

HCA-LAW-100 9/15

Pgt. 11/15

CLOSED END MOTOR VEHICLE LEASE

Lease Date: 04/22/16

Business, Commercial, or Agricultural Purpose Lease.

Lessor Name and Business Address	Lessee(s) Name(s) and Residence Address(es)
FREEWAY AUTO CENTER, LLC 1701 West Michigan Street Duluth, MN 55806	DULUTH PUBLIC SCHOOLS ISD 709 215 N 1ST AVE E DULUTH, MN 55802-0000 County: <u>SAINT LOUIS</u>

1. Parties and Agreement to Lease. In this Lease, "you" and "your" mean the lessee. "We," "us" and "our" mean the original lessor and the party to whom the original lessor intends to assign the Lease. These terms, conditions and disclosures govern your lease with us and after assignment, with the party to whom we have assigned the Lease (the "Assignee"). Disclosures in this Lease are made on behalf of the lessor, and after assignment, on behalf of the Assignee shown below. Each of you who signs the Lease is individually liable to us for all Lease obligations. You are leasing the Vehicle described below (the "Vehicle") from us. You agree to pay all amounts due under the Lease and fulfill all your obligations under the Lease. You intend to use the Vehicle primarily for personal, family or household purposes unless the "Business, Commercial or Agricultural Purpose Lease" box above is checked. In this Lease, "e" means an estimate. The Consumer Leasing Act Disclosures shown below are also terms of this Lease.

2. Description of the Leased Property (The "Vehicle")

New/Used	Year	Make	Model	Body Style	Vehicle ID #	Odometer
NEW	2016	KIA	FORTE LX	4DR SDN	KNAFK4A6965532517	18

3. CONSUMER LEASING ACT DISCLOSURES

Amount Due at Lease Signing or Delivery	Monthly Payments	Other Charges (not part of your monthly payment)	Total of Payments (The amount you will have paid by the end of the Lease)
(Itemized below)* \$ <u>3,100.00</u>	Your first monthly payment of \$ <u>218.94</u> is due on <u>22 Apr</u> , <u>2016</u> followed by <u>35</u> payments of \$ <u>218.94</u> due on the <u>22</u> of each month. The total of your monthly payments is \$ <u>7,881.84</u> .	Disposition fee (if you do not purchase the Vehicle) \$ <u>400.00</u> _____ N/A _____ \$ _____ N/A _____ _____ N/A _____ \$ _____ N/A _____ Total \$ <u>400.00</u>	\$ <u>11,162.90</u>

*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:
Capitalized cost reduction \$ <u>2,881.06</u> First monthly payment \$ <u>218.94</u> Refundable security deposit \$ <u>N/A</u> Refundable reconditioning reserve \$ <u>N/A</u> Title fees \$ <u>N/A</u> Registration fees \$ <u>N/A</u> _____ N/A _____ \$ _____ N/A _____ _____ N/A _____ \$ _____ N/A _____ Total \$ <u>3,100.00</u>	Net trade-in** allowance \$ <u>0.00</u> Rebates and noncash credits \$ <u>2,100.00</u> Amount to be paid in cash \$ <u>1,000.00</u> Total \$ <u>3,100.00</u>

Your monthly payment is determined as shown below:

Gross capitalized cost. The agreed upon value of the Vehicle (\$ <u>18,965.00</u>) and any items you pay over the Lease term (such as service contracts, insurance, and any outstanding prior credit or lease balance).	\$ <u>20,506.90</u>
Capitalized cost reduction. The amount of any net trade-in allowance, rebate, noncash credit, or cash you pay that reduces the gross capitalized cost.	- \$ <u>2,881.06</u>
Adjusted capitalized cost. The amount used in calculating your base monthly payment.	= \$ <u>17,625.84</u>
Residual value. The value of the Vehicle at the end of the Lease used in calculating your base monthly payment.	- \$ <u>10,430.75</u>
Depreciation and any amortized amounts. The amount charged for the Vehicle's decline in value through normal use and for other items paid over the Lease term.	= \$ <u>7,195.09</u>
Rent charge. The amount charged in addition to the depreciation and any amortized amounts.	+ \$ <u>686.75</u>
Total of base monthly payments. The depreciation and any amortized amounts plus the rent charge.	= \$ <u>7,881.84</u>
Lease payments. The number of payments in your Lease (This is also the number of months in your Lease).	÷ <u>36</u>
Base monthly payment.	= \$ <u>218.94</u>
Monthly sales/use tax.	+ \$ <u>N/A</u>
_____ N/A _____	+ \$ <u>N/A</u>
_____ N/A _____	+ \$ <u>N/A</u>
Total monthly payment.	= \$ <u>218.94</u>

The actual charge will depend on when the Lease is terminated. The earlier you end the Lease, the greater the charge.
Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use and for mileage in excess of 12,000 miles per year at the rate of 20 ¢ per mile.

