

State of \_\_\_\_\_

## EQUIPMENT LEASE

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This Equipment Lease (this "Lease") is made effective \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
[Effective Date], by and between \_\_\_\_\_ [Name of Lessor] (the "Lessor"), with a mailing  
address of \_\_\_\_\_, and \_\_\_\_\_ [Name of  
Lessee] (the "Lessee"), with a mailing address of \_\_\_\_\_, and  
states the agreement of the parties as follows:

**1. Equipment Description.** The Lessor shall lease the equipment (the "Equipment") listed on the  
attached Exhibit "A".

**2. Payment Terms.** (Check one)

One-time Payment:

The total Lease payment, based on a rate of \$\_\_\_\_\_ (Check one)  per day  week   
month  year of use is due and payable at the time the equipment is returned. Charges are  
calculated from the Effective Date of this Lease until the Equipment is returned.

Interval payment:

The Lessee shall make \_\_\_ [number] payments of \$\_\_\_\_\_ (Check one)  each day  each  
week  every two weeks  each month. Payment shall begin on \_\_\_\_\_, 20\_\_\_\_ and  
(Check one)  every day  every week  every two weeks  every month thereafter, with the  
final payment due on \_\_\_\_\_, 20\_\_\_\_. The Lease payments shall be due whether or not the  
Lessee has received notice of a payment due.

The payments will be made via (Check one)

Cash  Check  Debit  Credit card  Automatic draft.

**3. Tax.**

- Sales and/or use tax, if required, is included.  
 Sales and/or use tax, if required, is NOT included.

**4. Service Charge.** If any Lease payment is not paid within \_\_\_\_\_ day(s) after the due date, the  
Lessee shall pay to the Lessor a fee of \$\_\_\_\_\_ (Check one)  per day  per week   
per month delinquent until payment has been made.

**5. Insufficient Funds.** (Check one)

- The Lessee shall NOT be charged for insufficient funds.  
 The Lessee shall be charged \$\_\_\_\_\_ for each payment with insufficient funds.

**6. Security Deposit.** (Check one)

In addition to the Lease payment charge, the Lessee shall NOT pay a security deposit.

In addition to the Lease payment charge, the Lessee shall pay a security deposit of \$ \_\_\_\_\_ at the time that this Lease is signed. Any amounts refundable to the Lessee shall be paid (Check one)  at the time this Lease is terminated  within \_\_\_\_\_ day(s) after this Lease is terminated, subject to the option of the Lessor to apply it against any Lease charges or damages.

Interest Rate (Check one)

The security deposit shall NOT bear interest.

The security deposit shall bear interest at an annual rate of \_\_\_\_\_ % from the date paid to the Lessor until the date refunded, based on (Check one)

the total amount of the security deposit

amount of security deposit refunded

**7. Lease Term.** (Check one)

Fixed Term:

This Lease shall begin on the above Effective Date and shall terminate on \_\_\_\_\_, 20\_\_.

Interval Basis:

The Lessee shall lease the equipment on an interval basis and terminating upon advance notice of \_\_\_\_\_ number of days from either party consistent with this agreement.

The Lease shall continue unless or until otherwise terminated in a manner consistent with the terms of this agreement.

**8. Location of Equipment.** (Check if applicable)

Fixed location

The equipment shall be located at \_\_\_\_\_ during the Lease Term and shall not be removed from that location without the Lessor's prior written consent.

**9. Equipment maintenance, Use, and Repair.** The Equipment may only be used and operated with care and for its intended use. This use must comply with all laws, ordinances, and regulations relating to the possession, use, or maintenance of the equipment, including registration and/or licensing requirements, if any.

(Check one)

The Lessee shall maintain, at the Lessee's cost, the Equipment in good repair and operating condition, allowing for reasonable wear and tear.

The Lessor shall maintain, at the Lessor's cost, the Equipment in good repair and operating condition, allowing for reasonable wear and tear.

The maintenance cost of the equipment in good repair and operating condition, allowing for reasonable wear and tear, will be shared by both parties on the agreed terms stating here:

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Such costs shall include labor, material, parts, and similar items.

**10. Alterations.** (Check if applicable)

Lessee shall make no alterations or modifications to the Equipment without the prior written consent of the Lessor. All alterations remain property of the Lessor and subject to the terms of this Lease.

