

VEHICLE RENTAL AGREEMENT

NAME OF DRIVER			Reservation Agent		
TELEPHONE #			DRIVERS LICENSE #		
CELL PHONE #			STATE LICENSED		
FAX #			EXPIRATION DATE		
MAILING ADDRESS			CITY	STATE	ZIP
EMAIL ADDRESS					
INSURANCE CARRIER			POLICY HOLDER		

NAME ON CREDIT CARD					
COMPANY NAME			ADDRESS		
CITY			STATE + ZIP CODE		
CREDIT CARD #			EXPIRATION DATE		
TYPE	<input type="checkbox"/> VISA <input type="checkbox"/> MASTERCARD <input type="checkbox"/> DISCOVER				
DATE NEEDED			AM PM	IS THIS A AIRPORT PICK-UP?	YES NO
DATE ENDING			AM PM	IS THIS A AIRPORT DROP OFF?	YES NO

IF YES \$25 + TAX FEE EACH WAY

- ❖ **RETURN FULL OR PAY.** The Lessor shall, at your expense, provide the vehicle or equipment full of gas at the beginning of this lease; the lessee shall return the vehicle or equipment full of gas at the Lessee's expense. See Paragraph 23 for more information regarding fuel options.
- ❖ **PLACE OF PAYMENT:** KIC Logistics PO Box 430 Kotzebue, Alaska, or as Lessor may designate.
- ❖ **REPRESENTATIVE:** KIC Contact Phone # 907-442-2400
- ❖ **THIS LEASE CANNOT BE CANCELLED BY LESSEE** and is subject to **TERMS AND CONDITIONS** contained in this agreement.

FOR KIKIKTAGRUK INUPIAT CORPORATION CUSTOMER SERVICE AGENT USE ONLY

MAKE & MODEL	RATE	
VEHICLE #	\$	PER PERIOD: <input type="checkbox"/> DAY <input type="checkbox"/> WEEK <input type="checkbox"/> MONTH
VEHICLE #	\$	PER PERIOD: <input type="checkbox"/> DAY <input type="checkbox"/> WEEK <input type="checkbox"/> MONTH

Check here that license of lessee's agent has been inspected and identity verified pursuant to AS28.35.024

DRIVERS INFORMATION

- DRIVERS LICENSE
- PROOF OF INSURANCE
- PAYMENT INFORMATION

VEHICLE LEASE AMOUNT	\$
PICK UP FEE \$25.00	\$
DROP OFF FEE \$25.00	\$
MISCELLANEOUS FEES	\$
STATE EXCISE TAX 10%	\$
SALES TAX 6%	\$
GAS FEES (amount + \$25.00)	\$
TOTAL PAYMENT CHARGED	\$

THANK YOU FOR DOING BUSINESS WITH US!

for more information, please visit our website at www.kikiktagruk.com | Mailing Address P.O. Box 430 Kotzebue, Alaska 99752 | Physical Address 373A 2nd Avenue Kotzebue, AK 99752 | Business phone 907-442-2400 | Fax 907-442-2401

TERMS AND CONDITIONS

- 1. READ BEFORE SIGNING. SIGNING MEANS YOU AGREE TO ALL TERMS**
- 2. YOU HAVE INSPECTED THE VEHICLE AND IT IS IN GOOD WORKING ORDER.** Please list any visible damages before taking the vehicle.

EXCEPTIONS TO CONDITIONS OF EQUIPMENT:

