

# Model Capital Lease Arrangement

## This Capital Lease Agreement ("Agreement")

Made and entered into on **[Date]** by and between:

**Lessor:** [Lessor Name], with address at [Lessor Address]

**Lessee:** [Lessee Name], with address at [Lessee Address]

## 1. Equipment Description

Item	Model	Serial Number	Location
[Equipment Name]	[Model]	[Serial No.]	[Location]

## 2. Lease Term

The lease term shall commence on **[Start Date]** and continue until **[End Date]** unless earlier terminated as provided herein.

## 3. Lease Payments

- Lessee agrees to pay Lessor a monthly rent of **[Amount]**, due on the [day] of each month.
- Payments shall be made to: [Bank Details or Address]

## 4. Option to Purchase

Upon expiration of the lease term, Lessee shall have the option to purchase the equipment for **[Residual Value/Option Price]**, subject to all payments under this Agreement being made in full.

## 5. Maintenance and Repairs

The Lessee shall be responsible for the maintenance and servicing of the equipment, and shall keep the equipment in good working order, subject to normal wear and tear.

## 6. Insurance

The Lessee shall, at its expense, maintain insurance on the equipment against all risks of loss, naming the Lessor as additional insured and loss payee.

## 7. Early Termination

In the event of breach or default, the Lessor may terminate this Agreement and repossess the equipment.

## 8. Miscellaneous

- This Agreement constitutes the entire agreement between the parties.
- Any amendments must be in writing and signed by both parties.
- Governing law: [Specify Jurisdiction]

## Signatures

Lessor: \_\_\_\_\_  
Date: \_\_\_\_\_

Lessee: \_\_\_\_\_  
Date: \_\_\_\_\_

**Important Notes:**

- Capital leases typically transfer ownership or include a bargain purchase option at lease end.
- This agreement is legally binding; review all terms, conditions, and financial obligations thoroughly.
- Ensure proper insurance, maintenance obligations, and end-of-term arrangements are clearly defined.
- Consult with legal and financial advisors to ensure compliance with applicable laws and accounting standards.