**11. Lessor's Right or Inspection.** (Check one)

The Lessor shall have the right to inspect the Equipment during Lessee's normal business hours.

The Lessor shall NOT have the right to inspect the Equipment during Lessee's normal business hours.

**12. Return of Equipment.** At the end of the Lease term, the Lessee shall be obligated to return the Equipment to the Lessor at the Lessee's expense within \_\_\_\_ days.

**13. Option to Renew.** (Check one)

The Lessee shall NOT have the option to renew the Lease for an additional term.

Provided that the Lessee is not in default in the performance of this Lease, Lessee shall have the option to renew the Lease for an additional term of \_\_\_\_\_ [lease period] beginning at the end of the initial Lease Term.

**14. Option to Purchase.** (Check one)

The Lessee shall NOT have the option to purchase items of Equipment at the end of the Lease term.

Provided that Lessee is not in default in the performance of this Lease, the Lessee shall have the option to purchase items of Equipment at the end of the Lease term for the price specified for such items of Equipment in Exhibit A. The Lessee shall exercise this option by providing written notice to the Lessor of such intent at least \_\_\_\_\_ [notice period] prior to the end of the Lease Term.

**15. Delivery and Acceptance of Equipment.** Upon acceptance for Lease by Lessee of any Equipment delivered to Lessee listed in Exhibit A, Lessee shall inspect each item of Equipment delivered pursuant to this Lease and shall immediately notify the Lessor of any discrepancies between such item of Equipment and the description of the Equipment in Exhibit A

(Check one)

within \_\_\_\_ day(s) after the delivery of the Equipment

before accepting delivery of the Equipment

Otherwise the Lessee will be presumed to have accepted the Equipment as specified in Exhibit A.

The Equipment shall be delivered to the Lessee at the start of the Lease Term by (Check one)  the Lessor  the Lessee  both parties.

**16. Ownership of Equipment.** The Equipment shall remain personal property and all times, regardless of the manner in which it may be affixed to any other property and title thereto shall remain solely in the Lessor, unless the Lessor transfers the title by sale. The Lessee shall

immediately advise the Lessor regarding any notice of any claim, levy, lien, or legal process issued against the Equipment.

**17. Warranty.** (Check one if applicable)

- The Lessor warrants that the Equipment is in normal and good working order, but makes no further warranties, express or implied, as to the condition of the Equipment.
- The Lessor makes no warranties, express or implied, as to the Equipment leased and the Lessee assumes all risks and responsibilities for the condition of the Equipment.

**18. Loss and Damage.** The Lessee assumes and shall bear the entire risk of loss and damage to the Equipment from any and every cause whatsoever. Lessee agrees to return the Equipment to the Lessor in the condition received from the Lessor, with the exception of normal wear and tear, unless otherwise provided in this Lease. No loss or damage to the Equipment shall impair any obligation of Lessee under this Lease for the entirety of the Lease Term.

If the Equipment is damaged or lost, the Lessor may require the Lessee to repair the Equipment to a state of good working order, or replace the Equipment with similar Equipment in good condition and such Equipment shall become the property of the Lessor and subject to this Lease.

**19. Indemnification.** Except for damages or losses due to the Lessor's acts or negligence, Lessor, to the extent permitted by law, shall not be liable for any damage or injury to Lessee or other persons or property occurring on or about the premises and Lessee shall indemnify and hold Lessor free and harmless from any liability for any and all losses, claims, injury to or death of any person, or for damage to any property arising from Lessee's use of the Equipment or from the acts or omissions of any person using or possessing the Equipment with or without Lessee's express or implied consent.

(Check one)

- The Lessee shall maintain liability insurance of at least \$ \_\_\_\_\_.
- The Lessor shall be responsible for maintaining liability insurance regarding the Equipment.

**20. Casualty Insurance.** (Check one)

- The Lessee shall, at all times during the term of this Lease, maintain a policy to insure the Equipment for the full replacement value of the Equipment with payment for losses payable solely to Lessor.
- The Lessor shall remain solely responsible for maintaining casualty insurance with respect to loss or damage of the Equipment.

**21. Taxes, Fees, and Encumbrances.** (Check if applicable)

- Lessee shall keep the Equipment free and clear of any liens or encumbrances. Lessee shall comply with and conform to all laws and regulations relating to the use of the Equipment. During the term of this Lease, the Lessee shall pay all applicable taxes, assessments, and license and registration fees on the Equipment, as well as any related penalties or interests.

