

# Equipment Lease

- 🔊 This isn't your typical car rental/lease agreement – we envision a bulldozer, printing press, or some kind of large equipment.
- 🔊 This agreement also provides for a purchase option.
- 🔊 We don't believe in 'fine print' when it comes to these kinds of deals – best if both sides are fully aware of their rights and responsibilities...
- 🔊 The first part of the Memorandum should be completed and distributed to the other party along with a copy of the Equipment Lease.

Date:

**[Date]**



To:

**[Name of other party]**

From:

**[Owner/Founder]**

**[Company]**

Subject:

**Equipment Lease Agreement**

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Attached is an Equipment Lease Agreement to establish the terms and conditions of our equipment lease arrangement.

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!

# From JIAN

## NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🚫 **Do Not Use This Agreement 'As-Is.'**
- 🚫 **This Agreement Is Not Legal Advice.**
- 🚫 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🚫 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🚫 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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We're building a network of business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.


- Please visit our website under [Expert Referral Network](#).

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Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).
- Remember to bookmark our website: [www.JIAN.com](http://www.JIAN.com)

## Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[ ]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[ ]” which may contain an unedited variable.


- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

# Equipment Lease

🔊 This is a standard introductory paragraph that lists the date and the parties to the Agreement.

Effective Date: **[Date]**

Agreement is by and between **[Company Legal Name]** ([Company] / Lessor),  
a [State], [Corporation / Partnership / Sole Proprietorship]  
located at [Address],  
[City], [State] [Zip Code]

AND **[Lessee's full legal name]**, ([Lessee's abbreviated name]),  
a  [State], [Corporation / Partnership / Sole Proprietorship],  
located at [Lessee's Address].

🔊 The following in Section 1 is standard introductory information. Be sure to complete and attach an Exhibit A (to the end of this Agreement) where the equipment to be leased is itemized and described.

## 1. Lease

The Lessor agrees to lease to the Lessee, and the Lessee agrees to lease and rent from the Lessor, the equipment more fully described in Exhibit A, (along with all replacement parts, repairs, additions and accessories collectively referred to as the "equipment"), on the terms and conditions of this Agreement.

🔊 This section provides an out for the Lessor. If, for any reason, the Lessor does not accept the lease then he has the period of time (entered in the brackets) after the Lessee has executed the lease to terminate.

🔊 For the first insert, enter the period of time the Lessor has to terminate this lease after execution by the Lessee.

## 2. Lessor's Right To Terminate

🔊 For the second insert, enter the period of notice the Lessor must give the Lessee before he can terminate this Lease.

If within **[forty-five]** days from the date the Lessee executes this Lease, the Lessee has not accepted delivery and installed and accepted the equipment in a form satisfactory to the Lessor, the Lessor may on **[ten]** days written notice to the Lessee, terminate the Lease and its obligations to the Lessee.

## 3. No Warranties By Lessor

🔊 The Lessee states that he has selected the equipment to be leased, not the Lessor and that he accepts the equipment "As-Is." The Lessor disclaims any liability in the event that there are any problems with the equipment; furthermore, if there are any problems, the Manufacturer, not the Lessor, is liable. Even if there are problems, the Lessee must continue to make his lease payments.

The Lessee represents that the Lessee has selected the equipment leased under the terms stated in this Agreement and the Lessee acknowledges the Lessor has made and makes no representations or

warranties of any kind or nature, directly or indirectly, express or implied, as to any matter whatsoever, including the suitability of the equipment, its durability, its condition, or its quality and, as between the Lessee and the Lessor or the Lessor's assignee, the Lessee leases the equipment "As-Is."

The Lessor also disclaims any warranty of merchantability or fitness for use or purpose whether arising by operation of law or otherwise. The Lessor and the Lessor's assignee shall not be liable to the Lessee or others for any loss, damage or expense of any kind or nature caused directly or indirectly by any equipment however arising, or the use or maintenance of the equipment or the failure of operation of the equipment, or the repairs, service or adjustment to the equipment.

