

AGREEMENT FOR CHL INSURANCE

This Agreement for CHL Insurance is executed this ____ day of _____, 2____ and is executed for the purpose of creating an insurable interest so that Chapel Hill Leasing may insure the vehicle (and any replacement vehicle) that the undersigned owns. This Agreement for CHL Insurance is a two-part agreement.

FIRST AGREEMENT

THIS FIRST AGREEMENT (the "Lease") is made and entered as of the above referenced date by and between _____ (the "Lessor"), who resides at _____, and CHAPEL HILL LEASING, INC., a North Carolina corporation, with its principal place of business at 201 Sage Rd., Suite 301, Chapel Hill, N.C. 27514(the "Lessee").

1. *Lease.* The Lessor shall lease to the Lessee and the Lessee shall lease from the Lessor the automobile described in Schedule A (together with any replacement vehicle, the "Automobile") month to month commencing the date hereof and ending no later than the expiration of the Lessor's Visiting International Faculty Agreement or Employment Agreement, as the case may be, dated _____, ____ (the "Term"), including renewals of that agreement.

2. *Rental.* Upon execution of this Lease, the Lessee shall pay to the Lessor the sum of \$10.00 as rental in full for the Automobile for the Term.

3. *Vehicle use.* The Lessee may sublease the Automobile pursuant to a sublease agreement substantially similar in form to Exhibit 1 attached hereto (the "Sublease Agreement"), whereupon the Lessor shall look solely to the sublessee thereunder (the "Sublessee") for the exercise of all of the Lessor's rights and the performance of all obligations of the Lessee under this Lease.

4. *Maintenance; Expenses.* Except as otherwise provided in this Lease, the Lessor will pay all taxes, and license any registration fees with respect to the Automobile and will bear all expense of maintaining the Automobile in good operating condition.

5. *Insurance.*

(a) The Lessee will maintain for the Term of this Lease the following types and amounts of insurance on the Automobile covering both the Lessee and the Lessor/Sublessee as such interests may appear, provided, however, that the Lessor or the Sublessee shall pay to the Lessee all premiums, charges and costs for such insurance:

(i) Combined single limits of liability for bodily injury and property damage – \$1,000,000.

(ii) Uninsured motorists coverage combined single limit for bodily injury and property damage – \$100,000.

- (iii) Underinsured motorists coverage bodily injury only – \$100,000.
 - (iv) Collision and upset for the full insurable value of the Automobile subject to a maximum \$500.00 deductible which the Lessor or the Sublessee is responsible for paying.
 - (v) Fire, theft and comprehensive coverage for the full insurable value of the Automobile, subject to a maximum \$500.00 deductible which the Lessor or the Sublessee is responsible for paying.
- (b) The Lessee shall furnish the Lessor with copies of all policies of insurance covering the Automobile or certificates of such insurance if requested.
 - (c) The Lessee shall not carry contents or personal property insurance and shall not assume any liability for loss or damage to any contents or personal property contained in the Automobile, regardless of circumstances under which said loss or damage may occur and whether or not the Automobile is in possession or under control of the Lessee.

NOTE – Insurance rates and liability limits are subject to change.

6. *License and registration.* The Lessor shall provide the Automobile with current license plate and title registered in the name of the Lessor. The expenses occurred in maintaining the license and registration of the Automobile shall be borne by the Lessor.

7. *Ownership.* This is a lease contract only and the Lessee acquires no ownership, title, property rights, or interest in or to the Automobile but only the right of use and sublease in accordance with the provisions of this Lease. The Lessor represents and warrants that the Lessor is the owner of the Automobile vested with all title and interest thereto.

8. *Termination.* Either party hereto may terminate this Lease at its discretion at any time, whereupon the Lessee shall terminate any sublease hereunder and all insurance coverage under Section 5 hereof without any further obligation to the Lessor or the Sublessee. Upon termination of this Lease, the Lessor shall take possession of the Automobile.

9. *Waiver.* The failure of either party in any one or more instance to insist upon the performance of any of the terms, covenants, or conditions of this Lease, or to exercise any right or privilege in this Lease conferred, or the waiver of any breach of any of the terms, covenants, or conditions of this Lease, shall not be construed as thereafter waiving any such terms, covenants, conditions, rights, or privileges, all of which shall continue and remain in full force and effect, as if no such forbearance or waiver had occurred.