**22. Default.** If Lessee fails to perform or fulfill any obligation under this Lease, Lessee shall be in default. The occurrence of any of the following shall constitute a default under this Lease:

- A. The failure to make a required payment under this Lease when due.

B. The violation of any other provision or requirement that is not corrected within \_\_\_\_ day(s) after written notice of the violation.

C. The insolvency or bankruptcy of the Lessee.

D. The Lessee ceases to do business.

E. The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.

**23. Rights on Default.** In addition to any other rights afforded the Lessor by law, if the Lessee is in default under this Lease, without notice to or demand on the Lessee, the Lessor may immediately declare Lessee in default and take possession of the Equipment as provided by law and may deduct the costs of recovery, including attorney fees and costs, repair, and related costs, and hold the Lessee responsible for any deficiency. The Lessor shall be obligated to re-lease the equipment, or otherwise mitigate the damages from the default, only as required by law.

**24. Notice.** Any notices required or permitted under this Lease shall be in writing, deemed delivered when delivery is made in person, by mail with postage prepaid, or via electronic means, addressed to the appropriate party at the address shown for that party at the beginning of this Lease or wherever otherwise permitted.

**25. Assignment.** (Check if applicable)

Neither the Lease nor the Lessee's rights herein are assignable, nor shall the equipment be used by anyone other the Lessee or other appropriate parties, without the Lessor's prior written consent.

**26. Entire Agreement.** This Lease constitutes the entire agreement between the parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties. This Lease replaces any and all prior agreements between the parties.

**27. Governing Law.** This Lease shall be governed and construed in accordance with the laws of the State of \_\_\_\_\_.

**28. Severability.** If any part or parts of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Lease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

**29. Waiver.** The failure of either party to enforce any provision of this Lease shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with all provisions of this Lease. The acceptance of payment by Lessor does not waive Lessor's rights to enforce any provisions of this Lease.

**30. Dispute Resolution.** The parties will attempt to resolve any dispute arising out of or relating to this Lease through friendly negotiations amongst the parties. If the matter is not resolved by

negotiation, the parties will resolve the dispute using the below Alternative Dispute Resolution (ADR) procedure.

(Check one)

Mediation

Any controversies or disputes arising out of or relating to this Lease will be submitted to mediation in accordance with any statutory rules of mediation. If mediation does not successfully resolve the dispute, the parties may proceed to seek an alternative form of resolution in accordance with any other rights and remedies afforded to them by law.

Arbitration

Any controversies or disputes arising out of or relating to this Lease will be resolved by binding arbitration under the rules of the American Arbitration Association, and any judgement may be entered upon it by any court having proper jurisdiction.

Mediation then Arbitration

Any controversies or disputes arising out of or relating to this Lease will be submitted to Mediation then arbitration in accordance with any statutory rules of mediation. If mediation is not successful in resolving the dispute or is unavailable, any outstanding issues will be submitted to final and binding arbitration under the rules of the American Arbitration Association. The arbitrator's award will be final, and judgement may be entered upon it by any court having proper jurisdiction. The parties may proceed to seek an alternative form of resolution in accordance with any other rights and remedies afforded to them by law.

**31. Cumulative Rights.** Lessor's and Lessee's rights under this Lease are cumulative, and shall not be interpreted or construed as exclusive of each other unless otherwise required by law.

**32. Binding Effect.** The covenants and conditions contained herein shall be valid and continue to bind the Parties and their heirs, representatives, successors, and assigns.

**33. Additional Terms and Conditions.**

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Lessee certifies that the application, statements, trade references, and financial reports submitted to Lessor are true and correct and any material misrepresentation will constitute a default under this Lease.

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

**LESSOR:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title \_\_\_\_\_

**LESSEE:**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Title \_\_\_\_\_

**EXHIBIT A  
Equipment Schedule**

Equipment description:

Lease end purchase price: \$ \_\_\_\_\_

Equipment description:

Lease end purchase price: \$ \_\_\_\_\_

Equipment description:

Lease end purchase price: \$ \_\_\_\_\_

Equipment description:

Lease end purchase price: \$ \_\_\_\_\_