

**LEASE AGREEMENT FOR
HARLEY-DAVIDSON POLICE MODEL MOTORCYCLES**

This Lease Agreement ("Lease") is made and entered into between Gator Harley-Davidson, Inc. ("Lessor"), and the City of Leesburg, Florida ("Lessee"), on this ___ day of April, 2006.

WITNESSETH:

That, Lessor wishes to Lease to Lessee, Four (4) Harley Davidson police motorcycles and Lessee wishes to lease from Lessor, Four (4) Harley Davidson police motorcycles under the terms and conditions provided below:

1. EQUIPMENT.

Four (4) 2006 HARLEY-DAVIDSON model FLHPI police solo motorcycle with the complete description provided on attached specification sheets. Vehicle Identification Numbers are as follows:

- (1) _____
- (2) _____
- (3) _____
- (4) _____

2. LEASE TERM.

A. This Lease shall be effective as of the last date of execution by all parties subject to approval by the City of Leesburg, Florida, or its designee. However the term of this Lease shall commence as of the date of delivery of the aforesaid police motorcycles and thereafter for a period of twenty-four (24) months. At the end of the Lease Term, the City of Leesburg, Florida, shall have the option of leasing 2008 models with terms and conditions to be determined at that time. At the conclusion of this Lease, Lessee must return the motorcycles to Gator Harley-Davidson, Inc. in Leesburg, Florida.

B. Lessee may cancel this Lease at anytime upon 15 days advance written notice to Lessor. In such event, Lessee shall be entitled to receive a pro rata share of the lease amount paid up front.

3. PAYMENT PERIOD.

The terms of this Lease are such that the Lessee shall pay in full the entire payment of this Lease in the amount of \$4,500.00 per motorcycle. Payment shall be made within 30 days of delivery of the motorcycles.

4. **INSURANCE.**

Lessee will insure all motorcycles, which are the subject matter of this Lease. Each motorcycle shall be insured for casualty in the amount of \$100,000/\$200,000 with respect to each incident the motorcycle may be involved in/with and insured for Public Liability and Property Damage sufficient to protect the full value of the equipment and to protect Lessor from liability in all events.

5. **LIENS.**

Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim with respect to the rights of Lessor herein provided. Lessee shall promptly at its own expense, remove any mortgage, pledge, lien, charge, encumbrance or claim not expected above if the same shall arise at any time due to Lessee's action or inaction.

6. **TAXES AND FEES.**

Lessee is a tax-exempt entity, therefore if any taxes or assessments are levied against Lessee by reason of this Lease, Lessor shall pay all such taxes when due.

7. **CARE AND USE OF EQUIPMENT.**

Said motorcycles are covered by the manufacturer's Twenty-Four (24) month standard warranty. Lessee shall have any and all benefits covered by said warranty. When feasible, all repairs shall be made at Gator Harley-Davidson, Inc., 1745 US HWY 441, Leesburg Florida 34748. Regular maintenance shall be the moral and financial responsibility of the Lessee and required by Lessor in accordance with the Service Schedule recommended in the Owner's Manual. Lessor shall give priority service to the repair of the police motorcycles covered by this Lease.

Lessee shall protect the motorcycles from deterioration, other than normal wear and tear, and shall use the motorcycles for police related activities only, and shall not make modification, alterations or additions to the motorcycles (other than normal operating accessories or police required accessories or controls) without the prior written consent of Lessor, which shall not be unreasonably withheld.

Lessor shall have the right during regular business hours, upon prior 24-hour notification to Lessee or its designated representative, to enter upon the premises where the motorcycles are located, in order to inspect, observe or otherwise protect the Lessor's interest, and Lessee shall afford Lessor reasonable opportunity to do so.

8. DAMAGE OR DETERIORATION OF MOTORCYCLES.

In the event the motorcycles are partially damaged while in possession of Lessee, prior to the end of the term of this Lease, when feasible, Lessee will have the motorcycles repaired at Gator Harley-Davidson and restored to their original condition and working order at Lessee's expense.

Any damage done to the motorcycles during Lessee's officer training, as a result of Lessee's negligence, will be repaired as soon as the training is completed at Lessee's expense. This includes damage done to engine, transmission, clutch, brakes, paint and body parts. When feasible, all repairs must be done at Lessor's repair facilities. Should Lessor find that a certain police rider is abusing or has shown a pattern of negligence with the handling of the motorcycle, Lessor shall provide written notice to Lessee detailing the list of acts of abuse and/or pattern of negligence of that rider.

