

CALIFORNIA

MOTOR VEHICLE LEASE AGREEMENT

Consumer use lease unless this commercial use box is checked W Lease Date: 1/30/2024

LESSEE (and CO-LESSEE, if any): LESSEE'S GARAGING ADDRESS (where the Vehicle will be principally located): LESSOR (Dealer Name and Address):

This is an agreement to lease (the "Lease") the vehicle described below ("Vehicle") and not a purchase agreement. Lessor owns the Vehicle throughout the term of the Lease.

DESCRIPTION OF LEASED VEHICLE: Year 2024, Make & Model VOLVO XC60, Body Style UT, Vehicle Identification Number, Mileage on Odometer. DESCRIPTION OF TRADE-IN VEHICLE: Gross Agreed Upon Trade-in Allowance, Outstanding Prior Credit or Lease Balance, Net Trade-in Allowance.

Lessee Agrees that if this lease cannot be assigned by the dealer to a financial institution on terms acceptable to the dealer and dealer provides notice to the consumer within ten days of lease signing, this lease will be rescinded.

FEDERAL CONSUMER LEASING ACT DISCLOSURES

1. Amount Due at Lease Signing or Delivery: \$ 3680.76. 2. Monthly Payments: Your first Monthly Payment of \$ 783.66 is due on 1/30/2024, followed by 35 payments of \$ 783.66 due on the 2nd of each month. 3. Other Charges: Vehicle Turn-in Fee (if you do not purchase the Vehicle) \$ 450.00. 4. Total of Payments: \$ 31558.86.

ITEMIZATION OF AMOUNT DUE AT LEASE SIGNING OR DELIVERY

5. Amount Due at Lease Signing or Delivery: a. Capitalized cost reduction \$ 1979.46, b. First Monthly Payment 783.66, c. Refundable security deposit N/A, d. Title fees 341.00, e. Registration fees 332.00, f. Sales/Use tax 202.89, g. EFF FEE 33.00, h. CA TIRE FEE 8.75, i. N/A 0.00. Total \$ 3680.76. 6. How the Amount Due at Lease Signing or Delivery will be paid: a. Net trade-in allowance \$ N/A, b. Rebates and noncash credits N/A, c. Amount to be paid in cash 3680.76, d. N/A N/A. Total \$ 3680.76.

YOUR MONTHLY PAYMENT IS DETERMINED AS SHOWN BELOW

7. Gross Capitalized Cost: \$ 53500.00. 8. Capitalized Cost Reduction: \$ 1979.46. 9. Adjusted Capitalized Cost: \$ 51520.54. 10. Residual Value: \$ 36409.50. 11. Depreciation and Any Amortized Amounts: \$ 15111.04. 12. Rent Charge: \$ 10477.76. 13. Total of Base Monthly Payments: \$ 25588.80. 14. Lease Payments: 36 months. 15. Base Monthly Payment: \$ 710.80. 16. Monthly Sales/Use Tax: \$ 72.86. 17. N/A. 18. N/A. 19. N/A. 20. Total Monthly Payment ("Monthly Payment"): \$ 783.66.

21. Early Termination. You may have to pay a substantial charge if you end this Lease early. The charge may be up to several thousand dollars. 22. Excessive Wear and Use. You may be charged for excessive wear based on our standards for normal use and 25 cents per mile for each mile in excess of 30047 miles at the end of the Lease. 23. Purchase Option at End of Lease Term. You have an option to purchase the Vehicle at the end of the Lease Term for \$ 36409.50 and a purchase option fee of \$ 450.00. 24. Other Important Terms. See your Lease documents for additional information on early termination, purchase options and maintenance responsibilities, warranties, late and default charges, insurance, and any security interest, if applicable.

25. ITEMIZATION OF GROSS CAPITALIZED COST

A. Agreed Upon Value of Vehicle as equipped at the time of Lease signing \$ 51725.00. B. Accessories and optional equipment Lessor agrees to add to the Vehicle after Lease signing: (1) DOOR EDGE GUARD \$ 695.00, (2) N/A \$ 0.00, (3) N/A \$ 0.00, (4) N/A \$ 0.00. C. Total Agreed Upon Value of Vehicle \$ 52420.00. D. Sales/Use Tax \$ N/A. E. License, Title and Registration Fees \$ N/A. F. Outstanding Prior Credit or Lease Balance \$ N/A. G. Document Processing Fee (Not a Gov't. Fee) \$ 85.00. H. Optional Excess Wear & Use Waiver \$ N/A. I. Optional Service Contract \$ N/A. J. Acquisition Fee \$ 995.00. K. California Tire Fees \$ 0. L. Electronic Registration Fee (Not a Gov't. Fee) \$ 0. M. Other (describe) N/A \$ 0.00. N. Other (describe) N/A \$ 0.00. O. Other (describe) N/A \$ 0.00. P. Total = Gross Capitalized Cost \$ 53500.00.