Purchase Option at End of Lease Term. You have an option to purchase the Vehicle at the end of the Lease term for \$ 10,430.75 and a purchase option fee of \$ N/A. The purchase option price does not include official fees such as those for taxes, tags, licenses and registration.

Other Important Terms. See your lease documents for additional information on early termination, purchase options, maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

4. **Description of the Trade-In Vehicle

Year _____	Gross Amount of Trade-In Allowance	\$ _____	N/A
Make _____ Model _____	Prior Credit or Lease Balance	- \$ _____	N/A
	Net Trade-In Allowance (if less than 0 then enter 0)	= \$ _____	0.00

5. Itemization of Gross Capitalized Cost

Agreed upon value of the Vehicle:	\$ <u>18,965.00</u>	Optional Products and Services:	
Other amounts included in the gross capitalized cost:		Mechanical Breakdown Protection	\$ _____ N/A
Taxes	\$ <u>595.15</u>	Service Contract	\$ _____ N/A
Title and Registration fees	\$ <u>276.75</u>	Gap Contract or Coverage or Waiver	\$ _____ N/A
Lease acquisition fee	\$ <u>595.00</u>		\$ _____ N/A
Documentation fee	\$ <u>75.00</u>		\$ _____ N/A
Prior credit or lease balance on trade-in vehicle	\$ _____ N/A ‡		\$ _____ N/A
	\$ _____ N/A	Total Gross Capitalized Cost:	\$ <u>20,506.90</u>

‡ No add permitted unless lessor has paid prior credit or lease balance.

6. Official 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: \$ 750.00 (e) The actual total of fees and taxes may be higher or lower depending on the tax rates in effect or the value of the Vehicle at the time a fee or tax is assessed.

7. Warranties. The Vehicle is subject to the following express warranties: If the Vehicle is new, the Vehicle is subject to the manufacturer's standard new car warranty. If this box is checked, the Vehicle is subject to the following express warranty or guarantee:
N/A
N/A

If the Vehicle is not new, and no warranty is identified in the previous sentence, there is no express

warranty on the Vehicle. TO THE EXTENT PERMITTED BY LAW, WE DISCLAIM ANY WARRANTIES IMPLIED BY LAW, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. If we make a written warranty covering the Vehicle or, within 90 days of the Lease Date we extend a service contract covering the Vehicle, this disclaimer will not affect any implied warranties during the term of the warranty or service contract.

8. Late Payments. The charge for late payments is: the lesser of \$20 or 10% for any payment not received within 10 days of the date it is due.

9. Disposition Fee (See "Return of the Vehicle" on the other side of this Lease):
 \$ 400.00

10. Early Termination Fee (See "Terms Concerning Your Early Termination Liability" on the other side of this Lease): \$ 400.00

11. Optional Products and Services

You are not required to buy any of the following optional products and services to enter into the Lease. The term of any product or service will be the Lease term, unless a different term is shown below. If you decide you want to buy an optional product or service, review the terms of the contract which describes the product or service before you initial below. A completed copy of the contract will be given to you as soon as practicable. **By initialing below, you indicate that you want to purchase the optional products and services indicated. If the cost shown below is not shown as part of the Itemization of Amount Due at Lease Signing or Delivery above, it has been added to the Gross Capitalized Cost (see above).**

Optional Product or Service	Amount or Period	Price	Term	Name of Provider	Approval
Optional Mechanical Breakdown Protection or Service Contract	N/A	N/A	N/A	N/A	Lessee Initials <u>N/A</u>
Optional Gap Contract or Coverage, or Gap Waiver	N/A	N/A	N/A	N/A	Lessee Initials <u>N/A</u>

12. NOTICES

NOTICE TO THE LESSEE: YOU HAVE NO OWNERSHIP RIGHTS IN THE VEHICLE UNLESS AND UNTIL YOU EXERCISE YOUR OPTION TO PURCHASE THE VEHICLE. DO NOT SIGN THIS LEASE BEFORE YOU READ BOTH SIDES OF IT OR IF IT CONTAINS ANY BLANK SPACE TO BE FILLED IN. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS LEASE WHEN YOU SIGN IT. BY SIGNING THE LEASE, YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED AND READ A COMPLETED COPY OF THIS LEASE BEFORE SIGNING IT.

LESSEE SIGNATURES (check if other than individual(s)) Corporation Partnership LLC or LLP Sole Proprietorship

Lessee Signature _____	Lessee Signature <u>N/A</u>
Type/Print Lessee Name <u>DULUTH PUBLIC SCHOOLS ISD 709</u>	Type/Print Lessee Name <u>N/A</u>

LESSOR'S ACCEPTANCE AND ASSIGNMENT

The Lessor's authorized signature indicates the Lessor has accepted the terms, conditions and obligations of the Lease and that the Lessor agrees to the "Lessor's Assignment" provision on the other side of this Lease.

Lessor Name: <u>FREWAY AUTO CENTER, LLC</u>	By: _____
Assignee Name: <u>HYUNDAI LEASE TITLING TRUST</u>	Type/Print Name: _____
	Type/Print Title: _____