

Document Preview – This is only a portion of the entire, customizable document.

**MASTER EQUIPMENT LEASE
STANDARD TERMS AND
CONDITIONS**

Lease # _____

This MASTER EQUIPMENT LEASE ("Lease") is entered into between **Lessor Name Here**, whose business address is _____, ("Lessor") and **Lessee Name Here, Inc.**, whose business address is _____ ("Lessee" or "You"). The parties intend this Lease to control a series of leasing transactions between the parties. This Lease contains the Standard Terms and Conditions that are incorporated by reference in an "Equipment Lease Schedule" (the "Schedule") and controls any accompanying and any subsequent Schedule(s) unless otherwise provided in writing. To the extent the Schedule and this Lease are inconsistent, the Schedule will control.

1. Equipment Leased and Acceptance

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the equipment described on the Schedule attached hereto or hereafter completed (the "Leased Equipment"). Lessee shall take possession of the Leased Equipment at the current location of the Leased Equipment as specified on the Schedule or directly from the manufacturer or distributor ("Supplier"). Lessee shall be responsible for prompt inspection of the Leased Equipment upon receipt from Supplier and shall immediately advise Lessor of any defects or nonconformity. If necessary upon inspection, Lessee shall be responsible for properly returning defective or nonconforming Leased Equipment to the Supplier in accordance with Supplier's policies from time to time. Lessee's payment obligations hereunder will terminate as to any defective or nonconforming Leased Equipment only upon such time that the Leased Equipment is properly returned by Lessee and credited by Supplier to Lessor.

2. Term and Extension

2.1 The term of this Lease (the "Lease Term") for the Leased Equipment shall be as provided on the Schedule, subject to earlier termination as provided in this Lease or the Schedule and subject to extension as provided in the Schedule. Upon expiration of the Lease Term, Lessee shall return the Leased Equipment to Lessor at such place as Lessor shall designate in writing to Lessee. Lessee shall pay all the costs and expenses associated with the return of the Leased Equipment, including, without limitation, the cost of removing, assembling, packing, insuring and transporting the Equipment. This Lease shall commence and the Leased Equipment irrevocably accepted for any applicable Schedule upon receipt by Lessor of the initial monthly payment and any origination fee ("Commencement").

2.2 Unless Lessee provides notice under Section 8 to exercise any buyout option that may exist or provides at least 30 days' notice of termination of the applicable Schedule, the Lease Term will automatically extend for 90 days and thereafter on a month to month basis until 30 days' notice of termination is provided and the Leased Equipment is properly returned in accordance with Section 5.

3. Rent, Billing, and Payment

Monthly rental rates for the Leased Equipment are as set forth in the relevant Schedule for the Leased Equipment. Lessee shall pay rent to Lessor at Lessor's address at _____, or at such other address as Lessor may specify, at a rate per month set forth in the Schedule. Lessee may be billed monthly by Lessor, and in any event Lessee shall pay Lessor monthly or within 15 days of receipt of billing, whichever is earlier. Lessee shall pay interest at the rate of 18% per annum or the maximum rate allowable by law, whichever is lower, on delinquent payments. Late payments will be subject to a late payment charge in the amount of 5% or \$5.00, whichever is greater, subject to applicable law. In the event that Lessee continues to hold direct or indirect possession of the Leased Equipment after the Lease Term ends without properly exercising the purchase option and without an extension agreed to by Lessee, the monthly rate for such Leased Equipment will be subject to a 10% surcharge.

4. Security Deposit

At Lessor's option and as additional security for the full and faithful performance of every covenant and condition of this Lease to be performed by Lessee, Lessee may be required to pay to Lessor before the Lease Term a security deposit as set forth in the Schedule. If Lessee shall breach or default with respect to any covenant or condition of this Lease, including, without limitation, the payment of rent, Lessor may apply all or any part of such deposit to the payment of any sum in default or any damage suffered by Lessor as a result of such breach or default. Any payment to Lessor from the security deposit shall not be construed as a payment of liquidated damages. If Lessee shall have fully complied with all of the covenants and conditions of this Lease, the security deposit shall be repaid to Lessee at the end of the Lease Term and upon delivery of the Leased Equipment to Lessor in clean and good condition. The security deposit shall not bear interest, and Lessor may intermingle the security deposit with Lessor's own funds and use such sum for such purposes as Lessor may determine.

5. Title, Possession and Return

5.1 The Leased Equipment shall at all times be the sole and exclusive property of Lessor. Lessee shall have no right, title or property interest to or in the Leased Equipment except for the right to use it in accordance with this Lease. Until termination of this Lease, Lessee shall be entitled to the possession of the Leased Equipment for use at Lessee's or its subscriber's sites in the ordinary course of Lessee's business.