26. OFFICIAL FEES AND TAXES. The total estimated 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: \$ 4886.60. 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.

NOTICES AND SIGNATURES

THERE IS NO COOLING OFF PERIOD. California law does not provide for a "cooling off" or other cancellation period for vehicle leases. Therefore, you cannot later cancel this lease simply because you change your mind, decided the vehicle costs too much, or wish you had acquired a different vehicle.

You have the right to return the Vehicle, and receive a refund of any payments made if the credit application is not approved, unless nonapproval results from an incomplete application or from incorrect information provided by you.

(1) Do not sign this Lease before you read it or if it contains any blank spaces to be filled in; (2) You are entitled to a completely filled in copy of this Lease; (3) Warning--Unless a charge is included in this Lease for public liability or property damage insurance, payment for that coverage is not provided by this Lease.

By signing below, you acknowledge that you have received a completely filled-in copy of this Lease

A. INDIVIDUAL LESSEE SIGNATURE(S). X Name: [Signature] Lessee Signature - read all four pages of this Lease before signing. X Name: [Signature] Co-Lessee Signature - read all four pages of this Lease before signing.

YOU AGREE THAT ASSIGNEE AND VCFS MAY OBTAIN YOUR CREDIT REPORT, CREDIT SCORE OR OTHER CONSUMER REPORT FOR USE IN CONNECTION WITH COLLECTION OF AMOUNTS OWED UNDER THIS LEASE, ENFORCEMENT OF THIS LEASE, AND MARKETING SOLICITATIONS FOR RETAIL INSTALLMENT FINANCING OR LEASE PROGRAMS AFTER LEASE DATE.

THIS LEASE CONTAINS THE ENTIRE AGREEMENT BETWEEN YOU AND US. There are no other agreements between you and us except those included in writing in this Lease. Except for lease extensions of less than five (5) months, which may be agreed to over the telephone or through electronic communication without signature, no change of this Lease, no course of performance and no other agreement between you and us will be binding unless in writing and signed by you and us.

Lessee's Initials _____ ✓ / Co-Lessee's Initials _____ ✓

B. BUSINESS LESSEE SIGNATURE

X _____ Name: N/A Title: _____
Signature

C. LESSOR SIGNATURE AND ASSIGNMENT

The authorized signature of the Lessor below has the effect of: (1) accepting the terms and conditions of this Lease; (2) acknowledging verification of the Vehicle insurance coverage required by this Lease; and (3) assigning to VCFS Auto Leasing Company, or its successors and assigns all of its right, title and interest in and to this Lease, the proceeds of this Lease and the Vehicle, according to the terms and conditions of the Dealer Agreement between VCFS and/or VCFS Auto Leasing Company and the Lessor. The consumer lease disclosures included in this Lease are made on behalf of Dealer, Assignee and are also made on behalf of Volvo Car Financial Services U.S., LLC ("VCFS"), who will administer the Lease. For purposes of the Federal Consumer Leasing Act only, VCFS should also be considered a Lessor. The address for Assignee is P.O. Box 91300, Mobile, AL 36691-1300.

X _____ Name: _____ Title: F. J. M. G. R.
Authorized Signature

27. LATE CHARGE: To the extent permitted by law, you will pay us a late charge of the lesser of \$20 or 5% of the unpaid portion of any Monthly Payment that is not received within 10 days after it is due.

28. WARRANTIES: If the Vehicle is new, the Vehicle is covered by the manufacturer's standard new car warranty. If the Vehicle is not new, there is no express warranty on the Vehicle unless indicated below.

- Used vehicle limited warranty provided by the manufacturer. Remainder of standard new vehicle limited warranty provided by the manufacturer.

LESSOR LEASES THE VEHICLE TO YOU "AS IS", EXCEPT AS PROVIDED IN THIS LEASE (AND UNLESS PROHIBITED BY LAW), WE MAKE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS AS TO THE VEHICLE'S (OR ANY OF ITS PARTS OR ACCESSORIES) CONDITION, MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND WE MAKE NO OTHER REPRESENTATIONS OR WARRANTIES WHATSOEVER.

29. INSURANCE VERIFICATION

You affirm that the following insurance coverage is in force as of the Lease Date:

Insurance Carrier:	Policy Number:	Effective Date:	Expiration Date:
Agent's Name:	Agent's Address:	Agent's Phone Number:	<u>JL</u>

Initials of Dealer Employee who verified insurance coverage _____

You must instruct your insurance agent to add VCFS Auto Leasing Company as insured and loss payee and to send the Insurance Policy, Endorsement, or Certificate showing these designations to: P.O. Box 91300, Mobile, AL 36691-1300, Attn: VCFS Auto Leasing Company.

