

Capital Lease Agreement

This Capital Lease Agreement ("Agreement") is made and entered into as of [Date]

By and between:

Lessor: [Lessor Name], [Address]

Lessee: [Lessee Name], [Address]

1. Leased Property

The Lessor hereby leases to the Lessee, and the Lessee hereby leases from the Lessor, the following described property ("Leased Property"):

- Description: [Description of Equipment or Property]
- Make/Model: [Make/Model]
- Serial/VIN: [Serial or VIN]

2. Term

The term of this Capital Lease shall commence on [Start Date] and continue for [Number] months, ending on [End Date], unless terminated earlier in accordance with this Agreement.

3. Lease Payments

The Lessee shall pay to the Lessor, as rent for the Leased Property, the sum of [Amount & Currency] per month, payable in advance on the [day] day of each month during the term hereof.

4. Option to Purchase

Upon expiration of the lease term, and provided Lessee is not in default, Lessee shall have the option to purchase the Leased Property for the sum of [Purchase Option Amount] by providing written notice to Lessor.

5. Maintenance & Insurance

Lessee shall, at its own expense, keep and maintain the Leased Property in good order, repair, and condition. Lessee shall provide and maintain insurance coverage for the Leased Property during the lease term.

6. Default

If Lessee fails to make any payment or otherwise defaults under this Agreement, Lessor may, upon written notice, terminate this Agreement, repossess the Leased Property, and pursue any additional rights or remedies available by law.

7. Miscellaneous

1. This Agreement constitutes the entire agreement between the parties regarding the subject matter herein.
2. No modification of this Agreement shall be effective unless in writing and signed by both parties.
3. This Agreement shall be governed by the laws of the State of [State/Country].

Lessor

Lessee

Important Notes:

- A capital lease transfers ownership risks and benefits to the lessee, often with the option to purchase at the end of the term.
- This agreement may impact the lessee's balance sheet and financial reporting.
- Review the terms regarding default and maintenance obligations carefully.
- Both parties should consult legal and financial professionals before signing.