No representation or warranty as to the equipment or any other matter by the manufacturer of the equipment (the "Manufacturer") or other shall be binding on the Lessor nor shall the breach of such relieve the Lessee of, or in any way affect, any of the Lessee's obligations to the Lessor in this Agreement.

If the equipment is not satisfactory for any reason, the Lessee shall make any claim on account of that solely against the Manufacturer and the Lessee shall nevertheless pay the Lessor all rent payable under this Lease, solely for the purpose of making and prosecuting any such claim, any rights it may have against the Manufacturer for breach of warranty or representation respecting the equipment.

Regardless of cause, the Lessee will not assert any claim whatsoever against the Lessor for loss or anticipatory profits or any other indirect, special or consequential damages. The Lessor makes no warranty as to the treatment of this lease for accounting or tax purposes.

#### **4. Non-Cancelable Lease**

☞ The Lessee cannot cancel the lease during their term of the Lease.

This Lease cannot be canceled by the Lessee during the term of this lease.

#### **5. Security Deposit**

☞ The Lessee must pay a deposit in the form of advance rentals or a security deposit.

☞ State whether the deposit is advance rentals or a security deposit.

The Lessee will pay to the Lessor [advance rentals equal to \$[x]] to be applied to the [first / last] month's rent / a security deposit of \$[x] payable at the signing of the lease.

#### **6. Term & Rent**

☞ The Lease term commences when the equipment is delivered to the Lessee, and that is the first time a payment is due unless another date is established. Advance rentals are non-refundable even if the Lease does not commence. No matter what, the Lessee must pay the rent. There are no set-off's (counter-claim demands).

The Lease term shall commence as of the date that any of the equipment is delivered to the Lessee or the Lessee's Agent ("the Commencement Date"), and shall continue until the obligations of the Lessee under the Lease shall have been fully performed. Advance rentals shall not be refundable if the Lease term for any reason does not commence. The installments of rent shall be paid monthly in advance as stated below or on any Schedule, the first such payment being due on the Commencement Date, or such later date as the Lessor designates in writing, and subsequent payments shall be due on the same day of each successive month from then on until the balance of the rent and any additional rent or expenses chargeable to the Lessee under this Lease shall have been paid in full.


All payments of rent shall be made to the Lessor at the address defined in this Agreement or such other address as the Lessor may designate in writing. The Lessee's obligation to pay such rentals shall be

absolute and unconditional and is not subject to any abatement set-off, defense or counterclaim for any reason whatsoever. The Lessee authorizes the Lessor to insert the serial numbers and other identification data of the equipment when determined by the Lessor and dates or other omitted factual matters.

If a security deposit is indicated above, the same shall be held by the Lessor to secure that faithful performance of the terms of the Lease and returned or applied in accordance with Section 16 of this Agreement.

## 7. Schedule of Payments

- 🔊 This section defines the number, frequency and dollar amount of payments payable to the Lessee to the Lessor.
- 🔊 For the first insert, enter the total number of payments.
- 🔊 For the second insert, enter the frequency of payments.
- 🔊 For the third insert, enter the dollar amount of each payment.
- 🔊 Note that if payments differ from month to month, you can attach an exhibit that lists those payments. Just state that the schedule of payments is more fully defined in exhibit [x] (specify which exhibit).

The Lessee agrees to pay to  Lessor [Insert total number of payments] [monthly / quarterly / yearly] Payments of \$[x] plus any applicable taxes.

## 8. Assignment & Waiver of Defenses

- 🔊 This section allows the Lessor to assign or transfer this lease to a third party. In such a case, the Lessee would pay the transferee; however, the original Lessor would still be legally responsible for any obligations under the lease. If the Lessee wants to assign or sublease, he first needs the Lessor's written approval.

The Lessor, may, without the Lessee's consent, assign or transfer this Lease or any equipment, any rentals, or any other sums due or to become due under this Agreement, and in such event the Lessor's assignee or transferee shall have all of the rights, powers, privileges and remedies of the Lessor under this Agreement.

