

Vehicle Lending Agreement

Agreement Overview

This Vehicle Lending Agreement (the "Agreement") is made and entered into as of [DATE], by and between [LENDER NAME], residing at [LENDER ADDRESS] (the "Lender"), and [BORROWER NAME], residing at [BORROWER ADDRESS] (the "Borrower").

WHEREAS, the Lender is the owner of a certain vehicle, described more fully below; and

WHEREAS, the Borrower desires to borrow the Vehicle from the Lender, and the Lender is willing to lend the Vehicle to the Borrower, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

Vehicle Description

The vehicle subject to this Agreement is described as follows:

- **Year:** [YEAR]
- **Make:** [MAKE]
- **Model:** [MODEL]
- **VIN:** [VEHICLE IDENTIFICATION NUMBER]
- **License Plate Number:** [LICENSE PLATE NUMBER]

Loan Term

The term of this Agreement shall commence on [START DATE] and shall continue until [END DATE] (the "Loan Term"). The Borrower shall return the Vehicle to the Lender on or before the End Date. Any extension of the Loan Term must be agreed upon in writing by both parties.

Permitted Use

The Borrower shall use the Vehicle solely for personal transportation purposes. The Borrower shall not use the Vehicle for any commercial purposes, including but not limited to, transportation of passengers for hire, delivery services, or any other business-related activities, unless explicitly agreed upon in writing by the Lender.

The Borrower shall operate the vehicle in accordance with all applicable laws and regulations.

Prohibited Use

The Borrower is strictly prohibited from:

- Using the Vehicle for any illegal or unlawful purpose.
- Operating the Vehicle while under the influence of alcohol or drugs.
- Allowing any unauthorized person to operate the Vehicle.
- Taking the Vehicle outside of [GEOGRAPHIC AREA - e.g., the state of California] without the Lender's prior written consent.
- Using the Vehicle for racing, off-road driving, or any other activity that could damage the Vehicle.
- Modifying the Vehicle in any way without the Lender's prior written consent.
- Subleasing or re-lending the Vehicle to any third party.

Responsibility for Damage and Maintenance

The Borrower shall be responsible for maintaining the Vehicle in good working order and condition during the Loan Term. The Borrower shall be responsible for all routine maintenance, including but not limited to, oil changes, tire rotations, and fluid checks. The Borrower shall immediately notify the Lender of any damage to the Vehicle, regardless of fault. The Borrower shall be responsible for the cost of repairing any damage to the Vehicle caused by the Borrower's negligence or misuse. The Borrower is responsible for returning the vehicle in the same condition it was received, accounting for reasonable wear and tear.

Insurance

The Borrower shall maintain valid and current automobile insurance coverage on the Vehicle during the Loan Term. The insurance policy shall provide coverage for liability, collision, and comprehensive damage. The Lender shall be named as an additional insured on the insurance policy. The Borrower shall provide proof of insurance to the Lender prior to taking possession of the Vehicle. The minimum insurance coverage shall be [SPECIFY MINIMUM COVERAGE AMOUNTS, e.g., \$100,000/\$300,000 bodily injury liability and \$50,000 property damage liability].

Accidents

In the event of an accident involving the Vehicle, the Borrower shall immediately notify the Lender and the appropriate authorities. The Borrower shall cooperate fully with the Lender and the insurance company in the investigation and resolution

of the accident.

Fees and Expenses

[Choose ONE of the following options, and delete the other. If no fees are charged, use the first option.]

- **Option 1 (No Fees):** This is a gratuitous loan. The Borrower shall not be required to pay any fees or expenses to the Lender for the use of the Vehicle.
- **Option 2 (Fees):** The Borrower shall pay the Lender a loan fee of [AMOUNT] for the use of the Vehicle. This fee shall be paid as follows: [PAYMENT SCHEDULE]. The Borrower shall also be responsible for all expenses related to the Vehicle during the Loan Term, including but not limited to, fuel, tolls, and parking fees.

Default

The following shall constitute an event of default under this Agreement:

- The Borrower fails to return the Vehicle to the Lender on or before the End Date.
- The Borrower breaches any material term or condition of this Agreement.
- The Borrower fails to maintain valid and current automobile insurance coverage on the Vehicle.
- The Borrower uses the Vehicle for any prohibited purpose.
- The Borrower becomes insolvent or files for bankruptcy.

Remedies

Upon the occurrence of an event of default, the Lender shall have the right to immediately terminate this Agreement and repossess the Vehicle. The Lender shall also have the right to pursue any other remedies available at law or in equity, including but not limited to, damages for breach of contract.

Indemnification

The Borrower shall indemnify and hold harmless the Lender from and against any and all claims, losses, damages, liabilities, costs, and expenses (including attorneys' fees) arising out of or relating to the Borrower's use of the Vehicle during the Loan Term, including but not limited to, claims for personal injury, property damage, and wrongful death.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of [STATE].

Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous communications and proposals, whether oral or written.

Amendments

This Agreement may be amended only by a writing signed by both parties.

Severability

If any provision of this Agreement is held to be invalid or unenforceable, such provision shall be struck and the remaining provisions shall remain in full force and effect.

Notices

All notices under this Agreement shall be in writing and shall be deemed to have been duly given when delivered personally, sent by certified mail, return receipt requested, or sent by reputable overnight courier service to the addresses set forth above.

Signatures

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[LENDER NAME] (Lender)

[BORROWER NAME] (Borrower)