

# FARM EQUIPMENT LEASE

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

[LESSOR LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [LESSOR ADDRESS] ("Lessor"); and

[LESSEE LEGAL NAME], a [STATE] [ENTITY TYPE] / an individual with an address at [LESSEE ADDRESS] ("Lessee").

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

**Recitals.** Lessor owns the farm machinery and equipment described in this Lease and is willing to lease it to Lessee, and Lessee wishes to lease that equipment for agricultural use on the terms below. This Lease is a lease of personal property and does not transfer ownership of the Equipment to Lessee. In consideration of the mutual promises below, the Parties agree as follows.

## 1. Equipment Leased

**1.1 Equipment.** Lessor leases to Lessee, and Lessee leases from Lessor, the following machinery and equipment (collectively, the "Equipment"): [DESCRIBE EACH ITEM — make, model, year, serial/VIN/PIN, hours, attachments]. A detailed list may be attached as Schedule A and is incorporated by reference.

**1.2 Condition at delivery.** Lessee acknowledges that it has inspected the Equipment (or had the opportunity to inspect it) and accepts it in its present condition, except for any defects noted on the delivery checklist attached as Schedule B.

**1.3 Accessories and attachments.** The Equipment includes the attachments, implements, and accessories listed in Schedule A. Any additional attachments supplied during the Term remain Lessor's property unless the Parties agree otherwise in writing.

**1.4 Hours/usage baseline.** The Equipment's meter reading or condition at delivery is [HOURS / MILES / OTHER], recorded on Schedule B for purposes of the usage limits in Section 4.

## 2. Term and Delivery

**2.1 Term.** The lease term begins on [START DATE] and ends on [END DATE], unless extended or terminated earlier under this Lease (the "Term"). [OPTION: Either Party may renew for an additional [NUMBER] [days/months/season] on written notice given at least [NUMBER] days before expiration.]

**2.2 Seasonal use.** [OPTIONAL: This Lease is intended for the [CROP/SEASON] season. The Equipment will be available from [DATE] to [DATE].]

**2.3 Delivery and pickup.** [Lessor will deliver the Equipment to [LOCATION] / Lessee will pick up the Equipment at [LOCATION]] on or before the start of the Term. Cost and risk of transport are borne by [LESSOR / LESSEE].

**2.4 Return.** At the end of the Term, Lessee will return the Equipment to [LOCATION] in the same condition as at delivery, ordinary wear and tear excepted, clean and free of crop residue, with all attachments and fluids at proper levels.

### 3. Rent and Charges

**3.1 Rent.** Lessee will pay rent of [\$ AMOUNT] per [DAY / WEEK / MONTH / SEASON / HOUR OF USE], for a total of [\$ AMOUNT] over the Term, payable [IN ADVANCE / ON THE DATES STATED HERE: \_\_\_\_\_].

**3.2 Security deposit.** Lessee will pay a security deposit of [\$ AMOUNT] on or before delivery, to be applied against unpaid rent, damage beyond ordinary wear and tear, cleaning, or other amounts owed, with any balance returned within [NUMBER] days after return of the Equipment. [Note: handling and timing of deposits may be regulated by applicable state law.]

**3.3 Usage and overage charges.** If rent is hourly or capped, Lessee will pay [\$ AMOUNT] per hour for use exceeding [NUMBER] hours, measured by the Equipment's meter.

**3.4 Late payment.** Rent not paid when due accrues interest at the lesser of [RATE, e.g. 1.5%] per month or the maximum rate permitted by applicable law, from the due date until paid.

**3.5 Taxes and fees.** Lessee is responsible for sales, use, and personal-property taxes, and registration or permit fees, attributable to its possession or use of the Equipment during the Term, except taxes based on Lessor's net income.

### 4. Use, Operation, and Maintenance

**4.1 Permitted use.** Lessee will use the Equipment only for lawful agricultural purposes consistent with the manufacturer's intended use, on land Lessee owns or controls within [GEOGRAPHIC AREA, e.g. the State of [STATE]]. Lessee will not sublease or permit use by others without Lessor's prior written consent.

**4.2 Qualified operators.** Lessee will ensure that the Equipment is operated only by competent, properly trained, and (where required) licensed operators, and in accordance with the manufacturer's operating manual and safety guidelines.

**4.3 Routine maintenance.** Lessee will, at its expense, perform routine maintenance during the Term, including checking and replenishing fuel, oil, coolant, and hydraulic fluid, greasing fittings, cleaning filters, and keeping tires/tracks properly inflated or tensioned.

**4.4 Repairs.** [Allocate responsibility: e.g. Lessee is responsible for repairs arising from misuse or lack of routine maintenance; Lessor is responsible for major mechanical failures not caused by Lessee's misuse, and will repair or replace within [NUMBER] days of notice.] Lessee will notify Lessor promptly of any malfunction and will not continue operating Equipment that is unsafe or damaged.