The Lessee agrees that no assignee of the Lessor shall be bound to perform any duty, covenant, condition or warranty attributable to the Lessor and the Lessee further agrees not to raise any claim or defense arising out of this Lease or otherwise which it may have against the Lessor's, a defense, counterclaim or offset to any action by any assignee under this Agreement.

Nothing contained in this Agreement is intended to relieve the Lessor of any of its obligations.

The Lessee shall not assign this Lease or any interest under this Agreement nor enter into any sublease with respect to the equipment without the Lessor's prior written consent.

## 9. Title & Quiet Enjoyment

- 🔊 Section 9 establishes the parties rights with respect to the title of the equipment. The Lessor retains title to the equipment and can record its interest. If there is a filing fee, the Lessee must reimburse the Lessor that fee. If there is a legal action brought with regard to the title of the equipment, the Lessee must defend the Lessor's title. Finally, unless the Lessee is in default, the Lessor cannot disturb the Lessee's use of the equipment.


The Lessor shall at all times retain title to the equipment. All documents of title and evidences of delivery shall be delivered to the Lessor. The Lessee authorizes the Lessor at the Lessee's expense to cause this Lease, or any statement or other instrument in respect of this Lease showing the interest of the Lessor in the equipment, including Uniform Commercial Code Financing Statements, to be titled or

recorded and re-filed and re-recorded, and grants the Lessor the right to execute Lessee's name to that. The Lessee agrees to execute and deliver any statement or instrument requested by the Lessor for such purpose, and agrees to pay or reimburse the Lessor for any filing, recording or stamp fees or taxes arising from the filing or recording of any such instrument or statement. The Lessee shall, at its expense, protect and defend the Lessors' title against all persons claiming against or through.

The Lessee shall, at all times, keep the equipment free from legal process or encumbrance whatsoever and, shall give the Lessor immediate notice of that and shall indemnify the Lessor from any loss caused by that. The Lessee agrees to procure for the Lessor such estoppel certificates, landlord's or mortgagee's waiver or other similar documents as the Lessor may reasonably request. Provided the Lessee is not in default under this Agreement, the Lessee shall quietly use and enjoy the equipment subject to the terms of this Agreement.

## 10. Care, Use & Location

🔊 Section 10 simply requires the Lessee to maintain the equipment in proper working order and to use the equipment for its intended purpose(s). Also, if the Lessee wants to move the equipment, he must first receive the written consent of the Lessor.

The Lessee shall maintain the equipment in good operating condition, repair and appearance, and protect the same from deterioration of  than normal wear and tear shall use the equipment in the regular course of its business, within its normal operating capacity, without abuse, and shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of the equipment shall use the equipment solely for business purposes; shall not make any modification, alteration or addition to the equipment without the written consent of the Lessor, that shall not be unreasonably withheld; shall not so affix the equipment to realty as to change its nature to real property or a fixture, and agrees that the equipment shall remain personal property at all times regardless of how attached or installed; shall keep the equipment at the location shown in this Agreement, and shall not remove the equipment without the written consent of the Lessor, which shall not be unreasonably withheld.

## 11. Net Lease / Taxes

🔊 Section 11 states that the lease is net of taxes, that the Lessee agrees to pay any and all taxes associated with the equipment and / or its lease. An ad valorem tax is a tax imposed on the value of a property.

The Lessee intends the rental payments under this Agreement to be net to the Lessor, and the Lessee agrees to pay all sales, use, exercise, personal property, stamp, documentary and ad valorem taxes, license and registration fees, assessments, fines, penalties and similar charges imposed on the ownership, possession or use of the equipment during the term of this Lease.

The Lessee shall pay all taxes (except Lessor's Federal or State net income taxes) imposed on the Lessor or the Lessee with respect to the rental payments under this Agreement or the ownership of the equipment; and, shall reimburse the Lessor upon demand or any taxes paid by or advanced by the Lessor. Unless otherwise agreed to in writing, the Lessor shall file personal property tax returns with respect to the equipment.