- 3. YOU AGREE YOU ARE FULLY FAMILIAR WITH THE OPERATION OF EACH VEHICLE RENTED. LESSOR HAS NO RESPONSIBILITY FOR ANY INJURY OCCURRING FROM ITS USE. YOU MUST INSURE REFERENCES TO "VEHICLE" INCLUDE EACH VEHICLE RENTED UNDER THIS AGREEMENT.**
- 4. TERM.** This lease begins when the last agent of Lessor and lessee signs this lease. The term ends at 5:30pm, on the last day of the rental and is terminated by the delivery of the rented vehicle to a representative of Lessor at the location from which it was rented or a location agreed to in writing. Returns after normal business hours are at lessee's risk and are accepted only when later inspected by Lessor. In the event that Lessee hold the vehicle beyond the date of the rental, Lessee shall be charged at the daily rate of Lessor at Lessor's option. In addition, unless waived in writing, a penalty of 10% of the total rental shall be charged for late return. If you are not going to return on time, call for an extension. **A pickup fee of \$25.00 will be charged if the lessee does not return the vehicle to its original location.** **Initials:** _____
- 5. RENT.** Lessee shall pay the rent payments shown above. Full payment is due before Lessee picks up the vehicle. Any other charges that apply will be charged to lessee when vehicle is returned.

NO REFUNDS FOR EARLY RETURN OR NON USE OF THE RENTAL VEHICLE. **Initials:** _____

- 6. CREDIT INFORMATION.** The application, statements, trade references, and financial reports submitted by lessee are material inducements to the granting of this lease. Any material misrepresentation shall constitute a default under this lease. Lessee certifies that all credit and financial information submitted is true and correct and authorizes Lessor or any prospective creditor to investigate lessee's credit worthiness and disclose information and investigation results to each other.
- 7. INDEMNITY.** Lessee shall indemnify Lessor against and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including reasonable actual attorney fees arising out of, connected with, or resulting from the property subject to this lease, including, but not limited to the manufacture, selection, delivery, use, operation, or return of such property.
- 8. TAXES.** Lessee shall reimburse Lessor for (or pay directly if instructed by Lessor) all charges and taxes (local, state, and federal) that may now or hereafter be imposed or levied on the sale, purchase, ownership, leasing, or use of the vehicle. A 6% municipal sales tax and a 10% state excise tax applies to all leased/rented vehicle equipment upon billing.
- 9. LOSS OR DAMAGE.** Lessor shall not be responsible for any loss or damage caused by the inadequacy of the vehicle, its use or performance, any interruption or loss of service or any loss of business or other consequential damage. Lessee bears the entire risk of loss, theft, destruction, or damage of or to any part of the vehicle ("loss or damage") from any cause whatsoever, whether or not covered by insurance, and no such loss shall release lessee of its obligation under this agreement in the event of loss or damage. Lessee, at the sole option of Lessor, shall (a) at lessee's expense, repair the vehicle to the satisfaction of Lessor; or (b) at lessee's expense, and to the satisfaction of Lessor, replace the vehicle with similar or like vehicle in good condition and repair and of comparable value, with clear title thereto in Lessor; or (c) pay Lessor for the full actual cost of repairs done or contracted for by Lessor including Lessor's

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administrative cost or (d) pay Lessor the replacement value of the undamaged vehicle in Kotzebue as determined Lessor.

- 10. CONTINUING LIABILITY FOR RENT.** Loss or damage and down time associated with loss or damage does not excuse lessee from make payment to Lessor for: (1). All rental payments past due or currently owed to Lessor under this lease, including unpaid taxes; and (2). All future rental payments that would accrue over the remaining term of this lease.
- 11. INSURANCE.** Lessee shall provide, maintain, and pay for (a) insurance against the loss or theft of or damage to the vehicle, for its full replacement value, naming Lessor as a loss payee and (b) public liability and property damage insurance naming Lessor as an additional insured. Motor vehicle insurance shall include full comprehensive and collision, and insurance against liability for injury, loss or damage to persons or property arising out of ownership, possession, or use of the vehicle, to limits customarily maintained by owners of like property including uninsured motorist coverage. Insurance may be subject to customary deductible amounts per incident. All insurance shall be in a form and amount and with companies satisfactory to Lessor and shall contain the insurer's agreement to give immediate written notice to Lessor before cancellation or material change of policy of insurance. On Lessor's request, lessee shall deliver the policies or copies of the policies or certificates of insurance to Lessor. Deficiencies in insurance create lessee liability.
- 12. ASSIGNABILITY.** Without Lessor's prior written consent, lessee shall not (a) assign, transfer, pledge, or otherwise dispose of this lease, the vehicles leased under it, or any interest therein or (b) sublet or lend the vehicle(s) or permit it to be used by anyone other than lessee or lessee's employees.