10. *Hold Harmless.* The Lessee does not and will not assume any liability for any acts or omissions of the Lessor or any Sublessee permitted under Section 3, hereof, or any of their respective drivers, passengers, agents and employees. The Lessor hereby releases the Lessee and agrees to hold it harmless from any and all claims against the Lessor of any kind or nature

whatsoever, arising out of or resulting from the use and/or operation of the Automobile by the Lessor and/or any Sublessee, including any expenses and attorney's fees which the Lessee may incur in defending any such claims, except such claims or portions thereof as are paid by applicable insurance as otherwise herein provided.

11. *Binding effect.* This Lease shall be binding upon and inure to the benefit of the Lessor and its successors, legal representatives, and assigns. Except as set forth in Section 3, hereof, and Exhibit 1, hereto, neither party may assign, pledge, or otherwise encumber this Lease or any interest therein or sublet the Automobile without the other party's consent.

12. *Entire agreement.* This Lease, together with Schedule A and Exhibit 1, represents the entire agreement between the parties with regard to the subject matter hereof. All prior negotiations have been merged into this Lease and there are no understandings, representations, or agreements, oral or written, express or implied, other than those set forth herein. This Lease shall not be modified or amended except by an agreement in writing signed by the parties.

13. *Notices.* All notices required to be given under the terms of this Lease shall be in writing and shall be sent by United States registered mail or certified mail addressed to the party to be notified at its address as above stated.

14. *Governing law.* This Lease shall in all respects be governed by and construed in accordance with the laws of the State of North Carolina.

15. *Headings.* Headings in this Lease are for convenience only and shall not be used to interpret or construe its provisions.

16. *Counterparts.* This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties have caused this Lease to be executed the day and year first above written.

LESSOR:

LESSEE:

Chapel Hill Leasing, Inc.

By: _____

Its: _____

SCHEDULE A

YEAR/MAKE: _____

MODEL\COLOR: _____

VIN#: _____

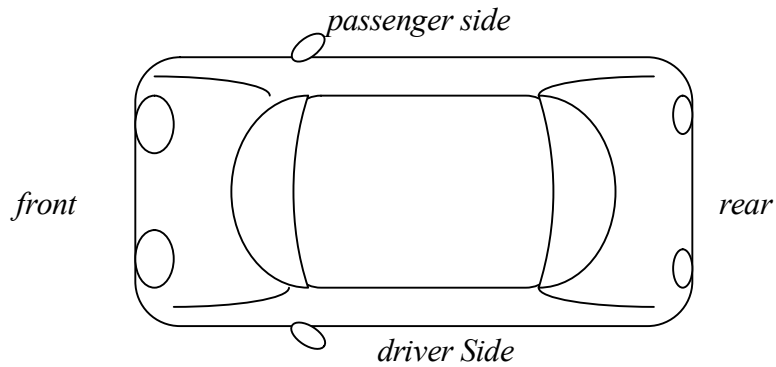
LICENSE PLATE: _____

ODOMETER: _____

ACCESSORIES: _____

NAME OF FINANCING INSTITUTION, IF ANY: _____

CONDITION:



RECEIVED:

DATE: _____

LESSEE:

Chapel Hill Leasing, Inc.

By: _____

Its: _____

SECOND AGREEMENT

THIS SECOND AGREEMENT is made and entered as of the above referenced date by and between Chapel Hill Leasing, Inc., a North Carolina corporation with its principal place of business at 201 Sage Rd, Suite 301, Chapel Hill, NC 27514 (the "Sublessor"), and _____ (the "Sublessee"), an individual residing at _____.

WHEREAS, the Sublessor has leased the automobile described in Schedule B, attached hereto (together with any replacement vehicle, the "Automobile"), from _____ (the "Owner") pursuant to that certain Lease dated as of _____, 20__ (the "Lease Agreement"); and

WHEREAS, the Owner now desires to sublease the Automobile back from the Sublessor:

NOW, THEREFORE, in consideration of the covenants and payments set forth herein, the parties agree as follows:

1. *Sublease.* The Sublessor shall sublease to the Sublessee and the Sublessee shall lease from the Sublessor the Automobile month to month commencing on the date hereof and ending no later than the expiration of the Lessor's Visiting International Faculty Agreement or Employment Agreement, as the case may be, dated _____, ____ (the "Term").

2. *Rental.* The Sublessee shall pay to the Sublessor the sum of \$10.00 as rental in full for the Automobile for the entire Term. Whenever required, the Sublessee shall also pay to the Sublessor any sales, use, or similar tax, which at any time during the term of this Sublease may be imposed on the letting herein provided.

3. *Vehicle Use.*

(a) The Sublessee shall not use or permit the Automobile to be used for any illegal purpose or for the transportation of any material deemed hazardous by reason of being explosive or inflammable.

(b) The Automobile shall only be used by licensed drivers.

