NET EQUIPMENT LEASE

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This Net Equipment Lease (the “Agreement”) takes effect on [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Lessor"), a company organised and existing under the laws of the [COUNTRY], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Lessee"), a company organised and existing under the laws of the [COUNTRY], with its head office located at:

 [COMPLETE ADDRESS]

Lease No. [NUMBER]

1. **EQUIPMENT AND RENT**

Lessor hereby leases, and Lessee hereby rents from Lessor, at a total rent for the term of this lease of [AMOUNT], which Lessee agrees to pay to Lessor as hereinafter set forth, the following personal property (hereinafter called “Equipment”):

(Describe fully, giving the name of manufacturer, model, serial no.)

1. **TERM**

This lease, upon the rents, promises, terms and conditions set forth herein, is for a term of [NUMBER] months, commencing on the date (the “Commencement Date”) that Equipment is delivered to Lessee or shipped via a common or other carrier for delivery to Lessee, whichever shall be earlier.

1. **PURCHASE AND DELIVERY OF EQUIPMENT**

Lessee hereby directs that Equipment (which Lessee has requested Lessor to purchase) be shipped via common or other carrier to Lessee at, City of [], Province of [].

1. **PAYMENT OF RENT**

Lessee agrees to pay Lessor the total rent specified above in monthly payments as follows:

consecutive payments each of [AMOUNT]; then

consecutive payments each of [AMOUNT]; then

The foregoing payments shall be made as follows:

TIME: Upon signing this lease, Lessee shall pay Lessor the sum of [AMOUNT], constituting the payment in advance of the Security Deposit of [AMOUNT] and the [DATE] of monthly payments of rent stated above. On the Commencement Date, Lessee shall commence, and on the corresponding date of each month thereafter shall continue making the remaining monthly payments in the order and amounts stated above, until the total rent shall have been paid in full.

1. **LOCATION AND IDENTIFICATION OF EQUIPMENT**

Equipment shall be located at the address to which Equipment is to be shipped as set forth in Section 3 and shall not be removed from such location without the prior written consent of Lessor. Lessee will not change or remove any insignia or lettering which is on Equipment at the time of delivery thereof or which is thereafter placed thereon indicating Lessor’s ownership thereof, and at any time during the term of this lease, upon request of Lessor, Lessee will affix to Equipment, in a prominent place, labels, plates or other marking supplied by Lessor stating that Equipment is owned by Lessor.

1. **LESSEE’S INSPECTION, CONCLUSIVE PRESUMPTIONS**

Lessor shall not be liable for loss or damage occasioned by any cause, circumstance or event of whatsoever nature, including but not limited to failure of or delay in delivery, delivery to the wrong place, delivery of improper Equipment or property other than Equipment, damage to Equipment, governmental regulations, strike, embargo or any other cause, circumstance or event, whether of like or unlike nature. Lessee shall inspect Equipment within [NUMBER] business days after its arrival at the address set forth in Section 3.

Unless within said [NUMBER] business days Lessee gives written notice to Lessor, specifying any defect in or other proper objection to Equipment, Lessee agrees that it shall be conclusively presumed, as between Lessor and Lessee, that Lessee has fully inspected Equipment, that Equipment is in full compliance with the terms of this lease and in good condition and repair, and that Lessee is satisfied with and has accepted Equipment in case Lessee gives such written notice with respect to any item of Equipment, Lessee shall on demand by Lessor, pay Lessor any amounts theretofore paid or owing by Lessor *in re*spect of the purchase of such item of Equipment and upon such payment Lessee shall be subrogated to Lessor’s claim if any against the manufacturer or other supplier thereof and Lessee shall become entitled to such item as-is-where-is, without warranty, express or implied by the Lessor with respect to any matter whatsoever, and Lessee shall indemnify and save Lessor harmless from any and all liability to the manufacturer or other supplier thereof.