Lessor may assign its interest in this lease or grant a subsidiary interest in the vehicles in whole or part without notice to lessee and Lessor's assignee or secured party may then reassign this lease or the security agreement without notice to lessee. Each such assignee or secured party shall have all the rights, but none of the obligations, of Lessor under this lease. Lessee shall recognize such assignments or security agreements and shall not assert against the assignees or the secured parties any defense counterclaim or offset lessee may have against Lessor. In spite of any such assignment, Lessor warrants that lessee shall quietly enjoy use of the vehicle, subject to the terms and conditions of this lease. Subject to the forgoing, the lease inures to the benefit of and is binding on the respective heirs, legatees, personal representatives, successors, and assigns of Lessor and lessee.

Lessee, on request, agrees to execute any instrument necessary to the filing and recording of this lease agreement or the creating of a security interest in the property leased hereunder. Lessee further appoints Lessor its true and lawful attorney to prepare, execute, and sign any and all security agreements, financing statements, or otherwise, in order to effectuate a lien on the property subject to this lease, and for this purpose to sign the name of Lessee with the same force and effect as if signed by Lessee, and to file such instruments at the proper location or locations.

- 13. LOCATION AND MAINTAINANCE.** Lessee shall use or permit the use of the vehicle solely at the location or are specified in this lease, or if none is specified, at lessee's billing address set forth above. The vehicle shall not be moved without Lessor's prior written consent. Lessee, at lessee's expense, shall maintain the equipment in good repair, condition, and functional order, shall protect the vehicle from deterioration, shall not use the vehicle unlawfully, and shall not alter the vehicle or its equipment without Lessor's prior written consent. Lessor shall not be liable for loss of profit or other consequential damages resulting from the theft, destruction, or disrepair of the vehicle and there shall be no abatement of lease payments on account of any such theft, destruction, or disrepair. A vehicle may not be used for towing unless it is rented with a towing accessory or written permission is given.

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- 14. SURRENDER.** On expiration of the lease term or on demand by Lessor pursuant to Paragraph 17, lessee, at lessee's expense, shall return the vehicle in good repair, ordinary wear and tear excepted, to such place or on board such carrier, packed for shipping, as Lessor may specify.
- 15. TITLE; PERSONAL PROPERTY.** The vehicle is, and shall at all times remain, property of Lessor, and lessee shall have no right, title, or interest except as expressly set forth in this lease. All additions or improvements to the vehicle of any kind or nature made by lessee shall become component parts of the vehicle, and title shall immediately vest in Lessor and be governed by the terms of this lease.
- 16. DEFAULT AND REMEDIES. (A) Defaults.** Lessee shall be in default under this lease if lessee shall:
- (1) Fail to pay any rent, the payments on any other lease or indebtedness of lessee to Lessor arising independently of this lease, or other amount required in this lease within 60 days after the rent becomes due and payable;
 - (2) Fail to preform or observe according to its terms any covenant contained in this lease, or any other instrument or document executed in connection with this lease;
 - (3) Become insolvent (however defined), cease business as a going concern, make an assignment for the benefits of creditors, or cause a petition for receiver or in bankruptcy to be filed by or against lessee (including a petition for reorganization or an arrangement); or
 - (4) Commit to fail to commit any act that results in jeopardizing the rights of Lessor or causes Lessor to deem itself insecure as to its rights.
- (B) Remedies.** If lessee is in default under this lease, Lessor, with or without notice to lessee, shall deemed made, the remedies:
- (1) Elect that the rental payments due be accelerated and the entire amount of rental be due immediately;
 - (2) Terminate this lease; or
 - (3) Enter on lessee's premises and without any court order or other process of law repossess and remove the vehicle, whether with or without notice to lessee; any such repossession shall not constitute a termination of this lease unless Lessor so notifies lessee in writing, and Lessor shall have the right, at its option, to lease the vehicle to any other person or persons on such terms and conditions as Lessor shall determine.
- In the event sub-sections (3) is exercised, there shall be due from lessee, and lessee will immediately pay to Lessor, the difference between the total amount of rentals to be received from any third person and the total unpaid rental provided to be paid, plus all costs and expenses of Lessor in repossessing, releasing, transporting, repairing, or otherwise handling the vehicle.
- 17. NOTICES AND DEMANDS.** Service of all notices under this agreement shall be sent by United States registered or certified mail addressed to the party involved at its respective address set forth above or to such other address as the parties may hereafter substitute by written notice or may be hand delivered.
- 18. SERVICE CHARGE AND/OR INTEREST.** If any rental installment is not paid within 30 days after its due date, lessee shall pay to Lessor a \$50 service charge for each vehicle for which rent is due together with any expenses incurred in collecting the late payment. Lessee shall also pay interest on any such late payment from the due date until payment at the rate of 1.5% per month.
- 19. TAX CONSEQUENCES.** Lessor assumes no liability and makes no representation as to the treatment of this lease agreement by any federal, state, or local taxation authority.
- 20. DISPUTES.** The parties agree that any controversy or claim arising out of or relating to this lease or its breach, if not settled through mediation, shall be litigated in the District or Superior Court for the State of Alaska in Kotzebue, Alaska, and any question of law shall be decided in accordance with the laws of the state of Alaska.
- 21. WARRANTIES.** Lessor does not warrant the fitness, merchantability, design, condition, capacity, suitability, or performances of the leased. Lessor makes no express or implied warranties and leases the property "as is" and "with all faults" except as noted on this lease. Warranties are limited to the original manufacturer's warranties but only to the extent that Lessor is permitted to pass on such warranties.
- 22. GENERAL PERSIVIONS.** This instrument constitutes the entire agreement between lessor and lessee and is irrevocable for its term and for the aggregate rentals reserved above, and it shall not be amended, altered, or

