

EQUIPMENT LEASE AGREEMENT

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This Equipment Lease Agreement (this "**Lease**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[LESSOR LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [LESSOR ADDRESS] ("**Lessor**"); and

[LESSEE LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [LESSEE ADDRESS] ("**Lessee**").

Lessor and Lessee are each a "**Party**" and together the "**Parties**."

Recitals. Lessor owns or has the right to lease the equipment described below and wishes to lease it to Lessee, and Lessee wishes to lease that equipment from Lessor, on the terms set out in this Lease. In consideration of the mutual promises below and the rent to be paid, the Parties agree as follows.

1. Leased Equipment

1.1 Equipment. Lessor leases to Lessee the equipment described in the attached **Schedule A** (the "**Equipment**"), which identifies each item by make, model, serial number, and quantity. Schedule A is incorporated into and forms part of this Lease.

1.2 Location. The Equipment will be kept and used only at [LOCATION / LOCATIONS] and will not be moved to any other location without Lessor's prior written consent, except for ordinary transport incidental to permitted use.

1.3 Acceptance. Lessee will inspect the Equipment on delivery. The Equipment is deemed accepted unless Lessee gives Lessor written notice of any defect or nonconformity within [NUMBER] days after delivery.

1.4 No fixtures. The Equipment remains personal property at all times and does not become a fixture, regardless of how it is attached to real property.

2. Term

2.1 Lease term. The term of this Lease begins on [START DATE] and continues for [NUMBER] [months / years], ending on [END DATE] (the "**Term**"), unless terminated earlier under this Lease.

2.2 Delivery. Lessor will deliver the Equipment to the location in Section 1.2 on or before [DELIVERY DATE]. Risk of loss passes to Lessee on delivery.

2.3 Holdover. If Lessee retains the Equipment after the Term ends without a signed renewal, the Lease continues on a month-to-month basis at the same rent, terminable by either Party on [NUMBER] days' written notice.

2.4 Renewal. The Parties may renew this Lease only by a written agreement signed by both Parties.
[OPTIONAL: describe any renewal option and renewal rent.]

3. Rent and Payment

3.1 **Rent.** Lessee will pay rent of **[\$AMOUNT]** per **[month / quarter]**, payable in advance on the **[ORDINAL, e.g. first]** day of each period, beginning on **[FIRST PAYMENT DATE]**.

3.2 **Payment method.** Rent is payable to Lessor at the address above or by **[PAYMENT METHOD]**. Time is of the essence with respect to all payments.

3.3 **Security deposit.** Lessee will pay a security deposit of **[\$AMOUNT / "NONE"]** to secure performance. Lessor may apply the deposit to amounts Lessee owes and will return any unused balance after the Equipment is returned, less amounts properly deducted.

3.4 **Late charges.** Rent not paid within **[NUMBER]** days of its due date accrues a late charge of **[\$AMOUNT / PERCENTAGE]** and interest at the lesser of **[RATE]** or the maximum rate permitted by applicable law.

3.5 **Net lease.** Unless this Lease states otherwise, this is a net lease: rent is payable without setoff or deduction, and Lessee bears the costs of operating, maintaining, insuring, and using the Equipment.

3.6 **Taxes.** Lessee is responsible for all sales, use, personal property, and similar taxes arising from the lease or use of the Equipment, except taxes based on Lessor's net income.

4. Use and Maintenance

4.1 **Permitted use.** Lessee will use the Equipment only for its intended purpose, in a careful and proper manner, in compliance with all applicable laws and the manufacturer's instructions, and only by qualified operators.

4.2 **Maintenance.** Lessee will, at its expense, keep the Equipment in good working order and repair, ordinary wear and tear excepted, and will service it as the manufacturer recommends. Lessee will use only parts and service consistent with maintaining any manufacturer warranty.

4.3 **No alterations.** Lessee will not alter or modify the Equipment without Lessor's prior written consent. Any permitted alteration becomes part of the Equipment and is Lessor's property unless the Parties agree otherwise.

4.4 **Inspection.** Lessor may inspect the Equipment and Lessee's maintenance records at reasonable times on reasonable notice.

5. Ownership and Identification

5.1 **Title.** Lessor (or its assignee or the equipment's owner) retains title to the Equipment at all times. Lessee acquires only the right to use the Equipment during the Term and acquires no ownership interest.

