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## **PERSONAL PROPERTY LEASE**

State of Alabama

### ***BACKGROUND:***

This Personal Property Lease Agreement (hereinafter the "Agreement") is entered into and made effective as of the date set forth at the end of this document by and between the Lessor, \_\_\_\_\_, (hereinafter referred to as "Lessor"), of the following address:

\_\_\_\_\_

and the Lessee, \_\_\_\_\_ (hereinafter referred to as "Lessee"), of the following address:

\_\_\_\_\_

### ***I. RECITALS.***

WHEREAS, the Lessor is the owner of the following property:

\_\_\_\_\_

WHEREAS, the leased property has an agreed upon value of \$2 (two US dollars).

WHEREAS, the Lessor wishes to lease the property to the Lessee on such terms as are set out in this Personal Property Lease Agreement (the "Agreement") and the Lessee wishes to lease the property from the Lessor on said terms,

WHEREAS, this Agreement is a lease only and the Lessee will have no right, title,

or interest in or to the property except for the use of the property as described herein;

WHEREAS, this Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the property,

NOW, THEREFORE, IT IS HEREBY AGREED as follows:

## *II. TERM.*

1. The lease term will begin on \_\_\_\_\_ and is for the following amount of time: \_\_\_\_\_ (the "Term").
2. Lessee shall have the right, as its option, to extend the term of this lease for a period of time after the expiration of the lease term by giving notice to Lessor but before the end of the above term.

## *III. LEASE PAYMENTS.*

3. Lessee shall pay to Lessor annual installments of **\$2** (two US dollars).
4. The lease payments shall be payable on \_\_\_\_\_ of each year.
5. Payments may be made in the following acceptable manners:  
\_\_\_\_\_
6. Payments are to be made to the Lessor at the address listed above. The payment address may be changed at the discretion of the Lessor and the Lessee will be informed of such change by written notice.

## *IV. SECURITY DEPOSIT.*

7. The Lessee shall pay a security deposit of **\$2** (two US dollars) at the time that this Lease is signed. This deposit will be returned to the Lessee at the termination of the Lease, subject to the option of the Lessor to apply it against Lease charges and damages. Any amount refundable to the Lessee shall be paid at the time this Lease is terminated.

*V. LATE PAYMENTS.*

8. For any rental payment that is not paid within 3 days of its due date, Lessee shall pay a late fee of **\$2** (two US dollars).

*VI. LOCATION OF PROPERTY.*

9. Lessee shall be entitled to use and possession of the property on the first day of the term of this Lease and shall yield possession to Lessor on the last day of the term of this Lease, unless otherwise agreed by both parties in writing.

10. Lessee will pick up the property from the Lessor at the following address:

\_\_\_\_\_

11. It is the understanding and agreement of the parties that Lessee shall only use the property at the following location:

\_\_\_\_\_

12. Lessee shall not remove the property from this location without the express written consent of Lessor.

13. Lessee agrees not to part with or dispose of the property without the prior written consent of Lessor.

*VII. USE OF PROPERTY.*

14. Lessee shall use the property at all times in a workmanlike manner and shall not injure the property, except for ordinary and reasonable wear and tear.

15. Lessee shall only use the property in the manner for which it was designed and intended to be used.

16. Lessee shall comply with all federal, state, and local laws and regulations with regard to Lessee's possession and use of the property.

17. Lessee will pay for the use and maintenance of the property during the term of the lease.

#### *VIII. TITLE TO PROPERTY.*

18. Lessor shall retain title to the property.
19. Title to the property shall not pass to Lessee, and Lessee only acquires the right to use the property in the regular course of its business.
20. Lessee agrees that the property is and shall remain personal property.
21. Any improvements to the property shall become the property of Lessor.