1. **USE AND MAINTENANCE, ALTERATIONS AND ADDITIONS**

Lessee shall use Equipment solely in the conduct of its business and in a careful and proper manner and shall not part with possession of or enter into any sub-lease with respect to Equipment or any part thereof or assign this lease or its interest hereunder without the prior written consent of Lessor. Lessee at its own cost and expense shall keep Equipment in good repair, condition and working order and shall furnish any and all parts and labour required for that purpose. Lessee shall not make any material alterations to Equipment without the prior written consent of Lessor. All equipment accessories, parts and replacements for or which are added to or become attached to Equipment shall immediately become the property of Lessor and shall be deemed incorporated in Equipment and subject to the terms of this lease as if originally leased hereunder.

1. **LOSS AND DAMAGE**

Lessee hereby assumes and shall bear the entire risk of loss of and damage to Equipment from any and every cause whatsoever. No loss of or damage to Equipment or any part thereof shall impair any obligation of Lessee under this lease, which shall continue in full force and effect. In the event of damage of any kind whatever to any item of Equipment (unless the same is damaged beyond repair), Lessee, at the option of Lessor, shall at Lessee’s expense

* 1. place the same in good repair condition and working order; or replace the same with like Equipment of the same make and of the same or a later model, and in good repair condition and working order.
	2. If Equipment, or any item thereof, is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair, Lessee shall immediately pay Lessor therefor in cash an amount equal to the aggregate amount of unpaid total rent for the balance of the term of this lease or the amount of such unpaid total rent allocated by Lessor to the item or items involved, as the case may be.
	3. Upon such payment, this lease shall terminate with respect to Equipment or items thereof so paid for, and Lessee thereupon shall become entitled thereto as-is-where-is, without warranty, express or implied, with respect to any matter whatsoever.
1. **INDEMNITY**

Lessee shall indemnify and save Lessor harmless from any and all liability arising out of the ownership, selection, possession, leasing, renting, operation control, use, maintenance, delivery and/or return of Equipment, but shall be credited with any amounts received by Lessor with respect thereto from liability insurance procured by Lessee.

1. **INSURANCE**

Lessee shall keep Equipment insured against all risks of loss or damage from every cause whatsoever for not less than the replacement cost new of said leased equipment without consideration for depreciation and shall carry public liability insurance, both personal injury and property damage; covering Equipment; and Lessee shall be liable for all deductible portions of all required insurance. All said insurance should be in form and amount and with companies satisfactory to Lessor. All insurance for loss or damage shall provide that losses, if any, shall be payable to Lessor, and all such liability insurance shall be in the joint names of Lessor and Lessee.

Lessee shall pay the premiums therefore and deliver to Lessor the policies of insurance or duplicates thereof, or other evidence satisfactory to Lessor of such insurance coverage. Each insurer shall agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor, that it will give Lessor [NUMBER] days’ prior written notice of the effective date of any alteration or cancellation of such policy. The proceeds of such insurance payable as a result of the loss of or damage to Equipment shall be applied, at the option of Lessor, toward the replacement; restoration or repair of Equipment which may be lost, stolen, destroyed or damaged, or toward payment of the obligations of Lessee hereunder. Lessee hereby irrevocably appoints Lessor as Lessee’s attorney-in-fact to make a claim for, receive payment of, and execute and endorse all documents, cheques or draughts received in payment for loss or damage under any said insurance policy. In case of the failure of Lessee to procure or maintain said insurance or to comply with any other provision of this lease, Lessor shall have the right, but shall not be obligated, to effect such insurance or compliance on behalf of Lessee. In that event, all monies spent by and expenses of Lessor in affecting such insurance or compliance shall be deemed to be additional rent and shall be paid by Lessee to Lessor with the next monthly payment of rent.

1. **COMPLIANCE WITH LAWS, PAYMENT OF TAXES**

Lessee shall comply with all [YOUR COUNTRY LAW] and regulations relating to, and shall promptly pay when due, all licence fees, registration fees, assessments, charges and taxes, municipal, state and national, excluding, however, any taxes payable *in re*spect to Lessor’s income which may now or hereafter be imposed upon the ownership, possession, leasing, renting operation, control, use, maintenance, delivery and or return of Equipment and shall save Lessor harmless against actual or asserted violations and pay all costs and expenses of every character in connection therewith or arising therefrom.

