

## **Machine Lease: any industry, any machine**

**The Lessor:** [name of lessor]

**and**

**The Lessee:** [name of lessee]

**Date:** [Date]

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Schedule 1: The Machine

Schedule 2: The Lease Rentals

**This agreement is dated:** [date]

**The Lessor is:** [name]

**of** [address]

**The Lessee is:** [name]

**of** [address]

**The Guarantor is:** [name]

**of** [address]

**It is now agreed as follows:**

## **1. Definitions**

These definitions apply unless the context :  
.

"Entire Lease Period" mean the Initial Lease Period together with  
any Subsequent Lease Period or period

"Initial Lease Period" means a period of [3] years

"Lease" means the Lease set up by this agreement.

"Lease Rentals" means the sums due by the Lessee as  
2 .

"Machine" means the plant, equipment or machine(s)  
1 .

"Security Deposit" means the sum paid by the Lessee to the  
Lessor as a deposit against any breach  
.

"Start Date" means the start date of this Lease.

"Subsequent Lease Period" means any period  
.

## 2. Interpretation

In this agreement unless the context otherwise requires:

- 2.1. a reference to a person includes a ,  
.
- 2.2. a reference to a person or party includes reference to that person's successors, legal ,  
,  
- .
- 2.3. any agreement by either party not to do or  
.
- 2.4. the headings to the paragraphs and schedules ( )  
.
- 2.5. a reference to an act or  
.
- 2.6. all money sums mentioned in this Lease are  
,  
.

## 3. Lessee's warranties for authority

The Lessee warrants that:

- 3.1. he has  
;
- 3.2. he has no reason to doubt [his ability /  
]
- 3.3. No person, nor governmental authority, has any  
,  
.

## 4. Lessor's warranties and exclusions

The Lessor warrants that:

- 4.1. he is the owner of [ ] ;
- 4.2. the Machine is [new and ] , ;
- 4.3. there is no right of ;
- 4.4. he is aware of no .
- 4.5. The Lessor, not being the :
  - 4.5.1 any defect that may be ;
  - 4.5.2 any future condition or performance of the Machine;
  - 4.5.3 all repairs and replacements of parts .

## 5. The Lease

- 5.1. This Lease commences on [date].
- 5.2. The Initial [ 3 ] .
- 5.3. Each Subsequent Lease Period shall be for a further [ ] .
- 5.4. This Lease shall continue in full force .
- 5.5. 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 .

[ 25 ] %

5.6. By this Lease the Lessor lets and the Lessee takes the

5.7. The Lessee agrees that the Machine complies with  
1 ,

5.8. The Lessee agrees to pay the  
2 .

OR

5.9. The Lessee shall, within seven days from the Start Date,  
£ [ 100 ]

5.10. [The Lessee recognises that the Machine is acquired by the  
]

5.11. All payments which may be due by the

5.12. Except so far as provided in this Lease,

## 6. Payment and accounts

6.1. All payments to be made by  
,

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

[ 10 %]

[ /

]

## 7. The Security Deposit

7.1. The Lessor confirms that it has £ [ ]

OR

7.2. The Lessee has deposited :

7.2.1 a [type ] [ ];

7.2.2 a share certificate [ ] [ ]  
].

7.3. The Lessor may sell or liquidate the Security

7.4. If the :

7.4.1 within [7] days he [ ]

;

7.4.2 the rights or

7.4.3 the sum used is repayable to the Lessor [ 4 ]

## 8. Delivery and possession

8.1. The Lessee [shall/ shall not] be responsible for [list expenses relating to

, ]

[ ].

8.2.

8.3. In the event that the Lessor cannot hand over the possession of the Machine to the

8.4. The Lessor shall, at the cost and

8.5. Immediately upon possession of the Machine, the Lessee

8.6. In the event there is any defect in the Machine, the Lessee shall immediately inform the Lessor

[ 48 ]

## 9. Lessee's obligations in respect of the Machine

9.1. The Lessee shall

9.2. The Lessee shall

9.3. The Lessee shall ensure that the Machine

9.4. The Lessee shall not remove the

9.5. The Lessee shall not make any

9.6. The Lessee shall keep and



9.7. The Lessee shall not purport to sell or sub-

9.8. During the Entire Lease Period,

9.9. The Lessee may operate the [40] [ / ].

9.10. The Lessee shall not allow the Machine to [ ].

9.11. If the Machine is lost or damaged, the Lessee shall immediately notify the Lessor. The

## 10. Inspection of the Machine

10.1. At any time during the Entire Lease Period, [ ]

10.2. The Lessor is entitled to inspection upon prior written notice of [7]

10.3. The Lessor will make sure that

10.4. Such inspection will be performed by [ ]

10.5. The Lessor shall alone responsible for [ ].

10.6. If the inspection reveals any material defect in the \_\_\_\_\_ ,  
[ 30 ] \_\_\_\_\_ .

10.7. If any inspection reveals material defects, the \_\_\_\_\_ [ \_\_\_\_\_ ]  
[ 12 ] \_\_\_\_\_ .

## 11. Insurance

11.1. The Lessee shall at its own cost keep the Machine fully  
[ \_\_\_\_\_ ] .

11.2. The Lessee shall ensure \_\_\_\_\_ .

11.3. The Lessee shall pay all insurance premiums punctually \_\_\_\_\_ .

## 12. Taxes and permits

12.1. The Lessee shall pay all taxes,  
\_\_\_\_\_ .

12.2. The Lessee shall \_\_\_\_\_ .

## 13. Buy out of Lease

13.1. At any time during the Initial Lease Period the Lessee shall have the  
option to buy \_\_\_\_\_ £ [ \_\_\_\_\_ ] .  
\_\_\_\_\_, \_\_\_\_\_ :

13.1.1 hand over the possession of \_\_\_\_\_ ;

13.1.2 at the Lessor's request, sell the Machine

,

;

13.1.3 ( )

.