## 12. Indemnity

🔊 Section 12 states that the Lessee will take responsibility for any problems, legal or otherwise, and the result from its use, possession or lease of the equipment, and that this responsibility continues after the termination of the lease.

The Lessee shall and does agree to indemnify and save the Lessor, its agents, servants, successors, and assigns harmless from any and all liability, damage or loss, including reasonable attorney's fees, arising

out of the ownership, selection, possession, leasing, operation, control, use, condition (including but not limited to latent and other defects, whether or not discoverable by the Lessee) maintenance, delivery, and return of the equipment. The indemnities and obligations in this Agreement provided shall continue in full force and effect despite the termination of this Lease.

### 13. Insurance

☞ The Lessee agrees to maintain, at its expense, an insurance policy covering the full replacement cost of the equipment. Any proceeds go to satisfying the lease. The Lessee will also maintain, at its expense, a liability policy.

The Lessee shall keep the equipment insured against all risks of loss or damage from every cause whatsoever for not less than the full replacement value of the equipment. The amount of such insurance shall be sufficient so that neither the Lessor nor the Lessee will be considered a co-insurer. The Lessee shall carry public liability insurance, both personal injury and property damage, covering the equipment. All such insurance shall be in form and with companies satisfactory to the Lessor and shall name the Lessor and its Assignee as Loss Payee as its interest may appear with respect to property damage coverage and as additional insured with respect to public liability coverage.

The Lessee shall pay the premiums for such insurance and upon the Lessor's request, deliver to the Lessor satisfactory evidence of insurance coverage required under this Agreement. The proceeds of such insurance payable as a result of loss or damage to any item of equipment shall be applied to satisfy the Lessee's obligations defined in Section 14 below. The Lessee irrevocably appoints the Lessor as the Lessee's attorney-in-fact to make a claim for, receive payment of and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy.

### 14. Risk of Loss

☞ In the event that the equipment is damaged, destroyed or stolen, the Lessee bears the risk. The Lessee is responsible. The Lessee may either repair the equipment, replace it, or pay the Lessor the then present value as derived from Section 14.

☞ Insert the percentage factor to be used in the event the equipment is destroyed and the Lessee pays the Lessor.

The Lessee shall bear all risks of loss of and damage to the equipment from any cause and the occurrence of such loss or damage shall not relieve the Lessee of any obligation under this Agreement. In the event of loss or damage, the Lessee, at its option, provided it is not in default under this Agreement otherwise at the Lessor's option, shall:

- (1) place the damaged equipment in good repair, condition and working order; or
- (2) replace lost or damaged equipment with new equipment and deliver to the Lessor documentation creating clear title to that equipment in Lessor; or
- (3) pay to the Lessor the then present value computed at [8%] percent per annum of both the unpaid balance of the aggregate rent reserved under the Lease and the value of the Lessor's residual interest in the equipment.

### 15. Default

☞ The following section lays out situations where the Lessee is in default. In such a case, the Lessor has certain remedies (see Section 16). The Lessee will be in default if: (1) he does not make lease payments, (2) he doesn't pay the Lessor other money due him, (3) the Lessee fails to follow other terms of this Lease, (4) a receiver is appointed without the Lessor's consent, and (5) bankruptcy is filed by or against the Lessee.

If any one of the following events (each an "event of default") shall occur, then to the extent permitted by



applicable law, the Lessor shall have the right to exercise any one or more remedies defined in Section 16 below:

- (1) the Lessee fails to pay any rental or any other payment under this Agreement when due; or
- (2) the Lessee fails to pay, when due, any indebtedness of the Lessee to the Lessor arising independently of this Lease, and such default shall continue for five (5) days; or
- (3) the Lessee fails to perform any of the terms, covenants or conditions of this Lease other than as provided above after ten (10) days written notice; or
- (4) the Lessee becomes insolvent or makes an assignment for the benefit of creditors; or
- (5) a receiver, trustee, conservator or liquidator of the Lessee of all or a substantial part of its assets is appointed with or without the application or consent of the Lessee; or
- (6) a petition is filed by or against the Lessee under the Bankruptcy Code or any amendment to the code, or under any other insolvency law or laws providing for the relief of debtors.