30. ARBITRATION. The parties agree that any unresolved disputes shall be submitted to arbitration in accordance with the Arbitration Clause (Section 62). By initialing this Section, you are confirming that you have read this Section and the Arbitration Clause, including the method of opting out of arbitration.

Lessee's Initials _____ ✓ / Co-Lessee's Initials _____ ✓

31. MAINTENANCE, REPAIRS AND OPERATING EXPENSES. You are responsible for and agree to pay for all maintenance and repairs to keep the Vehicle in good working order and condition and any other expenses associated with operating the Vehicle. You agree to service the Vehicle according to the manufacturer's recommendations as outlined in the owner's manual for the Vehicle and, if applicable, the maintenance schedule folder, and as requested by the manufacturer in any recall campaign, and you will complete all necessary service records. You agree to have all Vehicle maintenance and repairs performed at an authorized franchised retailer of the manufacturer of the Vehicle, except that you agree that collision repairs will be performed only at manufacturer certified collision centers. You agree to make all repairs with new and genuine original equipment manufacturer (OEM) replacement parts. **See Standards for Wear and Use below for the consequences of failure to maintain and repair the Vehicle as required.**

32. STANDARDS FOR WEAR AND USE. Excessive wear and use includes, but is not limited to: (a) failure to maintain the Vehicle as required in the preceding subsection, (b) glass that is damaged or that you have tinted; (c) damaged body, frame, fenders, metal work, trim or paint; (d) missing jack or wheel wrench; (e) torn dash, floor covers, seats, headliners, upholstery or interior work or trunk liners; (f) any tires (including spare) that are missing, not of comparable quality to the originals, of an incorrect size or speed rating, or with less than 4/32 inch of tread remaining; (g) damage from water, hail or sand; (h) any damage that makes the Vehicle either unsafe or unlawful to operate; (i) mechanical or electrical parts that do not work properly; or (j) any other damage, whether or not covered by insurance, that would cost more than \$50 to repair or replace.

If the odometer was tampered with or otherwise does not work correctly and you cannot prove the mileage shown on the odometer, you agree to pay the greater of fifteen percent (15%) of the Residual Value or the amount we estimate the Vehicle's fair market value has been reduced by reason of additional miles not reflected on the odometer, the inability to determine the Vehicle's actual mileage, or both. Each warning or maintenance light indicates a failure to maintain the Vehicle as required and constitutes wear that must be corrected at a minimum cost of \$100.

Notwithstanding the initial inspection, you are responsible for the costs of odometer tampering and excessive wear resulting from a failure to maintain the Vehicle as required in the preceding subsection which may include paying the cost of replacement of entire systems in the Vehicle, such as the engine or powertrain.

33. USE AND SUBLEASING. You agree that:

- a. Only authorized licensed drivers will operate the Vehicle and you will not attempt to authorize and may not authorize, use by you or others of the Vehicle in a vehicle sharing program, a subscription program, a public or private livery program, a transportation network platform program, or a goods delivery program, including a delivery network platform program or similar application or platform;
- b. Neither you nor any other person will operate the Vehicle while under the influence of alcohol, illegal narcotics or prescription or non-prescription drugs or any other substance;
- c. You will keep the Vehicle free of all fines, liens and encumbrances and if you do not, any amounts paid by us shall be an additional amount owed by you under this Lease;
- d. You will not use the Vehicle to transport passengers or goods for hire, while logged in to a transportation network platform or similar application or platform as a driver whether or not a passenger is in the Vehicle, while logged in to a delivery network platform or similar application or platform used for on-demand delivery whether or not goods, items or products to be delivered are in the Vehicle, as a residence, in the

- e. commission of a high misdemeanor or felony or seeking to avoid lawful apprehension or arrest by a police officer, in any racing, demolition, or stunting activity, in any way prohibited by your insurance or the manufacturer's warranty, in a manner that causes abnormal depreciation, illegally or improperly, or with the specific intent to cause injury;
- e. Except for 30 days or less to Canada, you will not remove the Vehicle from the United States; and
- f. You will not alter, mark, or install equipment on the Vehicle other than OEM accessories installed by an authorized franchised retailer of the manufacturer of the Vehicle.
- g. **YOU DO NOT OWN THE VEHICLE. You will not assign, transfer, sublease, rent or pledge this Lease or the Vehicle without our written consent, nor will you interfere with our ownership of the Vehicle; and**
- h. **You are responsible for the risk of loss, damage, or destruction of the Vehicle during the Lease Term and until you return the Vehicle to us.**

34. NOTICE OF ACCIDENTS AND COOPERATION. You agree to cooperate fully with us and any insurance company in the investigation and defense of any and all claims arising from possession and use of the Vehicle. You will make a complete report to Assignee within 48 hours after any accident, theft or loss involving the Vehicle. You will comply with laws and regulations requiring the reporting of accidents, thefts or loss involving the Vehicle.

