

## **Equipment lease: construction industry plant and machinery**

**The Lessor:**      [\[Lessor\]](#)

**and**

**The Lessee:**      [\[Lessee\]](#)

**Date:**              [\[Date\]](#)

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The Date of this Agreement is: [Date]  
The Lessor is: [name]  
of [address]  
The Lessee is: [name]  
Of [address]

It is now agreed as follows:

## 1. Interpretation

The following words shall have the meanings assigned to them unless

|                           |   |
|---------------------------|---|
| "Agreement"               | means all the paragraphs of this deed incorporated now as |
| "Commencement Date"       | means date on which the activities specified in           |
| "Initial Lease Period"    | means the   |
| "Lease Period"            | mean the Initial  |
| "Lease Rentals"           | means the amounts by way of rental for the                |
| "Plant"                   | Plan means the ( 1 . )                                    |
| "Subsequent Lease Period" | means a period after the expiry of the ,                  |
| "Total Loss"              | means total destruction or permanent                      |

## 2. Lease

2.1. The Lessor leases to the Lessee and the Lessee agrees

2.2. The Lessee agrees to pay the

OR

2.3. The Lessee shall, within seven days from the date

[--]

## 3. Lease Term

3.1. The Initial Lease Period shall be [ ]

3.2. Each subsequent Lease Period shall be for a further [ ]

3.3. This Lease shall continue in full force

3.4. The Lessee may extend the lease for a Subsequent Lease Period by giving notice in writing to the Lessor at least three months before the

[ ] %

## 4. Payment and Accounts

4.1. All payments to be made by

4.2. If at any time, the Lessee makes any deduction from the

4.3. If any sum payable is not paid when due, the Lessee shall pay to the Lessor interest

[ 10 %]

## 5. Security

The Lessee shall

5.1. A security amount of [--] for any damage or

5.2. [more]

## 6. Possession

6.1. Immediately upon possession of the Plant, the Lessee

6.2. In the event that the Lessor cannot hand over the possession of the Plant

6.3. In the event there is any defect in the machinery or any equipment of the Plant, the Lessee shall

## **7. Use and maintenance of the Plant**

- 7.1. The Lessee shall
- 7.2. The Lessee shall
- 7.3. The Lessee shall ensure that the Plant
- 7.4. The Lessee shall not make any ,
- 7.5. The Lessee shall, keep
- 7.6. The Lessee shall not sell or underlet the Plant,
- 7.7. The Lessee may operate  
[--]
- 7.8. The Lessee shall not

## **8. Insurance**

- 8.1. The Lessee shall at its own cost keep the Plant fully
- 8.2. The Lessee shall ensure

8.3. The Lessee shall pay all insurance premiums punctually

## 9. Taxes

9.1. The Lessee shall pay all taxes,

9.2. The Lessee shall

## 10. Conditions, Warranties and Exclusions

10.1. The Lessor shall, at the cost and expense

10.2. The Lessee

10.3. The Lessee recognises that the Plant is acquired by the Lessor only for

10.4. All repairs and replacements of the parts

## 11. Buy Back

At any time during the Lease Period the Lessee shall have the option to buy the \$ [ ]

:

11.1. Hand over the possession of

11.2. ,  
;  
;

11.3. ( )  
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11.4.  
,  
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## 12. Defaults and Termination

12.1.  
.

12.2. “ ” :

12.2.1 ,  
;

12.2.2 ‘  
,  
;

12.2.3 ;  
;

12.2.4  
;

12.2.5  
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12.2.6 ( )  
; ( )  
; ( )

; ( ) , ,  
; ( )



- 12.2.7
- 12.3.
- 12.4.
- 12.5.
- 12.6.
- 12.7.
- 12.8.

## 13. Consequences of Termination

- 13.1.
  - 13.1.1 all arrears of Lease Rentals;
  - 13.1.2 damages for any breach of this Agreement;

13.1.3

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13.2.

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## 14. Assignment

14.1.

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14.2.

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14.3.

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## 15. General

15.1.

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15.2.

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15.3.

3 3 3 3 3 - 3



15.4.

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15.5.

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15.6.

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15.7.

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$$[ \quad ] .$$
$$[ \quad ] \quad .$$

15.8.

■

## 16. Notices

16.1.

16.2.

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]

Signed by or for the Lessor by [name] (who certifies that he has proper authority to sign)

Signature .....

Witness: Signature:

Witnessed by: [name]

of: [address]

Signed by or for the Lessee by [name] (who certifies that he has proper authority to sign)

Signature: .....

Witness: Signature:

Witnessed by: [\[name\]](#)

of: [\[address\]](#)

## **Schedule A    the Plant**

Location:

Area:

Details of machines installed:

Fixtures:

## **Schedule B    the Lease Rentals**

## Explanatory notes:

### Equipment lease: construction industry plant and machinery

## General notes:

1. Time is considered as an essence to any kind of lease agreement. Parties should always take into consideration their mutual obligations towards each other with respect to time. For example. Making timely payments for Lease rentals,
2. The paragraph headings are included for convenience only and do not affect
3. This template is suitable for commercial lease of any immovable property
4. It makes no difference to the agreement if lessor or lessee is company or
5. This document is designed to cover virtually all the eventualities that are important in a lease agreement for any industry or plant. There are certain statutory obligations in a negotiation of this nature like compulsory insurance,

## Paragraph specific notes:

Note: numbering refers to paragraph numbers.

- 2 Provides alternatives for payment of lease rentals. From Lessor's point of view, it is obviously best to take the full payment in advance. In many cases however, the lease mechanism has been chosen precisely because it permits
- 3 The initial lease period and subsequent lease period



4.3 In the event of default in payment of lease rental, the lessee should compensate the Lessor by paying interest. The rate and cumulating period are for negotiation, but you

. ( “ ”).

5 Since the Lessor is giving on lease the entire Plant including machinery and other equipments that are installed, it can reduce it by a

.

Security will also protect the Lessor in the event of misuse or other damage to the subject

6.3 -

7.7

8 Provides protection to the Plant against any kind of risk.

,

Non-payment of premium by the lessee

9 All the taxes and other impositions should be

11 An option is provided to the lessee to buy

12.2 States the independent circumstances under which an “event of default”

**End of notes**