

## EQUIPMENT LEASE AGREEMENT

This Equipment Lease Agreement made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ between XYZ Company., a New Jersey corporation with its principal place of business at 123 Main Street, Anywhere, NJ 07777 ("Lessor") and \_\_\_\_\_, a \_\_\_\_\_ corporation having its principal place of business at \_\_\_\_\_ ("Lessee").

1. Lease. Lessor leases to Lessee, and Lessee leases from Lessor, the equipment described below ("Equipment") upon the terms and conditions set forth in this Agreement for the sum of \$ \_\_\_\_\_ per month for \_\_\_\_\_ months.

Year	Make	Model	Mileage/ Hours	License	State	VIN or Serial #	Date in Service

2. Payment. The rent for the Equipment leased pursuant to the terms and conditions of this Agreement shall be payable in advance on the first day of each month, provided that the first month's rent shall be paid by Lessee to Lessor within three (3) business days of the full execution of the Lease.
3. Delivery and Acceptance. Acceptance of the Equipment by the Lessee shall be deemed to have occurred on the date set forth above in the preamble. Acceptance of the Equipment by the Lessee shall constitute an acknowledgement that:
- a) Such Equipment is in good order and condition; and
  - b) Lessor has made no representation or warranty, express or implied, with respect to such Equipment.
4. Term. The lease term for the Equipment shall commence on the date set forth above in the preamble and shall continue month to month until terminated in accordance with Section 5 of the Agreement.
5. Termination. Either party may terminate this Agreement without penalty upon giving the other party thirty (30) days' prior written notice.
6. Title to Equipment.
- a) The Equipment shall at all times be the sole and exclusive property of the Lessor and the Lessee shall not have any rights or property interest therein.
  - b) The Lessee may not assign any right or interest to the Equipment or permit any lien or encumbrance to exist thereon other than liens and encumbrances placed thereon by the Lessor or persons claiming against the Lessor.
  - c) The Lessor shall be permitted to display notice of its ownership by affixing to the Equipment identifying stencil, plate, or any other indicia of ownership.
7. Use
- a) The Equipment shall be used solely by Lessee for \_\_\_\_\_.
  - b) Lessee shall not use, maintain, or store any equipment improperly, carelessly, or in violation of this Agreement or any of the applicable regulatory laws or regulations of any governmental agency applicable to the use of such Equipment.
  - c) Equipment shall be operated by competent and qualified personnel in the manner and for the use contemplated by its manufacturer and by this Agreement.
8. Maintenance and Repair.

- a) Lessee will maintain the Equipment in good mechanical condition and working order at all times and shall be responsible for normal wear and tear.
  - b) Lessee shall be responsible for any repairs required due to the failure of Lessee to properly operate, store, or otherwise manage the Equipment.
9. Insurance.
- a) Lessee shall, at its sole cost and expense, procure and maintain during the term of this Agreement commercial general liability insurance (including broad form contractual coverage in support of the indemnifications of Lessor by Lessee under this Agreement) in amounts of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. Such policy shall name Lessor as an additional insured thereunder.
  - b) While the Equipment is in the possession or control of Lessee, Lessee agrees, at its own cost and expense, to keep the Equipment insured to protect all interests of the Lessor, against all risk of loss, theft, or damage from every cause whatsoever for not less than the current value of the Equipment.
  - c) Lessee shall at its sole cost and expense procure and maintain during the term of this Agreement, Workers Compensation Insurance within the limits required by statute, and Employers Liability coverage with limits of not less than \$1,000,000 per accident.
  - d) Lessee shall at its sole cost and expense obtain automobile liability insurance covering the Equipment with a limit of not less than \$1,000,000 combined single limit or equivalent thereof.
  - e) Lessee shall provide Lessor with Certificates of Insurance evidencing the coverages required by this Section 9.
10. Loss, Theft, or Damage. Lessee shall be liable for any loss, theft, or damage to the Equipment, whether or not covered by insurance, and no such loss, theft, or damage shall relieve Lessee of its obligations hereunder. In the event of loss, theft, or damage to the equipment in whole or in part, the Lessee shall promptly so notify the Lessor and, at the Lessor's option shall:
- a) Place Equipment in good condition and working order; or
  - b) Replace such Equipment with like equipment in good working condition and working order and furnish the Lessor with necessary documents to vest good and marketable title thereto in the Lessor; or
  - c) If the Lessor determines that any Equipment is beyond repair, pay to the Lessor, within thirty (30) days of such notification, an amount equal to the depreciated value of the Equipment of the date of loss, theft, destruction, or irreparable damage, but not less than the fair market value of the Equipment on that date.
11. Indemnification
- a) Lessee shall indemnify, protect, and hold harmless the Lessor, its agents, servants, successors, and assigns from and against all losses, damages, injuries, claims, demands, and expenses, including legal expenses, of whatsoever nature, arising out of the use, condition, or operation of the Equipment, regardless of where, how and by whom operated, during the term of this lease.
  - b) Lessee shall assume the settlement of, and the defense of any suit or suits or other legal proceedings brought to enforce, all such losses, damages, injuries, claims, demands, and expenses, and shall pay all judgments entered in any such suit or suits or other legal proceedings.
  - c) The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of this Agreement, whether by expirations of time, by operations of law or otherwise.

- d) Lessee is an independent contractor and nothing contained in this Agreement shall authorize the Lessee or any other person to operate the Equipment so as to incur or impose any liability or obligation for or on behalf of the Lessor.
12. Licenses; Compliance with Regulations. Lessee shall furnish the Equipment with the necessary license plates and/or registration certificate as required by the appropriate government laws or regulations. Lessee shall furnish the Equipment with appropriate equipment as required by said governmental safety regulations. Lessee shall comply with all laws regarding the operation of the Equipment.
13. Enforcement. In the event either party is required to hire an attorney to enforce its rights hereunder, the prevailing party in any such litigation shall be entitled to recover reasonable attorney's fees and expenses, plus costs of suit, if any. Further, in the event of Lessee's breach or default hereunder, if Lessor shall be required to take any action (whether or not suit is instituted to collect any unpaid amounts), Lessor shall be entitled to recover reasonable attorney's fees and expenses together with interest at the highest rate allowed by applicable law, computed from the date such amounts were due to the date of payment or judgment.
14. Assignment. The Lessee may not assign this Agreement or sublet any Equipment without the written consent of the Lessor. Any such sublet does not release the Lessee from its obligations and responsibilities under this Agreement.
15. Severability. Any provision of this Agreement found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the rest of this Agreement.
16. Construction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New Jersey, without reference to the choice of law principles thereof.
17. Entire Agreement. This Agreement and the Schedules executed by the parties contain the entire understanding of the parties, and such understanding may not be modified or terminated except in writing signed by the parties.

IN WITNESS WHEREOF, each party through its duly authorized officer has executed this Agreement the day and year first written above.

Lessor:  
XYZ COMPANY

Lessee:  
[NAME OF LESSEE]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_