35. INSURANCE: REQUIRED PUBLIC LIABILITY AND PHYSICAL DAMAGE INSURANCE. During the term of this Lease you must ensure that Public Liability and Physical Damage Insurance on the Vehicle covers both you and us. The coverage must be not less than \$100,000/\$300,000 bodily injury, \$50,000 property damage and physical damage coverage or a combined single limit of \$500,000 for bodily injury and property damage for any one accident and physical damage coverage with deductibles not to exceed \$1000 for collision and \$1000 for comprehensive. Named Driver Exclusions or other Named Driver or other non-standard limiting endorsements are NOT acceptable. NO OTHER TYPES OF INSURANCE ARE REQUIRED BY US.

YOU AGREE THAT YOUR OWN LIABILITY AND PERSONAL INJURY PROTECTION INSURANCE WILL PROVIDE PRIMARY INSURANCE COVERAGE UP TO ITS FULL POLICY LIMITS UNDER THE AGREEMENT. THE VALID AND COLLECTIBLE LIABILITY INSURANCE AND PERSONAL INJURY PROTECTION INSURANCE OF ANY AUTHORIZED LEASING DRIVER IS PRIMARY FOR THE LIMITS OF LIABILITY AND PERSONAL INJURY PROTECTION.

Assignee must be named as "additional insured" and "loss payee" on any insurance policy you maintain. Each such policy must provide that Assignee will be notified in writing at least 10 days before the insurance is cancelled or coverage altered and that Assignee or its representative may have full access to your insurer's claim file in the event of an insurable loss. You have the option of furnishing the required amount of insurance either (i) through any existing policies owned or controlled by you and issued by a carrier reasonably acceptable to us; or (ii) by purchasing the required coverage separately through any insurer reasonably acceptable to us. We will credit you with the proceeds of any insurance that we receive for any loss.

If the insurance on the Vehicle lapses and/or you have not paid for such coverage, we reserve the right to, but shall have no obligation to, place insurance on the Vehicle covering our interest only or, in our discretion, both our interest and your interest and charge you for the portion of the premium attributable to the required coverage.

DEFAULT

36. DEFAULT. You will be in default of this Lease ("Default") if any of the following occur:

- a. You do not make a payment when it is due;
- b. You or any of your property becomes the subject of a proceeding (voluntary or involuntary) in bankruptcy;
- c. You become incompetent or die (if a natural person) or dissolve (if not a natural person);
- d. Any information in your Lease Application (including driver information) is materially false or misleading;
- e. The Vehicle is stolen, lost, destroyed, seized, or confiscated or is otherwise rendered unavailable or unsuitable for use or is declared a total loss;
- f. **You assign, transfer, sublease, rent or pledge this Lease or the Vehicle without our permission or otherwise violate Section 33 including, without limitation, by transporting passengers or goods for hire, operating the Vehicle while logged in to a transportation network platform or similar application or platform as a driver whether or not a passenger is in the vehicle, while logged in to a delivery network platform or similar application or platform used for on-demand delivery whether or not goods, items or products to be delivered are in the Vehicle;**
- g. You otherwise fail to comply with any other term, provision, or condition of this Lease or fail to keep any other promise made to us;
- h. If at any time you appear on the list of Specially Designated Nationals and Blocked Persons published by the U.S. Treasury Department's Office of Foreign Assets Control, or any other similar or successor list containing names of persons with whom we cannot do business, or we are prohibited at any time by any federal or state law, rule, regulation, or order from doing business with you;
- i. Anything else happens that adversely affects our interest in the Vehicle or your ability to comply with obligations under the Lease; or
- j. You do anything the law says is a default.

We may terminate the Lease prior to the scheduled termination date of this Lease if you are in Default.

37. WHAT YOU OWE UPON DEFAULT.

- a. **Early Termination Because of Total Loss.** If you suffer a total loss of the Vehicle, you are in Default, the Lease terminates and you are obligated to notify the insurer of the Vehicle and to coordinate with the insurer of the Vehicle to ensure payment by the insurer of the Vehicle on the claim to us. If you have complied with all other provisions of this Lease, and the Vehicle is declared a total loss by the insurer of the Vehicle, you will owe us nothing more once we have received (i) all of the insurance proceeds due under the insurance policy required under this Lease, (ii) the deductible under such insurance policy, (iii) all Monthly Payments due, and all other amounts due, under this Lease and not paid up to the date where the Vehicle is declared a total loss. If the Vehicle is a total loss and the requirements of this Section 37(a) are not satisfied, you will owe the Standard Early Termination Charge, less the Turn-in Fee.
- b. **Early Termination Because of Any Other Default.** If we terminate this Lease because of any other Default, then you agree that you will owe us: (i) the Standard Early Termination Charge (see Section 39(a)); (ii) all collection, repossession, storage, preparation and sale expenses of the Vehicle to the extent permitted under applicable law; (iii) if permitted by applicable law, attorneys' fees and disbursements incurred after Default and referral to an attorney who is not our salaried employee, not to exceed 15% of the amount you owe us (or such lesser rate as may be required under applicable law).

