE.

### **"NORMAL WEAR AND TEAR" WILL NOT INCLUDE:**

- MISMATCHED (SIZES OR TYPES) TIRES WITH LESS THAN FORTY PERCENT (40%) OF TREAD REMAINING
- TIRES WHICH ARE RE-CAPPED, DAMAGED, GOUGED, CUT OR DETERMINED BY DISTRIBUTOR TO BE IN AN UNSAFE OPERATING CONDITION
- BRAKE SHOES AND PADS MUST HAVE BEEN REPLACED WITHIN 15,000 MILES OF WHEN EACH BUS IS RETURNED TO THE LESSOR
- BODY CREASED, GOUGES, DENTS, OR NON-BUFFABLE PAINT SCRATCHES OR SCUFFS. EXCESSIVE BODY DIMPLES AND/OR DINGS REQUIRING METAL AND/OR PAINT WORK TO RESTORE TO ACCEPTABLE "NORMAL" CONDITION
- ANY PAINT DAMAGE DUE TO SANDBLASTING, HAIL, ROAD TAR, TREE SCRAPES, AND/OR CHEMICAL FALLOUT
- ANY DEFECTIVE PAINT OR BODY REPAIRS DUE TO SUB-STANDARD REPAIRS, MUST BE ORIGINAL EQUIPMENT MANUFACTURER (OEM) PARTS
- ANY LESSEE APPLIED PAINT OF IDENTIFICATION WHICH CANNOT BE REMOVED WITHOUT METAL AND/OR PAINT WORK
- ANY DAMAGE TO INTERIOR LINING, BULKHEADS, SCUFF PLATES, LIGHTS, ROOF BOWS OR SUPPORTS, INCLUDING BUT NOT LIMITED TO CRACKS, BREAKS, TEARS, GOUGES, OR ANY OTHER DAMAGE WHICH MAKES VEHICLE UNABLE TO PASS ANY STATE OR LOCAL SAFETY INSPECTION
- BROKEN AND/OR INOPERATIVE FRONT, REAR, OR SIDE LIGHT(S), MARKER(S), OR REFLECTOR(S)

- BENT, TWISTED, DENTED, DINGED, OR GOUGED BUMPER(S) AND/OR DOOR(S)
- ANY HOLES OR OTHER MODIFICATIONS MADE TO THE VEHICLE, WHETHER INTERIOR OR EXTERIOR, FOR THE INSTALLATION OF ANY ADDITIONAL EQUIPMENT BY THE LESSEE AND/OR DRIVER(S) OF THE VEHICLE WHICH ARE NOT COMPLETELY REMOVED AND/OR REPAIRED
- ANY MECHANICAL REPAIRS ON ANY COMPONENTS OR SUSPENSION WHICH MAY BE REQUIRED DUE TO ABUSE, ACCIDENT, NEGLIGENCE, OR THE LACK OF PROPER MAINTENANCE, OR ANY REPAIRS REQUIRED WHICH ARE NOT CONSIDERED "NORMAL WEAR AND TEAR"
- EACH BUS MUST HAVE A CURRENT STATE INSPECTION STICKER WITH AN EXPIRATION DATE AT LEAST THREE MONTHS FOLLOWING THE MONTH IN WHICH THE BUS IS RETURNED TO LESSOR. EACH BUS MUST BE CLEAR OF MECHANICS' AND OTHER LIENS
- TORN, PUNCTURED, BURNED, VANDALIZED OR OTHERWISE DAMAGED UPHOLSTERY WILL BE REPLACED PRIOR TO RETURNING THE BUS TO THE LESSOR/DISTRIBUTOR
- WINDSHIELD CRACKS OR STARS MORE THAN ¼" DIAMETER OR ANY CRACKS OR STARS WITHIN THE SWEEP OF THE WINDSHEILD WIPERS
- BUS IS TO BE CLEANED INSIDE AND OUT, FLOORS FREE FROM GUM, TAR, AND GARBAGE. EXTERIOR SHALL BE CLEAN
- FLOORS TO BE FREE FROM ALL SPORTS SHOE SPIKE DAMAGE OR STAINS FROM SPILLS OF LIQUIDS
- MILEAGE ALLOWANCE = 12,000 . \$0.35 PER MILE WILL BE ASSESSED TO THE LESSEE IF MILEAGE OVER THE ALLOWABLE AMOUNT, DUE UPON RECEIPT OF INVOICE
- LESSOR HAS ASSIGNED MIDWEST TRANSIT EQUIPMENT AS ITS AGENT FOR THE INSPECTION OF THESE BUSES UPON RETURN

DISTRIBUTOR: MIDWEST TRANSIT EQUIPMENT, INC /AGENT      LESSEE: MATTOON C.U.S.D. #2

BY: \_\_\_\_\_ BY: \_\_\_\_\_

TITLE: \_\_\_\_\_ TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_ DATE: \_\_\_\_\_