

12. Default, Repossession and Other Remedies

You will be in default if: You fail to make a monthly payment when it is due; ♦ you fail to pay any amount you owe under the Lease when it is due or when demand is made; ♦ You provide any false or misleading information in any lease application; ♦ You fail to maintain the required insurance; ♦ You lose possession of the Vehicle by confiscation, forfeiture or other involuntary transfer regardless of whether the Vehicle is the subject of judicial or administrative proceedings; ♦ You exceed the permitted mileage shown in Item 3; ♦ You die and there is no surviving lessee; ♦ The Vehicle is lost, stolen or damaged beyond repair; ♦ You assign the Lease or transfer the Vehicle; ♦ You fail to keep any other promise or obligation under the Lease or violate any other term of the Lease.

If the Lease is in default, we may at our election, after providing any notice and subject to any waiting periods imposed by law, take any one or more of the following actions: We may take any action, such as buying insurance on your behalf, we believe to be required to protect our interest in the Vehicle. Our action will not cure your default. Amounts we spend taking such action will be added to your Lease obligations and will incur rent charges. If we terminate this Lease upon a default, you authorize us to cancel any optional products and services you bought in connection with this Lease. You direct any provider of such products and services to pay us any refund of credit due on early cancellation. We will apply any refund to your Lease obligations. We may peacefully repossess the Vehicle wherever we may find it. We will give all notices of repossession required by law. You authorize us to enter any property where the Vehicle may be to take possession of it and remove it. We may use the license plates on the Vehicle in moving it to a storage place. After repossession, we will hold the Vehicle free of any rights you may have under this Lease, subject to any right you may have under applicable law to cure the default or recover the Vehicle. Unless you tell us within two business days of any personal property you claim was in the Vehicle when it was repossessed, we will not be responsible for that property.

13. Terms Concerning Your Early Termination Liability

- (a) You may terminate (end) the Lease before the end of the Lease term under the following conditions: If you are not in default under the Lease, you may end the Lease by returning the Vehicle to us and paying us within five business days of the date we make demand your early termination liability (see below).
- (b) We may end the Lease before the end of the Lease term under the following conditions: If you are in default, we may end the Lease. You must return the Vehicle to the place we designate. You must pay us within five business days of the date we make demand your early termination liability (see below).

Upon early termination you agree to pay the following charges: Any transportation fees to 50428 if needed ♦ Any unpaid monthly payments then due. ♦ The Early Termination Fee, if any, shown in Item 9. ♦ Any official fees and taxes imposed in connection with termination. ♦ The amount by which the adjusted lease balance exceeds the Vehicle's realized value at termination. ♦ If we have to take possession of the Vehicle from you, you will pay us the amount we have to pay for expenses in doing so. ♦ If we have to store the Vehicle and pay storage charges, you will pay us the amount of the storage charges. ♦ We will apply some or all of your security deposit to what you owe.

We figure your adjusted lease balance using the "constant yield method". "Constant yield method" means the method of determining the rent charge portion of each base monthly payment under which the rent charge for each month is earned in advance by multiplying the constant rate implicit in the Lease times the balance subject to rent charge as it declines during the Lease term. At any given time during the Lease term, the balance subject to rent charge is the difference between the adjusted capitalized cost and the sum of: (i) all depreciation amounts accrued during the previous monthly periods, and (ii) the first base monthly payment. The periodic rent charge calculations are based on the assumption that we will receive your rental payments on their exact due date and that the Lease goes to its full term.

The realized value of the Vehicle is: the price we receive for the Vehicle at disposition; the highest offer we receive for disposition of the Vehicle; of the fair market value of the Vehicle at the end of the Lease term. We will add the amount you owe us what it costs us to pay someone to dispose of the Vehicle, for example an auction fee.

- (c) To the extent these charges take into account the value of the Vehicle at termination, if you disagree with the value we assign to the Vehicle, you may obtain, at your own expense, from an independent third party agreeable to you and to us, a professional appraisal of the wholesale value of the Vehicle which could be realized at sale. We will then use this appraised value as the realized value.

If we have to pay someone to help us collect the amount you owe us, we will add the amount we have to pay to the amount you owe us.

14. Other Terms and Conditions

Insurance. You agree to maintain in your name the following types of amounts of primary insurance for the Lease term and until you return the Vehicle: Bodily injury insurance with \$300,000/\$500,000 limits; property damage insurance with \$50,000 limits; collision, fire, theft, and comprehensive coverage with a maximum deductible of \$500. You may obtain insurance from anyone reasonably acceptable to us. North Iowa Equity, LLC must be shown as additional insured and loss payee. We may endorse your name on any check we receive in payment of a claim. Your policy must state that we will be given at least 10 days' notice of any cancellation, reduction or other material coverage change. If your insurer does not pay a claim for any reason, it will mean that you have not maintained the required insurance. You will pay for any loss that may result because you do not maintain required insurance or because the insurer does not pay a claim.

NOTICE: PHYSICAL DAMAGE OR LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE TO OTHER IS NOT INCLUDED IN THIS LEASE.