## 16. Remedies

- ☞ The following section sets forth the Lessor's remedies in the event that the Lessee fails to comply with the requirements of this Lease. Typically, this occurs where the Lessee fails to make payments. Note that the laws with respect to how much a Lessor can recover for non-payment or breach of a lease differs from state to state. You should either check the maximums permitted in your state or be very careful to make sure that wherever you provide a remedy it states that in no event will your amount exceed that provided for by law.
- ☞ In the event that the Lessee does something like not paying his rent and that leads to a default, the Lessor has a number of options: He can request the entire balance of the Lease due and payable immediately, he can sue the Lessee for the balance of the Lease due plus the residual value of the equipment, and enter the Lessee's business and repossess the equipment. In the event of repossession, the Lessor must give the Lessee credit for money received from any sale of the equipment. Note, the Lessee is not limited to one of these remedies, he can declare all money due and repossess, for example. However, he would have to credit the Lessee for the equipment.
- ☞ Insert the percentage to be used to compute the residual value. 8 to 10% is common; however, you may want to insert a higher percentage such as 20% and add "or the maximum permitted by law, whichever is higher." Thus, if the percentage in your state is higher than the amount permitted by law, the Agreement or this section of the Agreement won't be invalid.

16.1 If an event of default shall occur, except as provided in 15 above, the Lessor may, at its option, at any time: (1) declare the entire amount of unpaid rental for the balance of the term of this Lease immediately due and payable, and (2) sue for and recover all rents and other money due and to become due plus the residual value of the equipment, present valued to the date of default computed at [8% percent / x% or the maximum permitted by law, whichever is higher] per annum, and (3) enter into the premises where the equipment may be found and take possession of and remove the equipment, without liability for suit, action or other proceeding, and all rights of the Lessee in the equipment so removed shall terminate absolutely, all to the extent permitted by law. The Lessee waives notice of hearing with respect to such retaking. The Lessor may at its option use, ship, store, lease, sell or otherwise dispose of the equipment so removed. The Lessor shall give the Lessee credit for any sums received by the Lessor from the sale or rental of the equipment after the deduction of the expenses of sale or rental. In the event of a default as described in 15 the Lessor shall be entitled to recover all damages resulting from this default.


- ☞ The following section lists amounts that the Lessee would owe to the Lessor in addition to those stated above. These amounts include: the Lessor's expenses such as repossessing and selling the



equipment, attorney fees and expenses, and interest. The last sentence means that these sums are not a penalty; owing to the difficulty of determining damages, they have been set forth here.

- ☞ The first insert should state a percentage of unpaid rentals that is to be the expenses recoverable by the Lessor. Whatever figure you use, make sure it states "or the maximum permitted by law."
- ☞ The second insert states the interest rate to be charged on any amounts due and unpaid. Again, it should state the it is only to the extent permitted by law.

16.2 The Lessee shall also be liable for and shall pay to the Lessor: (1) all expenses incurred by the Lessor in connection with the enforcement of any of the Lessor's remedies, including all expenses of repossession, storing, shipping, repairing and selling the equipment, (2) the Lessor's reasonable attorney's fees and expenses [of at least 20% or the maximum permitted by law] of the total unpaid rental for the balance of the term of this Lease, and (3) interest on all sums due the Lessor from the date of default until paid at the rate of [1.5%] percent per month, but only to the extent permitted by law. The Lessor and the Lessee acknowledge the difficulty in establishing a value for the unexpired Lease term and owing to such difficulty agree that the provisions of this section represent an agreed measure of damages and are not to be interpreted as a forfeiture or penalty.