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changed except by a written agreement signed by the parties. Lessee shall provide Lessor with such corporate resolutions, opinions of counsel, financial statements, and other documents (including UCC Financing Statements and other documents for filing or recording) as Lessor shall request from time to time. If more than one lessee is named in this lease the liability shall be joint and several. Time is of the essence of this lease. Any failure of Lessor to require strict performance by lessee or any waiver by Lessor of any provision of the lease shall not be construed as a consent or waiver of any other breach of the same or any other provision. If any portion of this lease is deemed to be invalid, it shall not affect the rest of this agreement. Headings or titles typographic the paragraphs of this agreement.

23. FUEL. Lessor shall, at its expense, provide Lessee with the vehicle or equipment full of fuel at Lessee’s expense. Lessee will pay for fuel refills should the Lessee return the vehicle or equipment other than full. Fuel will be charged at the rates which Lessor sells fuel at retail in Kotzebue plus a twenty five dollar (\$25.00) service fee to refuel vehicle. Initials _____

24. COMMERCIAL LEASE. Lessee applies to Lessor for a lease of the above-described property for commercial purposes and agrees that this lease is not to be construed as a consumer contract. If Lessor accepts by executing the lease below, lessee agrees to rent from Lessor and Lessor agrees to rent to lessee, the equipment and/or vehicle, on all of the terms and conditions of this lease.

25. NO SMOKING IN VEHICLE.

26. ALL RENTALS SHOULD BE LEFT AT KIC/NAPA. IF RENTAL IS LEFT AT THE AIRPORT IT MUST BE PREARRANGED.

27. KIC CHARGES \$25.00 TO DROP OFF AND \$25.00 TO PICKUP A VEHICLE AT THE AIRPORT, SAVE MONEY AND TAKE A CAB FROM/TO AIRPORT. Initials _____

28. NO REFUNDS FOR EARLY RETURN OR NON USE OF THE RENTAL VEHICLE. NO REFUNDS FOR ANY REASONS.

In witness whereof, each party has caused this agreement to be executed on the date indicated below.

Date

KIC Representative

Date

LESSEE

NOTE: This vehicle is not allowed to travel down to the beach or on ANY off road areas.