**Sample** **MOTOR VEHICLE USER AGREEMENT**

This User Agreement is entered into this\_\_\_\_\_\_\_\_\_day of\_\_\_\_\_\_\_\_\_\_\_\_\_, by and between, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as, \_\_\_\_\_, and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the TRANSIT PROVIDER.

In consideration of the mutual covenants, promises and representations herein, the parties agree as follows:

1. MOTOR VEHICLE User Agreement. \_\_\_\_\_ hereby provides to the TRANSIT PROVIDER the following described motor vehicle with all accessories incorporated there or affixed thereto:

*(Id#) Vehicle description VIN: vehicle id number user amount*

2. TERM. The term of this User Agreement shall be for a period of one year commencing July 1, 2001 and ending June 30, 2002, subject however, to any prior termination as hereinafter provided.

3. RENT. The TRANSIT PROVIDER agrees to pay \_\_\_\_\_ Dollar Amount ($\_\_\_.00) per year for each vehicle, the said rental amount being due upon effective date of this User Agreement. Rent is payable at the office of \_\_\_\_\_ located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

4. MAINTENANCE AND REPAIRS. The TRANSIT PROVIDER shall pay for and furnish all maintenance and repairs to keep vehicles in good working order and condition. At the expiration or termination of this Lease, the vehicles and all safety equipment in the vehicles will be returned to \_\_\_\_\_ in good condition, reasonable wear and tear excepted.

Any new transit vehicle leased to the TRANSIT PROVIDER may be equipped with; first‑aid kit, fire extinguisher, visual warning devices, bio-hazard kit, spare tire and wheel and may also be equipped with; wheelchair securements, occupant restraints, two-way radio equipment. It is the responsibility of the TRANSIT PROVIDER to replace these items as necessary throughout the period of the User Agreement. Upon termination of the lease user agreement all of the said items will be in proper working condition.

5. REGISTRATION, LICENSE, TAXES, INSPECTION, FEES, EXPENSES. The TRANSIT PROVIDER shall pay all expenses incurred in the use and operation of the Vehicles, including but not limited to, license, registration, and title fees, gasoline, oil, anti‑freeze, repairs, maintenance, tires, storage, fines, inspections, assessments, sales or use taxes, if any, and all other taxes as may be imposed by law from time to time arising from TRANSIT PROVIDER'S use and operation of the Vehicles. The TRANSIT PROVIDER will reimburse and hold \_\_\_\_\_\_\_\_ harmless for any and all amounts \_\_\_\_\_\_\_\_ may pay in satisfaction, release or discharge thereof. The TRANSIT PROVIDER shall permit \_\_\_\_\_\_\_\_ and/or its designees to inspect the Vehicles at reasonable times, places and intervals. Each motor vehicle listed in Section 1, shall bear Iowa Transit vehicle license plates and regional transit system signage, prominently displayed on the right and left side of the vehicle.

6. USE AND OPERATION. The TRANSIT PROVIDER acknowledges receipt of Motor Vehicles, and that the same is in condition satisfactory to TRANSIT PROVIDER'S purposes. Vehicles shall not be altered, marked or additional equipment installed without the prior written consent of \_\_\_\_\_\_\_\_ in which case the TRANSIT PROVIDER will bear the expense thereof as well as the restoration expenses. The TRANSIT PROVIDER shall keep Vehicles free of all taxes, liens, and encumbrances and any sum of money that may be paid by \_\_\_\_\_\_\_\_ in release or discharge thereof, including legal costs, shall be paid on demand by .\_\_\_\_\_\_\_\_. The TRANSIT PROVIDER shall not use or permit the use of Vehicles in violation of any Federal, State, County or City laws, ordinances, rules or regulations, or contrary to the provisions of the insurance policy coverage. The TRANSIT PROVIDER, by acceptance of this User Agreement, agrees to abide by the terms hereof and to indemnify \_\_\_\_\_\_\_\_ for any losses occurring as a result of such use in violation of said terms, laws, rules and ordinances.

7. INDEMNIFICATION AND INSURANCE. The TRANSIT PROVIDER agrees and will protect, indemnify and hold harmless \_\_\_\_\_\_\_\_ and its assignees and agents from and against any and all losses, damages, injuries, claims, demands and expenses occasioned by, or arising out of, the condition, maintenance, use or operation of the Vehicles including any accident or other occurrence causing or inflicting injury and/or damage to any person or property, happening or done, in, upon, or about the User Agreement Vehicles, or due directly or indirectly to this Lease, or the condition, maintenance, use or operation of the Vehicles by the TRANSIT PROVIDER or any person claiming through or under the TRANSIT PROVIDER.

