

Information & Instructions: Motor Vehicle Lease/Purchase Agreement

PREVIEW

1. The agreement in the form that follows sets forth the basic terms of another type of equipment lease.
2. This form contains an option to purchase.
3. This form was written for the purchase of a motor vehicle, but may be modified for other business equipment.

Form: Motor Vehicle Lease/Purchase Agreement

MOTOR VEHICLE LEASE/PURCHASE AGREEMENT

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State of Texas
County of _____

This Lease is made on _____, by and between [name] ("Lessor"), of [address], and [name] ("Lessee") of [address]. In consideration of the mutual promises contained in this Lease, the parties agree as follows:

1. LEASE

1.1 Equipment Leased. Lessor hereby leases to Lessee, and Lessee hereby leases and hires from Lessor, the following described motor vehicle: [describe make, model, and vehicle identification number of vehicle].

THIS DOCUMENT

2. TERM AND PAYMENTS

2.1 Monthly Payments. Lessee agrees to make all payments for which Lessee is obligated directly to [name of person or office], located at [address].

Account Number: _____

Monthly Payment: \$ _____

Due Date: [on the 15th day of _____ (month) and on the 15th day of each succeeding month]

THANK YOU

Duration: [number of months or years]

2.2 Default. If Lessee fails to pay any rent or other amount required by this Agreement within ten (10) days after the same is due and payable; or if any execution or any other writ of process shall be issued in any action or proceeding against Lessee whereby the leased equipment may be seized, taken, or lost and a, or in a proceeding in bankruptcy, receivership, or insolvency shall be instituted by or against Lessee or its property, or if Lessee shall enter into any

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arrangement or composition with his creditors; or if Lessee, with regard to any item or items of equipment, fails to observe, keep, or perform any or other provision of this Lease required to be observed, kept, or performed by Lessee, Lessor shall, if such default shall continue for five (5) days after written notice thereof, have the right to exercise any one or more of the following remedies:

a. To declare the entire amount of rent hereunder immediately due and payable as to any or all items of equipment, without notice or demand to Lessee.

b. To sue for and recover all rents and other payments then accrued or thereafter accruing, with respect to any or all items of equipment.

c. To take possession of any or all items of equipment, without demand or notice, wherever they may be located, without an order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession. Any taking of possession shall not constitute a termination of the Lease as to any or all items of equipment unless Lessor expressly so notifies Lessee in writing.

d. To terminate this Lease as to any or all items of equipment.

e. To pursue any other remedy at law or in equity.

2.3 Notwithstanding any repossession, or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations to be performed by Lessee under this Lease. All remedies are cumulative, and may be exercised concurrently or separately.

2.4 Interest. If Lessee fails to pay any part of the payment reserved in this Lease or any other sum required by Lessee to be paid to Lessor within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from expiration of ten (10) days until paid at the rate of _____ percent (_____%) per annum.

2.5 Offset. Lessee hereby waives, and agrees not to assert, any and all existing and future claims, defenses and offsets against any rent or other payments due under this Lease. Lessee agrees to pay the rent and other amounts under this Lease regardless of any claim, defense, or offset which may be asserted by Lessee or on its behalf.

3. USE THANK YOU

3.1 Manner of Use. Lessee shall use the equipment in a careful and proper manner and shall comply with all laws, ordinances, and regulations relating to the possession, use or maintenance of the equipment.

4. INSPECTION

4.1 Lessor shall at any and all times during business hours have the right to enter and into the premises where the equipment may be located for the purpose of inspecting the same or

observing its use. Lessee shall give Lessor immediate notice of any attachment or other judicial process affecting any item of equipment and shall, whenever requested by Lessor advise Lessor of the exact location of the equipment.

5. ALTERATIONS AND REPAIRS

5.1 Alterations. Without the prior written consent of Lessor, Lessee shall not make any alterations, additions, or improvements to the equipment. All additions and improvements of whatever kind or nature made to the equipment shall belong to and become the property of Lessor on the termination of this Lease.

5.2 Repairs. Lessee, at its own cost and expense, shall keep the equipment in good repair, condition, and working order and shall furnish any and all parts, mechanisms and devices required to keep the equipment in good mechanical and working order.

6. LOSS AND DAMAGE

6.1 Risk of Loss and Damage. Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause. No loss or damage to the equipment or any part thereof shall impair any obligation of Lessee under this Lease which shall continue in full force and effect.

7. INSURANCE AND TAXES

7.1 Insurance. Lessee shall keep the equipment insured against all risk of loss or damage from every cause whatever for not less than the full replacement value thereof as determined by Lessor. Lessee shall carry public liability and property damage insurance covering the equipment. All insurance shall be in the form and amount and with companies approved by Lessor, and shall be in the joint names of Lessor and Lessee. Lessee shall pay the premiums therefor and shall deliver said policies, or duplicates thereof, to Lessor. Each insurer shall agree, by endorsement on the policy issued by it or by independent instrument furnished to Lessor, that it will give Lessor thirty (30) days written notice before the policy in question shall be altered or cancelled. The proceeds of such insurance, at the option of Lessor, shall be applied:

- a. Toward the replacement, restoration or repair of the equipment; or
- b. Toward payment of Lessee's obligations hereunder. Lessee hereby appoints Lessor as Lessee's attorney in fact to make claim for, receive payment for, and execute and endorse all documents, checks or drafts for loss or damage under any said insurance policy.

