

Equipment Lease Agreement

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EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement ("Agreement") is made and entered into as of [EFFECTIVE DATE] (the "Effective Date"), by and between [LESSOR NAME], a [ENTITY TYPE, E.G., CORPORATION/LLC] organized under the laws of [LESSOR STATE] with a principal place of business at [LESSOR ADDRESS] ("Lessor"), and [LESSEE NAME], a [ENTITY TYPE] organized under the laws of [LESSEE STATE] with a principal place of business at [LESSEE ADDRESS] ("Lessee"). Lessor and Lessee are sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Lessor is the owner of the equipment described in Exhibit A attached hereto (the "Equipment"); and
- B. Lessee desires to lease the Equipment from Lessor and Lessor desires to lease the Equipment to Lessee on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Definitions

- 1.1 "Business Day" means any day other than a Saturday, Sunday or federal holiday in [STATE].
- 1.2 "Lease Term" means the period beginning on the Commencement Date and ending on the Termination Date as set forth in Section 3.
- 1.3 "Commencement Date" means [COMMENCEMENT DATE] (or the date the Equipment is delivered to Lessee, whichever is later).
- 1.4 "Termination Date" means the date the Lease Term ends as provided in Section 3.

2. Lease of Equipment

- 2.1 Grant of Lease. Subject to the terms and conditions of this Agreement, Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described in Exhibit A.
- 2.2 Possession and Delivery. Lessor shall deliver the Equipment to Lessee at [DELIVERY LOCATION] on or before [DELIVERY DATE]. Lessee shall inspect the Equipment upon delivery and notify Lessor in writing within [INSPECTION PERIOD] Business Days of any defects or nonconformities. Failure to timely notify Lessor shall constitute acceptance of the Equipment.

3. Lease Term

- 3.1 Term. The Lease Term shall commence on the Commencement Date and continue for a period of [LEASE TERM, E.G., 36 MONTHS] unless earlier terminated in accordance with this Agreement.
- 3.2 Early Termination. Either Party may terminate this Agreement earlier as provided in Section 12 (Default and Remedies) or by mutual written agreement.

4. Rent and Payment

- 4.1 Rent. Lessee shall pay to Lessor rent in the amount of [RENT AMOUNT] per [MONTH/YEAR] ("Rent"). Rent shall be payable in advance on the [DAY] day of each [MONTH] at Lessor's address for notices or by wire transfer to the account designated by Lessor.
- 4.2 Security Deposit. Lessee shall deliver to Lessor a security deposit in the amount of [SECURITY DEPOSIT] upon execution of this Agreement. The security deposit shall secure Lessee's performance and may be applied by Lessor to cure any default, unpaid Rent, repair costs, or other amounts due. Any balance shall be returned to Lessee within [DEPOSIT RETURN DAYS] Business Days after the

Termination Date, subject to lawful setoff.

4.3 Late Charges and Interest. If any payment is not received within [GRACE PERIOD] days after it is due, Lessee shall pay a late fee of [LATE FEE] or [LATE FEE PERCENT]% of the overdue amount, whichever is greater, and interest on the overdue amount at the rate of [INTEREST RATE]% per annum (or the maximum rate permitted by law) from the due date until paid.

4.4 Taxes and Fees. Lessee shall pay all sales, use, excise, personal property, registration and other taxes or governmental charges (excluding income taxes of Lessor) arising out of Lessee's possession or use of the Equipment.

5. Use of Equipment; Compliance with Law

5.1 Permitted Use. Lessee shall use the Equipment only for its lawful business operations and in accordance with the manufacturer's instructions and applicable law.

5.2 Prohibited Uses. Lessee shall not use the Equipment in any manner that would impair the value or function of the Equipment, void warranty, or violate law.

5.3 Compliance with Law. Lessee shall comply with all federal, state and local laws, ordinances and regulations applicable to the use, operation, and possession of the Equipment.

6. Maintenance, Repair and Alterations

6.1 Maintenance and Repairs. Lessee shall, at its sole cost and expense, maintain the Equipment in good operating condition and perform all routine maintenance and minor repairs. Lessor shall be responsible for major repairs resulting from normal wear and tear unless caused by Lessee's misuse, negligence or breach.

6.2 Alterations. Lessee shall not make structural or material alterations, additions or attachments to the Equipment without Lessor's prior written consent. All approved alterations shall become part of the Equipment and remain with the Equipment at the end of the Lease Term unless otherwise agreed in writing.

6.3 Replacement. If any Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee shall promptly notify Lessor and, at Lessor's option, either repair or replace the Equipment with equipment of like kind and quality or reimburse Lessor for the Replacement Value (as defined in Exhibit A).