38. OUR RIGHTS AND REMEDIES IF YOU DEFAULT. If you are in Default we will have, in addition to all of the rights and remedies provided by this Lease and by law, the right to sue you for damages and/or recovery of the Vehicle. We also may take the Vehicle from you without demand if permitted by law (or, if demand is required by law, upon compliance with such legal requirements). You agree that we may enter your property or the property where the Vehicle is stored in order to take it, so long as it is done peaceably. If there is any personal property in the Vehicle when we take the Vehicle from you, we may take the personal property and store it for you. If we take the Vehicle you will not be released from any obligation under this Lease.

ENDING YOUR LEASE

39. EARLY TERMINATION.

a. Standard Early Termination

Your Standard Early Termination Charge is calculated as follows:

- (i) the Base Monthly Payment times the number of Monthly Payments not yet made, PLUS
- (ii) any other amounts unpaid by you, including Late Charges as described in Section 27, other than excess mileage and excessive wear and use charges, arising under this Lease and not prohibited by applicable law, PLUS
- (iii) any official fees and taxes related to the termination of this Lease, PLUS
- (iv) the Residual Value, PLUS
- (v) the Vehicle Turn-in Fee, MINUS
- (vi) the "Realized Value" of the Vehicle (as specified below), MINUS
- (vii) the unearned Rent Charge calculated in accordance with an actuarial method. Under this method of determining the unearned Rent Charge, the monthly Rent Charges (including those for the month in which the early termination occurs) are

earned in advance on the scheduled due dates of your Monthly Payments and your Monthly Payments are deemed to have been received on their scheduled due dates.

The "Realized Value" of the Vehicle is, if you obtain (at your expense) a written appraisal of the wholesale value of the Vehicle by a qualified independent appraiser acceptable to us, the appraised wholesale value which shall be final and binding on you and us. Otherwise, the Realized Value shall be the fair wholesale market value of the Vehicle at termination according to a recognized used vehicle guide selected by us and customarily used by motor vehicle dealers, including, but not limited to, Manheim Market Report, calculated and adjusted, taking into consideration the Vehicle's mileage and, if applicable, the Vehicle's physical condition. **YOU DO NOT OWN THE VEHICLE. You may not sell the Vehicle to establish a Realized Value for the Vehicle.**

If the Vehicle is a total loss and you do not satisfy the requirements of Section 37(a), the Realized Value is the insurance deductible if paid by you plus the Vehicle's actual cash value (less any deductions made by the insurer) we received from the insurer or from any other party in payment for the loss; if there is no such payment, the Realized Value is zero.

b. Voluntary Early Termination

If you are not in Default, upon prior notice to us, you may terminate this Lease prior to the scheduled termination date of the Lease. If you do so, and if you do not exercise your purchase option at that time, you will owe us the Standard Early Termination Charge.

Alternatively, at your option, instead of the Standard Early Termination Charge, you may elect to owe the Remaining Payments Termination Charge, calculated as follows: the sum of (a) all scheduled Monthly Payments from the termination date through the scheduled maturity date of the Lease, PLUS (b) any unpaid amounts owed by you, PLUS (c) any excess mileage charge, PLUS (d) the appraised cost of such repairs or replacements needed because of excessive wear or use regardless of whether such repairs or replacements are made in order to put the Vehicle in good working order and condition, PLUS (e) the Vehicle Turn-in Fee.

40. RETURN OF VEHICLE AT SCHEDULED TERMINATION DATE. This Lease is scheduled to terminate 1 month after the last Monthly Payment is due. At the end of the Lease Term, you may either purchase the Vehicle from us (see Section 41) or return the Vehicle to an authorized franchised retailer of the manufacturer of the Vehicle in good condition, without damage, excessive wear or use (see Sections 22 & 32) and without excess mileage (see Section 22), and you will pay any amount you owe under this Lease, plus the Vehicle Turn-in Fee. You also agree to pay (a) the appraised cost of such repairs or replacements needed because of excessive wear or use (see Sections 22 & 32) regardless of whether such repairs or replacements are made in order to put the Vehicle in good working order and condition and (b) any excess mileage charge as described in Section 22. Unless you and we have agreed to extend the Lease Term, you may not keep possession of the Vehicle past the date of termination. **Notwithstanding your continued payments, your Lease will not be extended more than 5 months from the original scheduled termination date and this limitation may not be modified by written or oral agreement.** You are in Default if you keep possession of the Vehicle past the termination date and, in addition to the Remedies set forth in Section 38, you will be responsible for damages incurred by Lessor and you will owe an amount equal to the Monthly Payment for each part of a month and each month past the termination date until the Vehicle is repossessed or delivered to Lessor. The Turn-in Fee will be waived if you simultaneously replace this Lease with another lease or retail installment contract for a Polestar vehicle through VCFS Auto Leasing Company d/b/a Polestar Financial Services or Volvo Car Financial Services U.S., LLC d/b/a Polestar Financial Services, respectively. In addition, if you decline your purchase option but an authorized franchised retailer of the manufacturer of the Vehicle, promptly at lease termination and in connection with a new Polestar lease or purchase, pays the Assignee for the Vehicle in an amount equal to the Residual Value plus the Turn-in Fee, we will waive any excess wear and excess mileage charges.