(c) The Sublessor shall not be responsible for loss or damage to any goods or other property placed or carried in the Automobile arising from any cause whatsoever.

4. *Operation.* The Sublessee and its drivers shall be solely responsible for individual fines and penalties for parking, traffic and speeding violations. If the Sublessor is required to pay any fine or summons, it may add such amount to the Sublessee's obligations under Section 6(a) hereof.

5. *Maintenance.* The Sublessee shall, at its own cost and expense, make all repairs and replacements to the Automobile as may be necessary to keep and maintain the Automobile at all

times in first-class mechanical condition and repair and, in addition thereto, shall maintain the Automobile in a condition adequate to comply with the laws of the state in which the Automobile is permanently garaged and of such other states in which the Sublessee may, pursuant hereto, operate the Automobile. The Sublessee, in effecting repairs or replacements, shall use only parts specified by the manufacturer of the Automobile. Sublessee shall comply with the inspection requirements of all states in which the Automobile is used or operated. No additions or substitutions shall be made to the Automobile without Sublessor's consent.

6. *Insurance.*

(a) The Sublessor will maintain for the Term of this Sublease the types and limits of insurance on the Automobile required under the Lease Agreement, covering both the Sublessor and the Sublessee as such interests may appear; provided, however, that the Sublessee shall pay to the Sublessor all premiums, charges and costs for such insurance as provided under the Lease Agreement.

(b) The Sublessee shall comply with all the terms and conditions of the insurance policies covering the Automobile and give the Sublessor and the appropriate insurance carrier, within 24 hours of any accident involving the Automobile, a written report of such accident. The Sublessee shall cooperate with the insurance carrier and the Sublessor in the prosecution and defense of any and all claims arising from the use of the Automobile.

(c) The Sublessee will contact Chapel Hill Leasing in the event there is a change of insurance carriers. One stipulation that is required by the Sublessor is that the Sublessee submit (via mail or FAX) a copy of the declaration page of the proposed new policy to ensure it meets the limits as set forth by VIF. It is the responsibility of the Sublessee to follow-up with the Sublessor to ensure the documents (declaration page(s)) have arrived at the Sublessor's Headquarters and that the new policy meets the limits as set forth by VIF. If the Sublessee fails to follow-up with the Sublessor then the monthly Chapel Hill Leasing premium will remain in effect and the monthly premium will continue to accrue until such time as Chapel Hill Leasing receives the declaration page to ensure limits as set forth by VIF are in fact met.

(d) The Sublessor shall furnish the Sublessee with copies of all policies of insurance covering the Automobile or certificates of such insurance if requested.

(e) Insurance coverage is limited to the United States and its territories and possessions (including Puerto Rico), and Canada. The Sublessee's use of the Automobile is expressly limited to such insurance coverage areas.

(f) Sublessor does not carry contents or personal property insurance and does not assume any liability for loss or damage to any contents or personal property contained in any vehicle Subleased hereunder, regardless of circumstances under which said loss or damage may occur and whether or not the Automobile is in possession or under control of the Sublessor.

7. *Sublessee's duties.* In addition to other responsibilities set forth in this Sublease, the Sublessee shall, at its own expense:

(a) Notify the Sublessor immediately as to any loss of license plates or accessories or any damage caused to or by the Automobile;

(b) Supply the necessary gasoline, oil, fluids and lubricants for its operation;

(c) Execute and deliver to the Sublessor any and all instruments and documents that may be reasonably necessary to protect Sublessor's interest under this Sublease.

8. *License and registration.* The Automobile shall bear a U.S. license plate and title shall be registered in the name of the Owner in his state of residence in the United States. The expenses incurred in licensing and registering the Automobile shall be borne by the Owner.

9. *Ownership.* Title and ownership interest in and to the Automobile shall remain with and in the Owner.

10. *Assignment.* Sublessee shall not assign this Sublease or any of the Sublessee's rights thereunder. Sublessee shall hold harmless the Sublessor against all expense, loss or damage incurred or caused by any and all liens, levies, security interests, encumbrances and attachments on the Automobile. The Sublessee shall give the Sublessor immediate notice if the Automobile is levied upon, is about to become liable for or is threatened with seizure.

11. *Termination.* Either party may terminate this Sublease at its discretion at any time without any further obligation to the Sublessee, whereupon Sublessor shall terminate all insurance coverage under Section 6 hereof and the Owner shall take possession of the Automobile.