7.2 Taxes. Lessee shall keep the equipment free and clear of all levies, liens, or encumbrances of any kind and shall pay any license fees, registration fees, assessments, charges, and taxes which may now or hereafter be imposed on the ownership, leasing, renting, sale, possession, or use of the equipment, excluding, however, all taxes on or measured by Lessor's income.

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7.3 Lessor's Payment. In case of failure of Lessor to procure or maintain insurance or to pay fees, assessments, charges, or taxes, as specified above, Lessor shall have the right, but shall not be obligated, to effect such insurance, or pay such fees, assessments, charges, or taxes, as the case may be. In that event, the cost thereof shall be repayable to Lessor with the next installment of rent, and failure to repay the same shall carry with it the same consequences, including interest at _____ percent (_____%) per annum, as failure to pay any installment of rent.

8. WARRANTIES

8.1 Lessor makes no warranties, either express or implied, as to any matter whatsoever, including, without limitation, the condition of the equipment, its merchantability, or its fitness for any particular purpose.

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9.1 The equipment is, and shall at all times be and remain, personal property, notwithstanding that the equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting on, real property or any building thereon, or attached in any manner to that which is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

10. OWNERSHIP AND ASSIGNMENT

10.1 Ownership. The equipment is, and shall at all times be and remain the sole and exclusive property of Lessor. Lessee shall have no right, title or interest therein, except as expressly set forth in this Lease.

10.2 Assignment. Without the prior written consent of Lessor, Lessee shall not:

- a. Assign, transfer, pledge or hypothecate this Lease, the equipment or any part of it, or any interest in it; or
- b. Sublet or lend the equipment or any part of it, or permit the equipment or any part of it to be used by anyone other than Lessee or Lessee's employees.

10.3 Consent to any of these prohibited acts applies only in the given instance, and is not a consent to any subsequent like act by Lessee or any other person.

11.1 Lessee shall indemnify Lessor against, and shall hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, arising out of, connected with, or resulting from the equipment, including, without limitation, the manufacture, selection, delivery, possession, use, operation, or return of the equipment.

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~~12. PURCHASE PROVISIONS~~
PREVIEW

12.1 At any time after one (1) month from the date of this Lease, but not later than the date fixed in this Lease for the expiration of its term, if all payments theretofore due and payable have been paid in full, Lessee shall purchase the motor vehicle by exercising a power of attorney to transfer the title to the above described equipment into the name of Lessee.

13. GENERAL PROVISIONS

13.1 Lessor's Expenses. Lessee shall pay Lessor all costs and expenses, including attorney's fees, incurred by Lessor in exercising any of its rights or remedies under this Lease or enforcing any of the terms, conditions or provisions hereof.

13.2 Concurrent Remedies. No right or remedy conferred on or reserved to Lessor by this Lease is exclusive of any other right or remedy provided in this Lease or provided or permitted by law or equity; but each shall be cumulative of every other right or remedy given in this Lease or now or hereafter existing at law or in equity, by statute or otherwise, and may be enforced concurrently therewith or from time to time.

13.3 Nonwaiver. No covenant or condition of this Lease may be waived except by the written consent of Lessor. Forbearance or indulgence by the Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Lessee to which the same may apply, and until complete performance by the Lessee of any covenant or condition, Lessor shall be entitled to invoke any remedy available to Lessor under this Lease or by law or in equity despite said forbearance or indulgence.

13.4 Entire Agreement. This Lease constitutes the entire agreement between Lessor and Lessee and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter. It shall not be amended, altered, or changed except by a written agreement signed by the parties.

13.5 Notices. Service of all notices under this Lease shall be sufficient if given personally or mailed to the party entitled to receive it at its respective address set forth in this Lease, or at such address as the party may provide in writing from time to time. Any notice mailed to such address shall be effective when deposited in the United States mail, duly addressed, and with postage prepaid.

13.6 Gender; Number. Whenever the context of this Lease requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural. Whenever the word "Lessor" is used herein, it shall include all assignees of Lessor. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

13.7 Time. Time is of the essence in this Lease and in each and all of its provisions.

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13.8 Texas Law to Apply. This Lease shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created under this Lease are performable in _____ County, Texas.

PREVIEW

13.9 Parties Bound. This Lease shall be binding upon and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Lease.

13.10 Legal Construction. If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Signed on _____

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LESSOR

LESSEE

THIS DOCUMENT

THANK YOU

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