41. PURCHASE OPTION AT END OF LEASE TERM. (a) You have the option to purchase the Vehicle "AS IS" directly from us for cash or a cash equivalent such as a certified check or an ACH transfer sent directly by you at the scheduled termination of this Lease, provided all sums due under this Lease have been paid by you and you notify us 15 days prior to the scheduled

termination of this Lease. The price you will pay us will be the Residual Value PLUS a purchase option fee in the amount set forth in Section 23 and any official fees and taxes charged in connection with the purchase of the Vehicle. (b) If you do not wish to, or are unable to, exercise the purchase option in the manner set forth in Section 41(a), your purchase option will be considered declined, and the Lease will expire in accordance with the terms contained therein, and the Vehicle must be returned to an authorized franchised retailer of the manufacturer of the Vehicle. You acknowledge and agree that: (i) arranging or agreeing with a retailer other than an authorized franchised retailer of the manufacturer of the Vehicle that the retailer will send a payment to the Lessor does not constitute an exercise of the purchase option and is instead an impermissible attempt to transfer the Lease (ii) if you subsequently purchase the Vehicle without paying the full amount owed directly to us in cash or a cash equivalent as set forth in Section 41(a), you are not exercising a right under this Lease or purchasing the Vehicle from us, and (iii), we are not a party that subsequent agreement and make no offer to you with respect to the any of the terms of that subsequent purchase, including the price and any documentary, inspection or other fees or charges you pay.

42. OPTION TO PURCHASE LEASED VEHICLE PRIOR TO THE END OF THE LEASE. You have a non-transferrable, non-assignable right to purchase the Vehicle "AS IS" prior to scheduled termination if you are not in default. You may not exercise this right by trading in the Vehicle and this right does not include the right to trade in the Vehicle to a retailer other than an authorized franchised retailer of the manufacturer of the Vehicle. You must contact us to exercise this right and we will not accept checks or other payments from a retailer other than an authorized franchised retailer of the manufacturer of the Vehicle. Payment must be made directly to Assignee for cash or a cash equivalent such as a certified check or an ACH transfer sent directly by you for the following amount: (a) the Base Monthly Payment times the number of Monthly Payments not yet made, PLUS (b) the Residual Value, PLUS (c) an early purchase option fee equal to the amount of the end of Lease Term purchase option fee set forth in Section 23, MINUS (d) the unearned Rent Charge calculated in accordance with an actuarial method. Under this method of determining the unearned Rent Charge, the monthly Rent Charges (including those for the month in which the early termination occurs) are earned in advance on the scheduled due dates of your Monthly Payments and your Monthly Payments are deemed to have been received on their scheduled due dates. You will also owe any official fees and other taxes charged in connection with the purchase of the Vehicle.

43. SECURITY DEPOSIT. You agree to pay a refundable security deposit as indicated in Section 5(c). We will deduct from such deposit any charges you may owe under this Lease. We may retain the security deposit until all amounts you owe under this Lease are paid. We will refund to you any part of the security deposit that is left. No interest, increase, or profits will accrue to you on the security deposit while held by us. We may commingle the security deposit with our own funds. We have no fiduciary obligation with respect to the security deposit.

44. ODOMETER DISCLOSURE. Notice: Federal law requires you to give us a statement of the Vehicle's mileage in connection with a transfer of Vehicle ownership. You may be fined and/or imprisoned if you do not complete the disclosure or if you make a false statement.

ADDITIONAL PROVISIONS

45. ASSIGNMENT BY US. You agree that Assignee and any future assignee of this Lease may pledge or reassign this Lease and ownership of the Vehicle and any of its benefits or burdens except as otherwise provided by applicable law. You agree that neither the Assignee nor VCFS (if it is not the Assignee) shall have to make repairs to the Vehicle, maintain the Vehicle, obtain any insurance or perform any other service the Dealer has agreed to perform under this Lease; and you will look directly to the Dealer for these services.

46. LIMITATION OF LIABILITY. We shall not be liable for any loss of profits or other indirect or consequential damages or inconveniences (except for those relating to personal injury) which may result to you from any damages to, or defect in, the Vehicle or for the time needed to repair or service the Vehicle. Monthly Payments shall continue and not be reduced or delayed during this time.