The \_\_\_\_\_\_\_\_ agrees that it will at all times provide at a minimum and re-bill the TRANSIT PROVIDER the expense to cover the vehicle(s) in the User Agreement:

Liability $1,000,000.00

Uninsured/Underinsured Motorist $1,000,000.00

Comprehensive ‑ Full Coverage $1,000.00 Deductible

Collision $1,000.00 Deductible

Medical Payments $1,000.00

Umbrella $4,000,000.00

The TRANSIT PROVIDER agrees that it shall at all times and at its own expense reimburse \_\_\_\_\_\_\_\_ for the premium and any deductibles.

The TRANSIT PROVIDER shall provide and pay for any other insurance or bond that may be required by any governmental authority as a condition to, or in connection with, the TRANSIT PROVIDER'S use of the Vehicles.

In the event Vehicles are involved in an accident, damaged, stolen or destroyed by fire, the TRANSIT PROVIDER shall promptly notify \_\_\_\_\_\_\_\_, in writing, within 24 hours and will also comply with all terms and condition entered in the insurance policies. The TRANSIT PROVIDER agrees to cooperate with \_\_\_\_\_\_\_\_ , and the insurance companies in defending against any claims or actions resulting from the TRANSIT PROVIDER'S operation or use of the Vehicles.

Vehicles shall not be used by any person or entity, in any manner or for any purpose that would cause any insurance herein specified to be suspended, canceled, or rendered inapplicable.

8. DAMAGE TO VEHICLES. Should Vehicles or any part thereof be so damaged as to preclude usage for the purpose intended and should the TRANSIT PROVIDER be indemnified therefor pursuant to any insurance coverage required pursuant to paragraph 7 hereof in an amount not less than the full amount of the insurance coverage provided by \_\_\_\_\_\_\_\_ , this User Agreement shall terminate. However, should the TRANSIT PROVIDER be indemnified in an amount less than the full amount of the insurance coverage provided by \_\_\_\_\_\_\_\_ , the TRANSIT PROVIDER will repair or replace Vehicles or the damaged part thereof and the proceeds of the insurance recovery shall be applied to such repair or replacement. Should vehicles or any part thereof be damaged by any cause for which \_\_\_\_\_\_\_\_ makes no insurance recovery and should Vehicles or the damaged part thereof be capable of repairs, this User Agreement shall terminate and the TRANSIT PROVIDER shall immediately pay \_\_\_\_\_\_\_\_ the reasonable value of Vehicles, regardless of rentals paid or accrued.

9. TITLE. The TRANSIT PROVIDER acknowledges that this is an agreement to use only and that the TRANSIT PROVIDER does not in any way acquire title to Vehicles, under this agreement. Without the prior written consent of \_\_\_\_\_\_\_\_ , the TRANSIT PROVIDER agrees not to do any act to encumber, convert, pledge, sell, assign, re‑hire, lease, lend, conceal, abandon, give up possession of, or destroy Vehicles.

10. WARRANTIES AND WAIVER. The TRANSIT PROVIDER uses Vehicles herein described in "as is" condition and agrees that \_\_\_\_\_\_\_\_ had not made, and does not hereby make any representation, warranty or covenant expressed or implied with respect to the condition, quality, durability, capability, or suitability of Vehicles or against any patent or latent defects therein. The TRANSIT PROVIDER agrees that \_\_\_\_\_\_\_\_ shall not be liable to the TRANSIT PROVIDER for any liability, claim, loss, damage or expense of any kind or nature caused directly or indirectly by Vehicles or the inadequacy thereof for any purpose, or for any deficiency or defect therein, or for the use or maintenance thereof, or for any repairs, servicing, adjustments, or expenses thereto or for any loss of business or for any damage whatsoever and howsoever caused.

11. ASSIGNMENT. Without the prior written consent of \_\_\_\_\_\_\_\_ or any assignee of \_\_\_\_\_\_\_\_, the TRANSIT PROVIDER agrees not to sublet, mortgage, pledge, sell, assign or otherwise transfer or dispose of this User Agreement. The TRANSIT PROVIDER acknowledges and understands that \_\_\_\_\_\_\_\_ may assign this User Agreement and that such assignee shall be entitled to all of the benefits of this User Agreement in the place of \_\_\_\_\_\_\_\_. In connection therewith, the TRANSIT PROVIDER agrees this User Agreement and Vehicles used there under will be subjected to any rights and interest in and to said Vehicles under any contract \_\_\_\_\_\_\_\_ has with another regarding title or interests in title; to accept the directions, demands or consents of such assignee in place of those of \_\_\_\_\_\_\_\_; to surrender Vehicles only to such assignee; to pay all rent hereunder as directed by such assignee.