In case of theft or total loss of any of the motorcycles, the parties agree that the replacement value of each motorcycle shall be \$14,500.00, less 2% of that amount for each month this Lease is in effect and/or less that salvage value of the motorcycles, if applicable.

9. DESIGNATED RIDERS.

Any certified police officer for the City of Leesburg, Florida.

10. RIDER RESPONSIBILITY AND PRIVILEGES.

Lessee will be responsible for keeping or causing to be kept, the motorcycle clean and will report any defects or abnormalities. The police officer assigned to each motorcycle shall be allowed to use that motorcycle to go back and forth to work, provided that it is fully insured by the Lessee under its insurance program, and the distance is no more than forty (40) miles each way.

11. EVENTS OF DEFAULT AND REMEDIES.

Lessee shall be deemed to be in default hereunder upon the happening of any of the following events of default:

- A. Lessee shall fail to make any periodic rental payment, (if applicable), or to pay any other payments required hereunder, or
- B. Lessee shall fail to comply with any such other terms, covenants or conditions contained herein, after written notice has been delivered to Lessee and Lessee has been given an opportunity to cure.

Upon the occurrence of any event of default, as specified above, and if Lessee fails to remedy such event of default within thirty (30) days after written notification by the Lessor to the Lessee via certified mail, Lessor shall have the right as its option without further demand or notice to pursue any of the following remedies:

- A. Any action at law or in equity as may appear necessary to collect monies due from Lessee to Lessor.
- B. To enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease, or
- C. To terminate this Lease in part or whole and to retake the motorcycles by appropriate order or writ of court.

12. MAINTENANCE AND EQUIPMENT.

When feasible, all maintenance and/or repairs shall be done at GATOR HARLEY-DAVIDSON, INC., 1745 US HWY 441 LEESBURG, FLORIDA 34748.

13. SUBLEASE OR ASSIGNMENT.

This Lease may not be assigned by either party to this Lease. Neither the Lessor nor Lessee may effect the subleasing of the motorcycles.

14. LITIGATION JURISDICTION/VENUE.

This Lease shall be enforceable in Lake County, Florida, and if legal action is necessary by either party with respect to the enforcement of any and all of the terms and conditions exclusive venue for the enforcement of same shall lie in Lake County, Florida.

15. LIMITATION OF LIABILITY.

The City of Leesburg, Florida desires to enter this Lease only if in so doing the City of Leesburg, Florida can place a limit on its liability for any cause of action for money damages due to an alleged breach by the City of Leesburg, Florida of this Lease, so that its liability for any such breach never exceeds the total amount due under this Lease. Lessor hereby expresses its willingness to enter this Lease with Lessor's recovery from the City of Leesburg, Florida for any action for damages to be limited to our maximum rental amount, less the amount of all funds actually paid by the City of Leesburg, Florida to Lessor pursuant to this Lease.

Accordingly, and notwithstanding any other term or condition of this Lease, Lessor hereby agrees the City of Leesburg, Florida shall not be liable to Lessor for damages in an amount in excess of the total rental under the Lease for any action or claim, including, but not limited to, breach of contract arising out of the performance or non-performance of any obligations imposed upon the City of Leesburg, Florida, by this Lease.

Nothing contained in this subparagraph or elsewhere in this Lease shall be interpreted in anyway to be a waiver of Lessee's limitation of liability as set forth in Section 768.28, Florida Statutes.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of this ____ day of April, 2006.

"Lessee"

**THE CITY OF LEESBURG,
FLORIDA**

BY: _____
Mayor

Date: _____

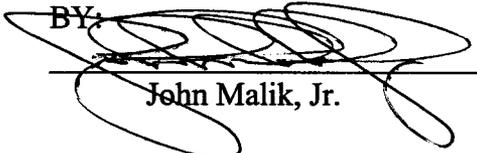
Attest: _____
City Clerk

Approved as to form and content:

City Attorney

"Lessor"

**GATOR HARLEY DAVIDSON,
INC.**

BY: 

John Malik, Jr.

ITS: Vice President