47. RETURNED CHECK CHARGE, FINES AND FEES. You also agree to pay a check collection charge of \$15, plus the amount charged by the financial institution for each check, draft or other form of payment which is returned or dishonored for any reason except as limited by applicable law. You will pay when due any official fee or fine imposed on this Vehicle, such as a toll charge, parking ticket, traffic or toll violation. Should we have to pay any such fee or fine on your behalf, you will pay us the amount of the fine or fee plus a \$20 administrative charge, or such other charge as allowed by the law, plus any applicable taxes.

48. LICENSE, REGISTRATION, TAXES AND INSPECTION. You agree to pay for titling, registration and licensing and for all inspections of the Vehicle required by any government authority during the Lease Term. YOU WILL ALSO PAY ALL EXCISE, USE, PERSONAL PROPERTY, GROSS RECEIPTS AND OTHER TAXES INCURRED DURING THE TERM OF THIS LEASE WITH RESPECT TO THE VEHICLE EXCEPT THOSE LEVIED ON OUR NET INCOME. The taxes you must pay will either be included in the payments you make under this Lease or separately billed to you by Lessor. Lessor may change your Monthly Payment for increases or decreases in taxes.

49. INSPECTION. You agree to allow us to inspect the Vehicle at any reasonable time and place. If we ask to inspect the Vehicle, you will tell us the location of the Vehicle. Any inspection will be solely for our benefit.

50. INDEMNIFICATION. You agree to indemnify and hold us, our affiliates, assignees, pledgees, agents and employees harmless from all losses, liability, damages, injuries, claims, demands and expenses arising out of the condition, maintenance, use or operation of the Vehicle.

51. SEVERABILITY AND CHOICE OF LAW. If any part of this Lease is not valid according to any applicable law, all other parts nevertheless will remain enforceable.

The law of the state of California will govern this Lease.

52. HEIRS AND REPRESENTATIVES. This Lease will bind and benefit you, your heirs, representatives and successors and will also bind and benefit us and our successors and assigns.

53. NOTICES. All notices to you will be made to the last address provided to us in writing. All notices to us must be made in writing to the respective addresses set forth above or to such other address as we provide in writing.

54. CELL PHONES AND E-MAIL. If you give us a cellular or mobile telephone number, you acknowledge that by doing so you consent to the use of that telephone number to call you or to send you a text message on your cellular or mobile telephone with regard to this Lease, or, if you have installed the Lessor's mobile application, to receive notifications from us through your mobile device(s). You further agree and

consent that we may use auto-dialers and pre-recorded messages in connection with any telephone contacts made with you, including, but not limited to, calls made and text messages sent to your cellular or mobile telephone. You understand and agree that if we call your cellular or mobile telephone or send you a text message on your cellular or mobile telephone, depending upon the type of plan or program you have with your telecommunications provider, you may incur a cost or charge for such telephone call or text message. Finally, you acknowledge that if you gave us an e-mail address or logged in to our mobile application you are specifically authorizing us to send you messages about this Lease using that e-mail address and through that mobile application (whether through a notification or otherwise).

55. NO WAIVER. Our excuse of a Default does not mean that a later occurrence of that or any other Default will be excused. Any failure or delay by us in exercising any of our rights or remedies under this Lease will not cause us to lose them, and we may exercise them at any later time.

56. LIABILITY. If there are more than one of you, each of you shall be liable, separately and together, for the Total of Payments and all other amounts that may at any time be due and owing to us under this Lease.

57. DELIVERY RECEIPT. By signing this Lease, you agree that (a) you received and examined the Vehicle described in this Lease, (b) the Vehicle is as described in this Lease, and (c) the Vehicle is in good working order and condition.

58. AUTHORITY OF DEALER. THE DEALER IS AN INDEPENDENT CONTRACTOR AND IS NOT AFFILIATED WITH VCFS OR ASSIGNEE AS AN AGENT, PARTNER OR JOINT VENTURER. NEITHER THE DEALER NOR ANY OF ITS EMPLOYEES IS AUTHORIZED TO MAKE ANY ORAL OR WRITTEN PROMISE, AFFIRMATION, REPRESENTATION OR WARRANTY TO YOU ON BEHALF OF VCFS OR ASSIGNEE.

59. LIMITED POWER OF ATTORNEY. You appoint us or our agent as your attorney-in-fact to do the following: (1) settle any insurance claim related to the Vehicle, (2) endorse your name on any check or draft we receive for damage or loss of the Vehicle, and (3) to sign your name to any title, registration, or other documents related to the Vehicle, for example, state motor vehicles department applications and documents. This power of attorney is coupled with an interest in the Vehicle and is not revocable.