12. *Waiver.* The failure of either party in any one or more instance to insist upon the performance of any of the terms, covenants or conditions of this Sublease, or to exercise any right or privilege in this Sublease conferred, or the waiver of any breach of any of the terms, covenants, or conditions of this Sublease, shall not be construed as thereafter waiving any such terms, covenants, conditions, rights or privileges, all of which shall continue and remain in full force and effect, as if no such forbearance or waiver had occurred.

13. *Indemnity.* The Sublessor does not assume any liability for any acts or omissions of the Sublessee or the Sublessee's drivers or passengers. The Sublessee hereby releases Sublessor and agrees to hold it harmless from any and all claims against the Sublessor of any kind or nature whatsoever, arising out of or resulting from the use and/or operation of the Automobile by the Sublessee, including any expenses and attorney's fees which the Sublessor may incur in defending any such claims, except such claims or portions thereof as are paid by applicable insurance as otherwise herein provided.

14. *Binding effect.* This Sublease shall be binding upon and inure to the benefit of the parties hereto, their successors, legal representatives, and assigns. The Sublessee may not assign, pledge, or otherwise encumber this Sublease or any interest therein or sublet the Automobile without the Sublessor's written consent.

15. *Entire Agreement.* This Sublease together with Schedule B represents the entire agreement between the parties. All prior negotiations have been merged into this Sublease and there are no understandings, representations, or agreements, oral or written, express or implied, other than those set forth herein. This Sublease shall not be modified or amended except by an agreement in writing signed by the parties.

16. *Notices.* All notices required to be given under the terms of this Sublease shall be in writing and shall be sent by United States registered mail or certified mail addressed to the party to be notified at its address as above stated.

17. *Governing law.* This Sublease shall in all respects be governed by and construed in accordance with the laws of the State of North Carolina.

18. *Headings.* Headings in this Sublease are for convenience only and shall not be used to interpret or construe its provisions.

19. *Counterparts.* This Sublease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Sublease to be executed the day and year first above written.

CHAPEL HILL LEASING, INC. (SUBLESSOR)

By: _____

Its: _____

SUBLESSEE:

_____ (signature)

_____ (print)

SCHEDULE B

YEAR/MAKE: _____

MODEL\COLOR: _____

VIN#: _____

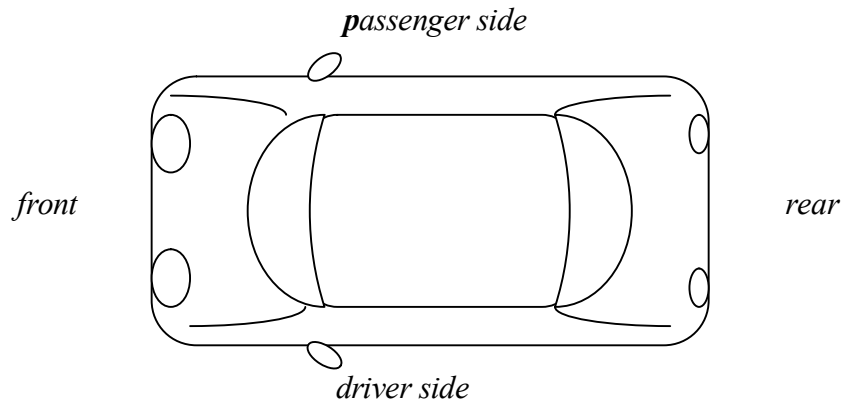
LICENSE PLATE: _____

ODOMETER: _____

ACCESSORIES: _____

NAME OF FINANCING INSTITUTION, IF ANY: _____

CONDITION:



RECEIVED:

SUBLESSEE:

DATE: _____

_____ (SEAL)
(signature)

(print name)



Bank Draft Authorization Form

Chapel Hill Leasing, Inc. is hereby authorized to charge the following account indicated. The payment of the draft is subject to the amount indicated and is agreed upon by the customer. This authorization will remain in effect until cancelled by the account holder in writing.

Name: _____

Bank Name/Address: _____

Bank Phone No. #: _____

Bank Routing Number: _____

Bank Account Number: _____

Purpose of Draft: _____

Beginning Draft Date: _____

Draft Amount*: _____

Ending Draft Date: upon written notification of cancellation _____

* I authorize an increase in the draft amount if my insurance is increased due to accident(s) or moving violation(s) or to cover late/NSF charges.

I understand that I am responsible for the full amount of the above deductions. If I have insufficient funds to cover the amount of the draft, I will be solely responsible for paying any overdraft charges incurred as a result of the lack of funds. I authorize CHL to make corrections in the draft in the event of a mistake in the drafting process.

Customer Signature _____

Date: _____

PLEASE ATTACH A VOIDED CHECK TO THIS FORM