7. Inspection and Access

7.1 Right to Inspect. Lessor and its agents shall have the right to enter Lessee's premises upon reasonable prior notice during normal business hours to inspect the Equipment, provided that Lessor shall not unreasonably interfere with Lessee's business operations.

8. Insurance

8.1 Insurance Requirements. Throughout the Lease Term Lessee shall, at its own expense, procure and maintain insurance as set forth in Exhibit B, including property insurance covering the full Replacement Value of the Equipment, commercial general liability insurance, and any other coverage required by law or reasonably requested by Lessor.

8.2 Lessor as Loss Payee. All property insurance policies shall name Lessor as an additional insured or loss payee as its interest may appear and shall provide for at least [NOTICE OF CANCELLATION] days' notice to Lessor prior to cancellation.

9. Title; No Encumbrances

9.1 Title. Title to the Equipment at all times shall remain with Lessor. Lessee shall take no action to encumber Lessor's title to the Equipment.

9.2 Protection of Title. Lessee shall not remove or obscure any identification plates or marks indicating Lessor's ownership and shall promptly notify Lessor if any lien, levy or attachment is asserted against the Equipment.

10. Warranties; Disclaimer

10.1 Lessor's Warranty. Lessor warrants that it has the right to lease the Equipment and that, to Lessor's knowledge, the Equipment is free of any material defects in title.

10.2 Manufacturer Warranties. Any manufacturer warranties are passed through to Lessee to the extent assignable and available. Lessor makes no other express warranties and, except as expressly provided in this Agreement, the Equipment is provided "AS IS" without any warranty of merchantability or fitness for a particular purpose.

11. Indemnification and Limitation of Liability

11.1 Lessee Indemnity. Lessee shall indemnify, defend and hold Lessor and its officers, directors, agents and employees harmless from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees) arising out of Lessee's use, possession, maintenance or operation of the Equipment, except to the extent such losses are caused by Lessor's gross negligence or willful misconduct.

11.2 Limitation of Liability. Except for willful misconduct or gross negligence, neither Party shall be liable to the other for consequential, incidental, special or punitive damages arising from this Agreement.

12. Default and Remedies

12.1 Events of Default. Each of the following shall constitute an Event of Default by Lessee: (a) Lessee fails to pay Rent or other amounts when due and such failure continues for [CURE PERIOD] days after written notice; (b) Lessee fails to perform any other material obligation under this Agreement and fails to cure such breach within [CURE PERIOD] days after written notice; (c) Lessee becomes insolvent, makes an assignment for the benefit of creditors, files or has filed against it a petition in bankruptcy that is not dismissed within [BANKRUPTCY CURE PERIOD] days.

12.2 Remedies. Upon an Event of Default, Lessor may, without notice or demand to Lessee (except as expressly required by applicable law), exercise any one or more of the following remedies: (a) declare all unpaid Rent and other amounts immediately due and payable; (b) recover possession of the Equipment and remove the Equipment from Lessee's premises; (c) repair or replace the Equipment and charge Lessee for costs; (d) pursue any other remedy available at law or in equity. Lessee shall be liable for all costs of collection including reasonable attorneys' fees.

12.3 Repossession. Upon repossession Lessor may repair, refurbish, and re-lease or sell the Equipment in a commercially reasonable manner. Lessee shall be liable for any deficiency between amounts due under this Agreement and the proceeds of any sale.

13. Return of Equipment

13.1 Return Condition. Upon expiration or termination of this Agreement, Lessee shall, at its expense, return the Equipment to Lessor at [RETURN LOCATION] in good working condition, ordinary wear and tear excepted, together with all accessories, documentation and replacement parts.

13.2 Removal of Lessee Property. Lessee shall remove all of its property from the Equipment and the premises upon return. Any property not removed within [REMOVAL PERIOD] days may be disposed of by Lessor at Lessee's expense.

14. Assignment and Sublease

14.1 Lessee Assignment. Lessee shall not assign this Agreement or sublease the Equipment, in whole or in part, without Lessor's prior written consent. Any attempted assignment or sublease without consent shall be void.

14.2 Lessor Assignment. Lessor may assign or transfer its interest in this Agreement to any third party, provided that such assignee assumes Lessor's obligations hereunder in writing.

15. Confidentiality

15.1 Confidential Information. Each Party shall maintain the confidentiality of non-public, proprietary information disclosed by the other Party that is designated confidential or that reasonably should be understood to be confidential ("Confidential Information"). Confidential Information excludes information that is rightfully known to the recipient without restriction, is publicly available, or is independently developed.