60. ADDITIONAL INFORMATION AND DOCUMENTS. During the term of this Lease, you agree to provide us with additional documents and information we may reasonably request to verify any information provided in connection with your credit/lease application or your compliance with this Lease. You also agree to sign additional documents we reasonably request to carry out the terms of this Lease, including, but not limited to, motor vehicles department forms and applications.

61. OWNERSHIP. We own the Vehicle solely, including all original and after-market accessories installed on the Vehicle. This is a true lease for tax and other purposes and we receive all benefits of ownership. We have not given you any tax advice regarding this Lease. The Lessee has not (A) taken or will take a position on any federal, state or local tax report, tax filing or tax return that is inconsistent with the ownership of the Vehicle by the Lessor or the Assignee, for federal income tax purposes or (B) claimed or will claim with respect to the Vehicle on any tax report, tax filing or tax return, any depreciation or amortization deductions, or any tax credits or deductions that are available with respect to the Vehicle.

PLEASE REVIEW - IMPORTANT - AFFECTS YOUR LEGAL RIGHTS.

1. EITHER YOU OR WE (LESSOR or ASSIGNEE) MAY CHOOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT OR BY JURY TRIAL.
2. IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US INCLUDING ANY RIGHT TO CLASS ARBITRATION OR ANY CONSOLIDATION OF INDIVIDUAL ARBITRATIONS.
3. DISCOVERY AND RIGHTS TO APPEAL IN ARBITRATION ARE GENERALLY MORE LIMITED THAN IN A LAWSUIT, AND OTHER RIGHTS THAT YOU AND WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.

Any claim or dispute, whether in contract, tort, statute or otherwise (including the interpretation and scope of this Arbitration Clause, and the arbitrability of the claim or dispute), between you and us or our employees, agents, successors or assigns, which arises out of or relates to your credit application, the condition of this Vehicle, this Lease or any resulting transaction or relationship (including any such relationship with third parties who do not sign this Lease) shall, at your or our election, be resolved by neutral, binding arbitration and not by a court action. You have the right to opt out of this agreement to arbitrate by sending a signed written notice stating your decision to opt out of arbitration to Volvo Car Financial Services U.S., LLC, P.O. Box 91300, Mobile, AL 36691-1300 within 30 days of the execution of this Lease. If federal law provides that a claim or dispute is not subject to binding arbitration, this Arbitration Clause shall not apply to such claim or dispute. Any claim or dispute is to be arbitrated by a single arbitrator on an individual basis and not as a class action. You and we expressly waive any right that either of us may have to arbitrate a class action. You may choose one of the following arbitration organizations and its applicable rules: the American Arbitration Association, 1633 Broadway, Floor 10, New York, NY 10019 (www.adr.org), or JAMS, 1920 Main Street, Suite 300, Irvine, CA 92614 (www.jamsadr.com), or any other organization that you may choose subject to our approval. You may get a copy of the rules of these organizations by contacting the arbitration organization or visiting its website.

Arbitrators shall be attorneys or retired judges and shall be selected pursuant to the applicable rules. The arbitrator shall apply governing substantive law in making an award. The arbitration hearing shall be conducted in the federal district in which you reside unless the Lessor is a party to the claim or dispute, in which case the hearing will be held in the federal district where this Lease was executed. We will advance your filing, administration, service or case management fee and your arbitrator or hearing fee all up to a maximum of \$2500, which may be reimbursed by decision of the arbitrator at the arbitrator's discretion. Each party shall be responsible for its own attorney, expert and other fees, unless awarded by the arbitrator under applicable law. If the chosen arbitration organization's rules conflict with this Arbitration Clause, then the provisions of this Arbitration Clause shall control. The arbitrator's award shall be final and binding on all parties, except that in the event the arbitrator's award for a party less than \$10,000 or against a party is in excess of \$100,000, or includes an award of injunctive relief against a party, that party may request a new arbitration under the rules of the arbitration organization by a three-arbitrator panel. We will advance the filing fee and other arbitration costs up to a maximum of \$2,500, subject to a final determination by the arbitrators of a fair apportionment of costs. Any arbitration under this Arbitration Clause shall be governed by the Federal Arbitration Act (9 U.S.C. § 1 et. seq.) and not by any state law concerning arbitration. You and we retain any rights to self-help remedies, such as repossession. You and we retain the right to seek remedies in small claims court for disputes or claims within that court's jurisdiction, unless such action is transferred, removed or appealed to a different court. Neither you nor we waive the right to arbitrate by using self-help remedies or filing suit. Any court having jurisdiction may enter judgment on the arbitrator's award. This Arbitration Clause shall survive any termination, payoff or transfer of this Lease. If any part of this Arbitration Clause, other than waivers of class action rights, is deemed or found to be unenforceable for any reason, the remainder shall remain enforceable. If a waiver of class action rights is deemed or found to be unenforceable for any reason in a case in which class action allegations have been made, the remainder of this Arbitration Clause shall be unenforceable.