5.2 Unless Lessee properly exercises any option to purchase that may be provided in the Schedule, upon the termination of this Lease with respect to any of the Leased

Equipment, Lessee shall, at its expense, immediately de-install, pack, and return such Leased Equipment to Lessor at such continental United States location as Lessor specifies in good repair and operable condition (with all applicable accessories, cables, power cords, keys, etc.). Upon demand, Lessee shall pay Lessor for the costs of repairing or replacing any missing or damaged Leased Equipment that was to be returned. Lessee shall bear all risk of loss during shipping.

5.2 Where applicable, Lessee shall not deface or obscure in any manner the markings, logos, labels or other designations on the Leased Equipment that reflect Lessor's ownership of the Leased Equipment.

6. Use, Maintenance and Operation

6.1 Lessee warrants that during the Lease Term the Leased Equipment will be operated or handled only by qualified employees or agents of Lessee, and that the Leased Equipment will be operated or handled in a careful manner in accordance with manufacturer's specifications and limitations, and only in a manner reasonably foreseeable in light of the nature of the Leased Equipment. Lessee shall not use, employ, operate or permit the operation of the Leased Equipment in violation of any applicable law, rule, regulation, order or other requirement of any governmental agency or official having jurisdiction over the Leased Equipment or in violation of any operating certificate, license or registration relating to the Leased Equipment. Lessee shall not expose the Leased Equipment in a manner likely to cause damage and shall not use, store or operate the Leased Equipment in any way so as to suspend or endanger any insurance coverage.

6.2 Lessee will, at its own expense, keep and maintain the Leased Equipment in good repair, condition and working order and furnish all parts, replacements, mechanisms, devices and servicing required therefor so that the value, condition and operating efficiency therefor will at all times be maintained and preserved, reasonable wear and tear excepted. All such repairs, parts, mechanisms, devices and replacements shall immediately, without further action, become the property of Lessor and part of the Leased Equipment.

6.3 No improvements or alterations other than standard maintenance shall be made to the Leased Equipment without Lessor's written consent. Any improvements made after obtaining Lessor's written consent shall immediately, without further action, become the property of Lessor and part of the Leased Equipment.

6.4 Upon termination of this Lease, Lessee shall return the Leased Equipment to Lessor in as good a condition as when delivered to Lessee, reasonable wear and tear from any use permitted under this Lease excepted. Damage to or destruction of the Leased Equipment shall not excuse payment by Lessee of rent for the full Lease Term.

7. Inspection

Lessor shall have the right, at any reasonable time, to enter Lessee's premises or elsewhere to inspect the Leased Equipment or observe its use. Lessee shall immediately furnish all information requested by Lessor that Lessor deems

necessary to performance of the terms hereof. Lessee shall maintain a log of the location of such equipment and provide such log to Lessor upon request.

8. Lessee Buyout Option

If Lessee is not in default, Lessee may at its option purchase the Leased Equipment from Lessor at such time and upon such terms as are contained in the applicable Schedule by providing 30 days' written notice of intent to exercise such option. At such time as full payment is received (including any applicable taxes) and funds are received and cleared, Lessor's title shall pass to Lessee "AS-IS-WHERE-IS" without any warranties of any kind and any security interest of Lessor in the applicable Leased Equipment shall cease.

9. Lessee's Assumption of Liability; Indemnification

9.1 Lessee assumes all risks and liability for the Leased Equipment, including, without limitation, liability associated with the use, operation, maintenance, possession and storage thereof by Lessee or its agents, employees, or contractors, or in connection with maintenance, supervision, or training provided by Lessor under this Lease. Such risks and liability include, without limitation, injuries to or deaths of persons, and damage to the Leased Equipment or to other property, howsoever arising from or incident to such use, operation, or storage, as well as loss or damage to the Leased Equipment from any other cause. Lessee assumes these risks and liabilities whether such injury or death to persons be to agents or employees of Lessee or to third parties, and whether such damage be to the Leased Equipment or to property of Lessee or to property of others.

9.2 Lessee shall defend, indemnify and hold harmless Lessor and its officers, agents, servants, successors and assigns (an "Indemnitee") from and against all losses, damages, claims, penalties, obligations, liabilities, actions, suits, costs and expenses, including attorneys' fees and costs, of whatsoever kind and nature, that may be asserted against, imposed on, incurred by, suffered by, charged to or recoverable from any Indemnitee, in any way relating to, arising out of or connected with this Lease or the enforcement hereof, or the possession, use, operation, condition, maintenance, storage or alleged use, operation or storage, or other disposition of the Leased Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark or copyright infringement), whether such claim be groundless, false, fraudulent or valid. Lessee's indemnities and liabilities as set forth herein shall continue in full force and effect after termination of this Lease.

9.3 Upon Lessor's request, Lessee shall assume defense of all demands, claims, actions, suits and proceedings against Lessor for which indemnity is provided as set forth herein and shall allow Lessor, at Lessor's option, to participate therein. Lessor shall be subrogated to all rights of Lessee for any manner that Lessor has assumed obligation hereunder, and Lessor may settle any demand, claim, or action without Lessee's prior consent.

Sample Preview