1. **TITLE OF LESSOR, RECORDING**

Title to Equipment shall at all times remain in Lessor, and Lessee at its own cost and expense, shall protect and defend the title of Lessor. Lessee shall at all times keep Equipment free and clear from all levies, attachments, liens, encumbrances and charges or other judicial process of every kind whatsoever, shall give Lessor immediate written notice thereof and shall indemnify and save Lessor harmless from any loss or damage caused thereby. Lessee will cooperate with Lessor and take whatever action may be necessary, to enable Lessor to file, register or record, and refile, re-register or re-record, this lease in such offices as Lessor may determine and wherever required or permitted by [YOUR COUNTRY LAW], for the proper protection of Lessor’s title to Equipment and will pay all costs, charges and expenses incident thereto.

Equipment is and shall remain personal property irrespective of its use or manner of attachment to realty, and Lessee will not cause or permit Equipment to be attached to realty in such manner that it might become part of such realty, without securing the prior written consent of Lessor and the prior written agreement of the owner (if other than Lessee) and of the mortgagee, if any, of such realty, that Equipment shall remain personal property and may be removed at the option of Lessee or Lessor.

1. **INSPECTION**

If Equipment is removed with the consent of Lessor, from the address specified above, Lessee should, whenever requested, advise Lessor of its exact location. Lessor may, for the purpose of inspection, at all reasonable times, enter upon any building or place where Equipment is located and may remove Equipment forthwith, without notice to Lessee, if Equipment is, in the opinion of the Lessor, being used beyond its capacity or in any manner improperly cared for or abused.

1. **DEFAULT, REMEDIES**

If

* 1. Lessee shall default in the payment of any rent or in making any other payment hereunder when due, or
	2. Lessee shall default in the payment when due of any indebtedness of Lessee to Lessor arising independently of this lease, or
	3. Lessee shall default in the performance of any other covenants herein, and such default shall continue for [NUMBER] days after written notice thereof to Lessee by Lessor; or
	4. Lessee becomes insolvent or makes an assignment for the benefit of creditors, or
	5. Lessee applies for or consents to the appointment of a receiver, trustee or liquidator of Lessee or of all or a substantial part of the assets of Lessee, or if such receiver, trustee or liquidator is appointed without the application or consent of Lessee, or
	6. if a petition is filed by or against Lessee under the [YOUR COUNTRY] Bankruptcy [ACT/LAW/RULE] or any amendment thereto (including, without limitation, a petition for reorganisation, arrangement or extension) or under any other insolvency [YOUR COUNTRY LAW] or law providing for the relieve of debtors, then, if and to the extent permitted by applicable [YOUR COUNTRY LAW, Lessor shall have the right to exercise any one or more of the following remedies:
1. to declare the entire amount of the total unpaid rent for the balance of the term of this lease due and payable, whereupon the same shall become immediately due and payable;
2. without demand or legal process, to enter into the premises where Equipment may be found and take possession of and remove the same, whereupon all rights of Lessee in Equipment shall terminate absolutely; and
	1. retain Equipment and all prior payments of rent made hereunder; or retain all prior payments of rent and sell Equipment at the public or private sale, with or without notice to Lessee, with or without having Equipment at the sale, at which sale Lessor may purchase all
	2. or any of Equipment, the proceeds of such sale, fewer expenses of retaking, storage, repairing and reselling and reasonable attorneys’ fees incurred by Lessor, to be applied to the payment of the total unpaid rent for the balance of the term of this lease,
	3. Lessee remaining liable for the balance of said unpaid total rent, and any surplus thereafter remaining to be paid to Lessee, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct; or
	4. retain Equipment and all prior payments of rent, crediting Lessee with the reasonable value of Equipment, Lessee remaining liable for the balance of the unpaid total rent for the balance of the term of this lease, together with all of the above-mentioned expenses, including reasonable attorneys’ fees incurred by Lessor, it is agreed that the amount to be retained by Lessor and the balance to be paid by Lessee under this sub-section
3. shall not be as a penalty but as liquidated damages for the breach hereof and as a reasonable return for the use of Equipment and for the depreciation thereof;
4. to pursue any other remedy available to Lessor at [YOUR COUNTRY LAW] or in equity.
5. **REMEDIES CUMULATIVE; NO WAIVER**