13.2.

,

.

## 14. The Guarantor

The Guarantor agrees:

14.1.

.

14.2.

,

.

14.3.

.

14.4.

,

.

,

,

.

14.5.

[ 28 ]

.

14.6.

14.7.

## 15. Default by the Lessee and termination

15.1.

[ ]

15.2.

" " :

15.2.1

,

;

15.2.2

,

,

15.2.3

[ ]

2,

15.2.4

,

15.2.5

;

15.2.6

;

15.2.7

.

15.3.

15.4. When an Event of Default happens:

15.4.1 this Lease terminates automatically;

15.4.2 the Lessee must inform the Lessor immediately;

15.4.3

15.4.4

## 16. Consequences of termination

16.1.

[ , ] [ ]  
14 .

16.2.

16.3. all obligations of the Guarantor remain unaffected.

16.4.

16.5.



18.2.

[  
].

18.3.

.

OR

18.4.

,

[  
].

.

18.5.

.

## 19. Indemnity

,  
:

19.1. his failure to comply with the law ;

19.2. his breach of this agreement;

19.3. , ;  
,

19.4.

19.5.

,

.

## 20. Miscellaneous matters

20.1.

,

.

20.2.

,

,

.

20.3.

,

,

,

.

,

.

20.4.

.

20.5.

,

.

20.6.

.

20.7.

-

.

It shall be deemed to have been delivered:

:

;

:

72

;

-

-

:

24



- . [

- . ( , )  
 ].

20.8. ,

.

20.9. , (

) 1999 .

20.10.

,

.

20.11.

.

20.12. , [

/ / ]

[ / / ].

[ ]

Signed by [director name] on behalf of [company name] as its / its representative who personally accepts liability for the proper authorisation by [company name] to enter into this agreement.

Signed by [director name] on behalf of [company name] as its / its representative who personally accepts liability for the proper authorisation by [company name] to enter into this agreement.

$$\frac{[\text{H}^+][\text{H}_2\text{O}]}{[\text{H}_3\text{O}^+]} = K_a$$

OR

$$[ \quad ]$$

Signed by [Lessor name]

Signed by [Lessee name]

Signed by [name] the Guarantor

## Schedule 1: The Machine

*[Enter complete description of the Machine]*

Location:

Area:

Size:

Details of machines installed:

Fixtures:

## **Schedule 2: The Lease Rentals**

*[Enter the amount, mode of payment and date when to make payments as both parties agree]*

## Explanatory notes:

**Machine Lease: any industry, any machine**

## General notes:

In this template we have provided a practical legal framework. You may need to add regulatory obligations relevant only in your industry. Examples may be: compulsory insurance; tax or import arrangements,

## Paragraph-specific notes:

Comments following the numbered paragraphs

### 1. Definitions

You should first decide on the contents of the document, then return to check what definitions are needed and whether they really

By all means use the search/replace function in your word processor to change them. If you do change a defined term, make sure it

Remember too, that when a word or phrase is defined, the defined meaning capitalised, takes precedence over the

### 2. Interpretation

Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose.

### 3. Lessee's warranties for authority

This paragraph prevents the lessee from saying later that it was not aware of some circumstance detrimental to the lessor or which may cause a breach of the lease. It is more important when

The term also binds the signatory. It would be a very careless director who signed this document while he

#### **4. Lessor's warranties and exclusions**

It is common for a lessor to give warranty of the title and condition of the equipment that is subject matter of the lease. However, a wise lessee or its solicitor will insist on some warranties by the lessor.

See sub-paragraph 4.5. We have added a term excluding lessor's responsibility for the condition and usage of the machine. For which

Edit as you require.

#### **5. The Lease**

Here is the essence of the deal. We have provided for an initial fixed period for your lease. If that is all you want, then fine, you can limit it to that.

A different option provides for the lessee to make all the payments together, up front. The

#### **6. Payment & accounts**

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 should remember

#### **7. The Security Deposit**

This paragraph is entirely optional of course. Security will protect the lessor in the event of misuse or other damage to the subject matter of the lease. Security could take the form of cash,

**8. Delivery and possession**

We have no comments.

**9. Lessee's obligations in respect of the Machine**

A set of commercial provisions. The level to which usage, repairs and maintenance

You may edit as you require.

**10. Inspection of the Machine**

A good point to have a check on the condition of the machine - that is your asset. This

You may edit as you require.

**11. Insurance**

Entirely optional and self-

**12. Taxes and permits**

Small but important points. Delete if inapplicable.

**13. Buy out of Lease**

The question of buy-out is entirely optional. The proposals in this document provide for

**14. The Guarantor**

Whether a guarantor is required is entirely a commercial decision. A guarantor could be an individual or a company. We suggest that in the case of a grant

The guarantee provisions in this

## **15. Default by the Lessee and termination**

The problem with any default provision is

It is important for the lessor to step in to terminate the lease if something should go

What event you

## **16. Consequences of termination**

These provisions simply tie

## **17. Limitation of liability**

This is clearly important. The first

Assuming it will apply to both parties,

The second part of this paragraph effectively limits a claim to one based directly on the £ 50 ,  
000 , - 1 ,

£ 50 , 000 .



**18. Assignment**

This paragraph

**19. Indemnity**

We suggest no edits.

**20. Miscellaneous matters**

A number of special points. We have identified each of these as important to

**End of notes**