12. DEFAULT. In any of the following default events:

 1) failure to pay any rent or sum herein provided when the same are due and payable and such default continues for a period of ten (10) days after receipt of notice thereof of TRANSIT PROVIDER;

 2) Failure to comply with any terms or conditions hereof;

 3) a proceeding in insolvency or receivership by or against the TRANSIT PROVIDER or its property, or in the event lessee suspends business, makes an assignment for the benefit of creditors, or if an attachment be levied or tax lien filed against the Vehicle, or

 4) the TRANSIT PROVIDER fails for any reason to comply with the insurance requirements of the User Agreement, then and in those events, or any of them, \_\_\_\_\_\_\_\_ may, at its option and without prejudice to any other rights it may have:

a) take possession of Vehicles and for the purpose thereof may enter the premises on which Vehicles are located and remove them without court order or other process of law(damages occasioned by such taking being expressly waived by the TRANSIT PROVIDER), and thereupon the TRANSIT PROVIDER'S right to possession and use of Vehicles shall terminate;

b) may(but need not) use Vehicles or any portion thereof for such period, rental, and to such persons or entities as \_\_\_\_\_\_\_\_ shall elect and shall apply the net proceeds of any such renting in payment of the rent and other obligations due from TRANSIT PROVIDER to \_\_\_\_\_\_\_\_ hereunder by acceleration or otherwise;

c) may(but need not) sell Vehicles or any part thereof at public or private sale without demand or notice of intention to sell or of sale and shall apply the net proceeds of any such disposition against the total obligations owed \_\_\_\_\_\_\_\_;

d) may deduct all costs and expenses in connection with such retaking, including insurance, repairs, storage, renting or sale of Vehicles from the proceeds derived from such renting or sale;

e) terminate TRANSIT PROVIDER'S rights hereunder as to Vehicles;

f) accelerate rents for the lease term as provided in paragraph 2 and 3 hereof and recover the same and all other damages as herein or by law provided by legal proceedings.

No right or remedy conferred upon or reserved to \_\_\_\_\_\_\_\_ by this User Agreement shall be exclusive of any other right or remedy herein or by law provided; all rights and remedies conferred upon \_\_\_\_\_\_\_\_ by this User Agreement or by law shall be cumulative and in addition to every other right and remedy to.

If it is necessary to employ the services of an attorney or incur expenses in enforcing this Lease, the TRANSIT PROVIDER shall pay to \_\_\_\_\_\_\_\_ all such expenses and court costs, in addition to all sums due \_\_\_\_\_\_\_\_, including reasonable attorney's fees.

13. CONSTRUCTION. This User Agreement shall be construed and determined in accordance with the laws of the State of Iowa. Any provision herein prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of the User Agreement. Words and phrases herein, including any acknowledgment hereof, shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context.

14. TIME IS OF THE ESSENCE. Time is of the essence of this Lease. However, \_\_\_\_\_\_\_\_’s failure at any time to require strict performance by the TRANSIT PROVIDER of any provisions herein shall not waive or diminish \_\_\_\_\_\_\_\_’s right to thereafter demand strict compliance therewith or with other provisions of this User Agreement and written waiver by \_\_\_\_\_\_\_\_ of any default hereunder shall not constitute a waiver of any other default.

15. ENTIRE AGREEMENT. This User Agreement contains the whole agreement of the parties. None of the covenants, provisions, terms or conditions of this User Agreement shall be in any manner modified, waived, abandoned or amended except by a written instrument duly signed by the parties or their assignee and delivered to \_\_\_\_\_\_\_\_ and the TRANSIT PROVIDER or their assignee.

16. BINDING. Each and every covenant and agreement herein contained shall extend to and be binding upon the respective successors, heirs, administrators, executors and assigns of the parties hereto except as may be modified in paragraph 11 or 18 hereof.

17. NOTICE. Notices as provided for in this User Agreement shall be given to the respective parties or their assignees at their respective addresses designated herein unless there is notification of the parties to the other, in writing, of a different address. Such notice shall be deemed to be given and received when deposited in the United States mail, postage prepaid, addressed as herein designated.

18. INFORMATION TO BE FURNISHED BY TRANSIT PROVIDER TO \_\_\_\_\_\_\_\_. The TRANSIT PROVIDER shall furnish the following information to \_\_\_\_\_\_\_\_ during the term of this User Agreement. Such monthly information shall be submitted by the TRANSIT PROVIDER TO \_\_\_\_\_\_\_\_ by the 15th day of the month following the end of the previous month. Such quarterly information shall be submitted by the TRANSIT PROVIDER to \_\_\_\_\_\_\_\_ by the 30TH day of the first month following the end of the quarter(October 30, January 30, April 30, July 30)

a. Passenger Count (monthly & quarterly report)

b. Passenger Type i.e. elderly, handicapped, general public (monthly & quarterly report)

c. Miles Driven (monthly & quarterly report)

d. Revenue Miles (monthly & quarterly report)

e. Revenue Hours of Service (monthly & quarterly report)

e. Gallons of Gasoline (monthly & quarterly report note: quarterly fuel report is due \_\_\_\_\_\_\_\_ on the 15th of the month following the end of the quarter)

f. Total Cost of Operation (for quarterly report)

 g. Breakdown of revenues received for operation (for quarterly report)

IN WITNESS WHEREOF, the parties have duly executed this User Agreement on the day and year first written above.

TRASNIT SYSTEM TRANSIT PROVIDER

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

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_