All remedies of Lessor hereunder are cumulative and may, to the extent permitted by law, be exercised concurrently or separately, and 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 rights or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Lessor of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy.

1. **POSSESSION AND USE**

Lessor covenants to and with Lessee that Lessor is the lawful owner of Equipment, free from all liens, encumbrances, and that, upon Lessee’s paying the rents and performing the promises, terms and conditions hereof, Lessee shall peaceably and quietly hold, possess and use Equipment during the term of this lease without hindrance.

1. **INTEREST AND EXPENSES**

Should Lessee fail to pay any part of the rent here*in re*served or any other sum required to be paid by Lessee to Lessor hereunder, Lessee shall pay Lessor interest on such delinquent payment at the highest legal rate from the date when such payment was due until paid, and expenses of collection, including reasonable attorneys’ fees.

1. **REDELIVERY**

On termination of this lease, Lessee shall, at its own cost and expense, return Equipment to Lessor at an address specified by Lessor in the same condition as received, reasonable wear and tear and normal depreciation excepted.

1. **NOTICES**

All notices relating hereto shall be in writing and delivered in person to an officer of the party to which such notice is being given or mailed by registered mail to such party at the address specified below its signature hereto, or at such other address as may be hereafter specified by like notice by either party to the other.

1. **NO WARRANTIES: ENTIRE AGREEMENT**

Lessee agrees that Lessor has made no representation or warranty of any kind, nature or description, express or implied, with respect to Equipment. This lease contains the entire agreement between the parties, and may not be changed, modified, terminated or discharged except upon [NUMBER] days prior written notice, and except as provided in paragraph [SPECIFY]. All terms of this agreement to remain in effect during the notice period.

1. **OPTION TO RENEW**

Lessee shall have the option, if Lessee is not in default hereunder, upon giving written notice to Lessor at least [NUMBER] days prior to the termination of the original or any renewal term of this lease, to renew this lease for such renewal terms as may be specified in such written notice at an annual (or monthly) rate of [AMOUNT] payable in advance at the beginning of each annual (or monthly) renewal term.

1. **SECURITY DEPOSIT**

The security deposit is a representation of good faith in the performance of all the terms and conditions of this agreement.

1. **ASSIGNMENT BY LESSOR**

This lease or any Equipment or any rent or other sums due or to become due hereunder may be transferred or assigned by Lessor without notice, and in such event Lessor’s transferee or assignee shall have all the rights, powers, privileges and remedies of Lessor hereunder and Lessee’s obligations hereunder shall not be subject to any defence, offset or counterclaim available to Lessee against Lessor.

1. **CONFLICT WITH APPLICABLE [YOUR COUNTRY LAW]**

If any provisions of this lease are in conflict with any statute or rule of [YOUR COUNTRY LAW] of any province or territory wherein it may be sought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating the remaining provisions hereof. For the sole purpose of resolving any problem of conflict of [YOUR COUNTRY LAW] with respect to filing or recording thereof, it is agreed that this instrument shall be deemed to be executed, completed and effective when Equipment is received at the address at which it is to be located, and that questions of filing or recording shall be determined by the [YOUR COUNTRY LAW] of such place. In all other respects, this lease shall be governed by the [YOUR COUNTRY LAW] of. This lease shall be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

1. **GUARANTEE**

Undersigned guarantees performance of above lease by Lessee and payment of all sums due thereunder in the event of default, hereby waiving any modification, amendment or extension and notice thereof.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

# LESSOR LESSEE

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title