- ☞ This section provides for an additional "administrative fee" imposed on all amounts that are overdue.
- ☞ Insert the administrative  to be taken from each dollar due to the Lessee.

16.3 Whenever any payment is not made by the Lessee when due under this Agreement, the Lessee agrees to pay to the Lessor, not later than one month after that, an amount calculated at the rate of [x] (ten cents per one dollar) of each such delayed payment as an administrative fee to offset the Lessor's collection costs, but only to the extent allowed by law. Such amount shall be payable in addition to all amounts payable by the Lessee as a result of exercise of any of the remedies in this Agreement provided.

- ☞ The Lessor can exercise one or more of the remedies provided as well as others permitted by law. Electing to use one does not prevent him from using another. Also, failure to use one does not mean that he is giving up the right to that remedy in the future.

16.4 All remedies of the Lessor under this Agreement are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lessor to exercise and no delay in exercising any right or remedy shall operate as a waiver of that right or modify the terms of this Lease. In the event this Lease is determined to be a security Agreement, the Lessor's recovery shall in no event exceed the maximum permitted by law.

## 17. Option To Purchase

- ☞ This next section provides the Lessee with right to purchase all of the equipment at the expiration of the lease term. In order to exercise this right to purchase the equipment, the Lessee needs to give the Lessor written notice of this intent at least the amount of time prior to the expiration of the Lease (entered in brackets). If the Lessor and the Lessee do not agree on a price for the equipment, they can use an appraiser to determine the price.
- ☞ Insert the amount of notice required by the Lessor to be given by the Lessee to indicate his desire to purchase the equipment.

Provided the Lessee is not in default under this Agreement, the Lessee may purchase from the Lessor all (and not less than all) of the equipment at the expiration of the term for of this lease for its then fair market value (the "Purchase Price") provided, that not less than [60] days prior to such expiration, the Lessee advises the Lessor, in writing, of its intention to purchase. Within a reasonable time following receipt of such notice, the Lessor shall determine and notify the Lessee of the Purchase Price, the Lessee will at or prior to the expiration of the term of this Lease pay by Purchase Price in cash to the Lessor. If

the Lessor and the Lessee are unable to agree upon the fair market value of the equipment, the Lessee and the Lessor shall each select a qualified appraiser to value such equipment. If the two appraisers so selected are unable to agree upon the fair market value of the equipment as of the expiration of the term of this Lease, such appraisers shall mutually select a third appraiser and the value determined by the third appraiser shall be binding upon the Lessor and the Lessee.

## 18. Redelivery of Equipment

- ☞ If the Lessee does not purchase the equipment at their termination or expiration of this Lease, he is required to return the equipment at his expense to the Lessor. In the event he does not return it, then he must continue to pay the Lessor at the same monthly rental rate.
- ☞ Insert the amount of written notice required to terminate the additional period to the Lease. Note that either party may give this notice, after that the equipment must be returned to the Lessor.

In the event the Lessee does not elect to purchase the equipment in accordance with the terms of Section 17 of this Agreement, then upon expiration or earlier termination of this Lease, the Lessee shall disconnect and return the equipment, freight prepaid, to the Lessor in good repair, condition and working order, in a manner and to a location designated by the Lessor. If upon expiration or termination, the Lessee does not immediately return the equipment to the Lessor, the equipment shall continue to be held and leased under this Agreement and this Lease shall be extended indefinitely as to term at the same monthly rental, subject to the right of either the Lessee or the Lessor to terminate the Lease upon [x] (30) days' written notice, upon that notice, the Lessee shall deliver the equipment to the Lessor as defined in this section.

## 19. Return of Security Deposit

- ☞ Once the equipment is returned, the Lessor should return the Lessee's security deposit unless the Lessee requests that it be applied to the purchase of the equipment. As written, the Lessee is not entitled to interest on the security deposit.