16. Notices

16.1 Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed given when delivered by hand, by nationally recognized overnight courier, by certified mail return receipt requested, or by email with confirmation, to the addresses set forth below or such other address as a Party may specify by notice:

If to Lessor: [LESSOR NAME]

Address: [LESSOR ADDRESS]

Email: [LESSOR EMAIL]

If to Lessee: [LESSEE NAME]

Address: [LESSEE ADDRESS]

Email: [LESSEE EMAIL]

17. Governing Law and Jurisdiction

17.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [STATE], without regard to its conflict of laws principles.

17.2 Jurisdiction. The Parties irrevocably submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY], [STATE] for any action arising out of or relating to this Agreement, unless the Parties agree in writing to arbitration as set forth in Section 18.

18. Dispute Resolution (Optional)

18.1 Mediation. Prior to commencing litigation, the Parties agree to submit any dispute arising out of this Agreement to mediation in [CITY/COUNTY], [STATE], conducted by a mutually agreed mediator.

18.2 Arbitration. Alternatively, if agreed in writing by the Parties, any controversy or claim arising out of or relating to this Agreement shall be finally resolved by binding arbitration administered by [ARBITRATION FORUM] in accordance with its rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction.

19. Attorneys' Fees

19.1 The prevailing Party in any action to enforce this Agreement shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing Party, in addition to any other relief awarded.

20. Force Majeure

20.1 Neither Party shall be liable for delays or failures in performance resulting from acts beyond its reasonable control, including acts of God, fire, flood, earthquake, pandemics, strikes, war, terrorism, government action, or shortage of supplies or transportation. The affected Party shall promptly notify the other Party and shall use commercially reasonable efforts to resume performance.

21. Assignment of Proceeds; Financing Statements

21.1 To secure Lessee's obligations, Lessee hereby authorizes Lessor to file one or more financing statements describing the Equipment and Lessee's rights therein and agrees to execute such documents as Lessor may reasonably request. Lessee grants Lessor a security interest in all rights and proceeds related to the Equipment.

22. Severability

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

23. Entire Agreement; Amendments

23.1 Entire Agreement. This Agreement, together with its Exhibits and any attachments, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings.

23.2 Amendments. No amendment or modification of this Agreement shall be effective unless in writing and signed by both Parties.

24. Waiver

24.1 No waiver of any breach shall be deemed a waiver of any subsequent breach. Failure to exercise any right shall not be construed as a waiver.

25. Counterparts; Electronic Signatures

25.1 This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signatures delivered by electronic means (e.g., PDF, facsimile, electronic signature platform) shall be binding and enforceable.

IN WITNESS WHEREOF, the Parties have executed this Equipment Lease Agreement as of the Effective Date.

LESSOR:

[LESSOR NAME]

By: _____

Name: [LESSOR SIGNATORY NAME]

Title: [LESSOR SIGNATORY TITLE]

Date: [LESSOR SIGNATURE DATE]

LESSEE:

[LESSEE NAME]

By: _____

Name: [LESSEE SIGNATORY NAME]

Title: [LESSEE SIGNATORY TITLE]

Date: [LESSEE SIGNATURE DATE]

EXHIBIT A

EQUIPMENT DESCRIPTION

1. Equipment: [DETAILED DESCRIPTION OF EQUIPMENT, MODEL, SERIAL NUMBER(S), YEAR, ACCESSORIES]

2. Quantity: [QUANTITY]

3. Location: [STORAGE/USE LOCATION]

4. Replacement Value: [REPLACEMENT VALUE]

5. Additional Terms Regarding Equipment: [ADDITIONAL TERMS]

EXHIBIT B

INSURANCE REQUIREMENTS

Lessee shall procure and maintain at all times during the Lease Term the following insurance coverages

with insurers reasonably acceptable to Lessor:

- 1. Property Insurance: All-risk property insurance covering the full Replacement Value of the Equipment, naming Lessor as loss payee.**
- 2. Commercial General Liability: Minimum limits of [CGL LIMITS, E.G., \$1,000,000] per occurrence and [AGGREGATE LIMIT] in the aggregate, naming Lessor as an additional insured as its interest may appear.**
- 3. Workers' Compensation: As required by applicable law.**
- 4. Auto Liability: If applicable, business auto liability insurance with minimum limits of [AUTO LIMITS].**
- 5. Other Insurance: Any other coverages reasonably requested by Lessor.**

Certificates of Insurance: Prior to delivery of the Equipment and thereafter upon renewal, Lessee shall provide Lessor with certificates of insurance evidencing the required coverage and endorsements. All policies shall provide at least [NOTICE OF CANCELLATION] days' notice to Lessor prior to cancellation or material change.

[OPTIONAL ATTACHMENTS]

- A. Delivery and Acceptance Form
- B. Maintenance Schedule
- C. Equipment Return Checklist

[END OF AGREEMENT]

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