5.2 **No encumbrance.** Lessee will keep the Equipment free of liens, claims, and encumbrances arising through Lessee, and will not pledge, sell, or sublet the Equipment.

5.3 **Identification.** Lessee will not remove or deface any plate, label, or marking on the Equipment that identifies Lessor's ownership, and will permit Lessor to affix reasonable ownership markings.

6. Insurance and Risk of Loss

6.1 **Insurance.** Lessee will, at its expense, maintain (a) property insurance on the Equipment for its full replacement value against loss or damage, and (b) commercial general liability insurance with limits of at least **[\$AMOUNT]** per occurrence. Lessee will name Lessor as an additional insured and loss payee and provide a certificate on request.

6.2 Risk of loss. Lessee bears the risk of loss, theft, damage, or destruction of the Equipment from delivery until the Equipment is returned to Lessor, whatever the cause.

6.3 Loss or damage. If the Equipment is lost, stolen, or damaged beyond economical repair, Lessee will, at Lessor's option, pay Lessor the stipulated loss value or the replacement cost of the Equipment, less any insurance proceeds Lessor actually receives. Rent continues to accrue until that payment is made.

7. Warranties and Disclaimers

7.1 Lessor authority. Lessor warrants that it has the right to lease the Equipment to Lessee and that, so long as Lessee is not in default, Lessee may use the Equipment without interference by Lessor.

7.2 "As-is" disclaimer. Except as expressly stated in this Lease, the Equipment is leased "**as-is**," and Lessor disclaims all other warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, to the extent permitted by applicable law.

7.3 Manufacturer warranties. To the extent assignable, Lessor passes through to Lessee the benefit of any manufacturer or supplier warranty on the Equipment. Lessee's recourse for defects is against the manufacturer or supplier, not Lessor.

8. Indemnification and Liability

8.1 Indemnification. Lessee will indemnify and hold Lessor harmless from claims, losses, and expenses arising out of the possession, use, operation, or condition of the Equipment during the Term, except to the extent caused by Lessor's gross negligence or willful misconduct.

8.2 Limitation of liability. Lessor is not liable for any indirect, incidental, special, or consequential damages, including lost profits or business interruption, arising from the Equipment or its use, even if advised of the possibility.

9. Default and Remedies

9.1 Events of default. Lessee is in default if it (a) fails to pay rent or any other amount when due and does not cure within **[NUMBER]** days after written notice; (b) breaches any other obligation and does not cure within **[NUMBER]** days after written notice; (c) becomes insolvent or files for bankruptcy; or (d) allows the Equipment to be levied on or seized.

9.2 Remedies. On an uncured default, Lessor may, to the extent permitted by applicable law: (a) terminate this Lease; (b) require Lessee to return the Equipment; (c) peaceably repossess the Equipment or recover it through lawful process; and (d) recover unpaid and accelerated rent, repossession and re-leasing costs, and other damages.

9.3 Mitigation. Lessor will use commercially reasonable efforts to mitigate its damages, including by re-leasing or selling the Equipment, and will credit net proceeds against Lessee's obligations as required by applicable law.

9.4 Cumulative remedies. The remedies in this Lease are cumulative and in addition to any remedy available at law or in equity.

10. Return of Equipment

10.1 Return condition. At the end of the Term or on earlier termination, Lessee will, at its expense, return the Equipment to Lessor at the location Lessor designates, in good working order and repair, ordinary wear and tear excepted.

10.2 **Failure to return.** If Lessee fails to return the Equipment when required, rent continues to accrue at the holdover rate until return, without limiting Lessor's other remedies.

11. General Provisions

11.1 **Governing law and venue.** This Lease is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

11.2 **Assignment.** Lessee may not assign this Lease or sublet the Equipment without Lessor's prior written consent. Lessor may assign this Lease, including to a financing party, and Lessee will recognize the assignee's rights.

11.3 **Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

11.4 **Entire agreement; amendment.** This Lease, together with Schedule A and any exhibits, is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

11.5 **Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

11.6 **Counterparts and electronic signature.** This Lease may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

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

LESSOR

LESSEE

Signature: _____

Signature: _____

Printed name: [NAME]

Printed name: [NAME]

Title: [TITLE]

Title: [TITLE]

Date: _____

Date: _____

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