**4.5 No alterations.** Lessee will not alter, modify, or remove identification or serial markings from the Equipment without Lessor's written consent.

### 5. Risk of Loss, Insurance, and Indemnity

**5.1 Risk of loss.** From delivery until return, Lessee bears the risk of loss, theft, damage, or destruction of the Equipment, except to the extent caused by Lessor's negligence or a pre-existing defect.

**5.2 Insurance.** Lessee will, at its expense, maintain (a) property/physical damage insurance on the Equipment for its full replacement value, naming Lessor as loss payee, and (b) commercial general liability insurance of at least **[\$ AMOUNT]** naming Lessor as an additional insured. Lessee will provide certificates of insurance before delivery and on request.

**5.3 Indemnity.** Lessee will indemnify and hold harmless Lessor from claims, damages, and liabilities arising from Lessee's possession, operation, or use of the Equipment during the Term, including bodily injury and property damage, except to the extent caused by Lessor's negligence or willful misconduct.

**5.4 Total loss.** If the Equipment is lost, stolen, or damaged beyond economical repair, Lessee will pay Lessor the Equipment's agreed value of **[\$ AMOUNT / FAIR MARKET VALUE AS DETERMINED UNDER SECTION 8]**, less insurance proceeds actually received by Lessor, and rent abates from the date of loss.

## 6. Ownership and Liens

**6.1 Ownership.** The Equipment is and remains the personal property of Lessor. Lessee acquires only the right to possess and use it during the Term and has no right, title, or equity in it.

**6.2 No liens.** Lessee will keep the Equipment free of liens, levies, and encumbrances arising from Lessee's acts and will not pledge or encumber it.

**6.3 Identification.** At Lessor's request, Lessee will affix and keep visible any labels or markings identifying Lessor as owner. **[OPTIONAL: Lessor may file a precautionary UCC financing statement; this does not change the lease characterization of this Agreement.]**

**6.4 Inspection.** Lessor may inspect the Equipment on reasonable notice during the Term to confirm its condition and use.

## 7. Warranties and Disclaimer

**7.1 Lessor warranty.** Lessor warrants that it owns or has the right to lease the Equipment and that, to its knowledge, the Equipment is in safe operating condition at delivery, except as noted on Schedule B.

**7.2 Disclaimer.** Except as expressly stated in Section 7.1, the Equipment is leased "**AS IS**," and Lessor disclaims all other warranties, express or implied, including any implied warranty of merchantability or fitness for a particular purpose, to the maximum extent permitted by applicable law.

**7.3 Manufacturer warranties.** To the extent transferable, Lessor passes through to Lessee any applicable manufacturer warranties on the Equipment for the Term.

## 8. Default and Remedies

**8.1 Events of default.** Each of the following is a default: (a) Lessee fails to pay rent or other amounts when due and does not cure within **[NUMBER, e.g. 5]** days of written notice; (b) Lessee breaches another term and does not cure within **[NUMBER, e.g. 10]** days of written notice; (c) Lessee uses the Equipment in a prohibited or unsafe manner; or (d) Lessee becomes insolvent or subject to bankruptcy proceedings.

**8.2 Remedies.** On default, Lessor may, in addition to other remedies available at law, (a) terminate this Lease; (b) take possession of and remove the Equipment using lawful means, without breach of the peace; (c) recover unpaid and accrued rent, the cost of repair and recovery, and reasonable attorneys' fees where permitted by law; and (d) apply the security deposit to amounts owed.

**8.3 Self-help limits.** Any repossession will be conducted in accordance with applicable law. Lessor will return Lessee's personal property found with the Equipment.

8.4 **Equitable adjustment / valuation.** Where this Lease refers to fair market value, the Parties will agree on it or, failing agreement, determine it by a qualified independent appraiser whose cost is shared equally.

## 9. General Provisions

9.1 **Independent parties.** The Parties are independent. Nothing creates a partnership, joint venture, agency, or employment relationship.

9.2 **Assignment.** Lessee may not assign this Lease or sublease the Equipment without Lessor's prior written consent. Lessor may assign its rights on written notice.

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

9.4 **Dispute resolution.** Before filing suit, the Parties will attempt in good faith to resolve any dispute through direct discussion within [NUMBER] days of written notice of the dispute.

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

9.6 **Force majeure.** Neither Party is liable for delay or failure caused by events beyond its reasonable control, provided it gives prompt notice and uses reasonable efforts to mitigate; rent obligations for periods the Equipment is usable are not excused.

9.7 **Entire agreement; amendment.** This Lease, together with its Schedules, 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.

9.8 **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.

9.9 **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 / N/A]

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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