Provided the Lessee has fulfilled all of its obligations to the Lessor under this Agreement, the Lessee's security deposit, if any, as indicated in this Agreement, shall be refunded to the Lessee at the expiration of the Lease without interest. In the alternative, at the Lessee's direction, such security deposit may be applied to the Purchase Price of the equipment in which event, the equipment need not be returned to the Lessor.

## 20. Entire Agreement; Changes

- ☞ This Agreement is intended to be the only Agreement, that no other documents or communications are binding. It is very important, therefore, to make sure that everything the Lessor and the Lessee have agreed to or intend is included in this Agreement. Otherwise, it is as if it was not agreed to.

This Lease contains the entire Agreement between the parties and may not be altered, amended, modified, terminated or otherwise changed except in writing and signed by both parties.

## 21. Miscellaneous

- ☞ If the Lessee doesn't do something he is supposed to do, the Lessee can (try to) force the Lessee to comply after giving the period of notice (inserted in the brackets). The Lessee is entitled to expenses.
- ☞ Insert the appropriate period of notice required before the Lessor effects compliance (tries to force the Lessee to do something).

21.1 In the event the Lessee fails to comply with any provision of this Lease, the Lessor shall have the right, but not be obligated, to effect such compliance on behalf of the Lessee upon [x] (10) days prior written notice to the Lessee. In such event all money expended by, and all expenses of the Lessor in

effecting such compliance, shall be deemed to be additional rental, and shall be paid by the Lessee to the Lessor at the time of the next monthly payment of rent.

☞ All notices must either be mailed or delivered personally.


21.2 All notices under this Lease shall be sufficient if given personally or mailed to the party intended at this respective address defined in this Agreement, or at such other address as said party may provide in writing from time to time. Any such notice mailed to said address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid.

☞ The lease applies to anyone who takes over or is assigned any of the parties' interests.

21.3 This Lease inures to the benefit of and is binding upon the personal representatives, successors and assigns of the parties to this Agreement.

☞ If any part of the Lease is for some reason unenforceable, the rest of the lease will still be effective.

21.4 Time is of the essence of this Lease, the Lessor and the Lessee intend this Lease to be a valid and subsisting legal instrument, and agree that no provision of this Lease that may be deemed unenforceable shall in any way invalidate any other provision or provisions of this Lease, all of which shall remain in full force and effect.

21.5 This Lease shall be binding  when accepted in writing by the Lessor and shall be governed by the laws of the State of [State], provided however, in the event this Lease or any provision of this lease is not enforceable under the laws of that State then the laws of the state where the equipment is located shall govern.

The Lessee agrees and consents that the Court of the State of [State], [County] County or any other Federal District Court having the jurisdiction in said county shall have jurisdiction and shall be the proper venue for the determination of all controversies and disputes arising under this Agreement. The Lessee agrees and consents that service of process by registered or certified mail will be sufficient to obtain jurisdiction.

Nothing contained in this Agreement is intended to preclude the Lessor from commencing any action under this Agreement in any court having jurisdiction of this Agreement. The Lessee waives, insofar as permitted by law, trial by jury in any action between the parties.

### Understood, Agreed & Approved

The undersigned certifies that the equipment shall be used for business purposes.

[Company]

Lessee

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_

\_\_\_\_\_

Title

Title



# Exhibit A

## Certificate of Acknowledgment and Acceptance of Leased Equipment

The Lessee acknowledges receipt of the equipment described in its Lease with the Lessor (the “equipment”) and accepts the equipment after full inspection of the equipment as satisfactory for all purposes of the Lease. The Lessee acknowledges that the Lessor has fully and satisfactorily performed all covenants and conditions to be performed by the Lessor.

### Date of Delivery



\_\_\_\_\_  
Lessor

\_\_\_\_\_  
Lessee

\_\_\_\_\_  
By

\_\_\_\_\_  
By

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

# Exhibit B

Qty	Description	Unit Price	Amount	Sales Tax	Freight
000	[x]	\$000.00	\$000.00	\$00.00	\$00.00