#### *IX. DISCLAIMER OF WARRANTIES.*

22. LESSEE RECOGNIZES THAT THE PROPERTY BEING RECEIVED IS AS IS AND WITH ALL FAULTS.
23. LESSOR MAKES NO REPRESENTATIONS, PROMISES, OR WARRANTIES, EITHER EXPRESS OR IMPLIED, CONCERNING THE MERCHANTABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY.
24. LESSOR EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER ARISING FROM STATUTE, COMMON LAW, CUSTOM, OR OTHERWISE.
25. THIS DISCLAIMER OF ALL WARRANTIES APPLIES TO BOTH THE LEASE OF THE PROPERTY AND ANY EXERCISE OF THE OPTION TO PURCHASE THE PROPERTY.

#### *X. TAXES.*

26. Lessee, at their own expense, shall pay all personal property taxes levied or assessed against the property.

#### *XI. INSURANCE.*

27. Lessee, at their own expense and throughout the entire term of this lease, shall insure the property for the sum of **\$2** (two US dollars).
28. Lessee will be required to buy the following type(s) of insurance for the property:

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29. Lessor shall be named as the loss payee under this policy of insurance, and a certificate of insurance shall be tendered to Lessor at the time Lessee receives the property.

30. In case of loss, the insurance proceeds shall be used to repair or replace the property unless otherwise agreed in writing by Lessor and Lessee.

*XII. RISK OF LOSS.*

31. Lessee shall bear all risk of loss to the property unless the loss occurs while the property is in the possession of the Lessor.

32. Loss or damage to the property shall not relieve Lessee of their obligations under this lease agreement, including Lessee's obligation to continue to pay rental payments.

*XIII.*

*XIV.*

*XV. RETURN OF PROPERTY.*

33. At the expiration of the term of this lease or upon default by Lessee, Lessee shall return and deliver to Lessor the property in good order and condition, ordinary wear and tear excepted.

34. The property will be returned to the following address:

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*XVI. HOLDOVER.*

35. If Lessee maintains possession of the property for any period after the termination of this Lease ("Holdover Period"), Lessee shall pay to Lessor lease payment(s) during the Holdover Period at a rate equal to 150% of the most recent rate preceding the Holdover Period (or the maximum amount allowed by law if less).

36. Such holdover shall constitute a month-to-month extension of this lease.

37. This provision shall be waived in the event Lessee has exercised their Option to Purchase.

#### *XVII. OPTION TO PURCHASE.*

38. In the event the Lessee complies with all the terms and conditions of this lease agreement, Lessee shall have the right to purchase the property for the sum of **\$2** (two US dollars) which amount is due at the time the option is exercised.

39. Lessee will receive credit from rental payments towards this amount.

40. Lessee must notify Lessor in writing of their intention to exercise their right to purchase the property at least thirty (30) days prior to the expiration of the lease, otherwise the right to purchase the property shall terminate.

41. Upon the Lessee's default of any of the terms of this lease agreement, Lessee's option to purchase the property shall be waived.

#### *XVIII. NOTICES.*

42. All notices required or permitted under this Lease shall be deemed delivered when delivered in person or by mail, postage prepaid, addressed to the appropriate party at the address shown for that party at the beginning of the Lease.

#### *XIX.*

#### *XX. TIME OF THE ESSENCE.*

43. The Parties agree that time is of the essence in this lease agreement in each and every particular.

*XXI. SEVERABILITY.*

44. If a court holds any provision of this Agreement to be illegal, invalid, or unenforceable, the remaining provisions shall remain in full force and effect and the Parties will amend this Agreement to give effect to the stricken clause to the maximum extent possible.

*XXII. WAIVER.*

45. The failure of either party to enforce any provision of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

*XXIII. ENTIRE AGREEMENT AND MODIFICATION.*

46. This Lease constitutes the entire agreement between the Parties. No modification or amendment of this Lease shall be effective unless in writing and signed by both parties.

*XXIV. GOVERNING LAW.*

47. This Lease shall be construed in accordance with the laws of Alabama. Both Parties consent to jurisdiction under the state and federal courts within the state of Alabama. The Parties agree that this choice of law, venue, and jurisdiction provision is not permissive, but rather mandatory in nature.

SIGNATURE OF LESSOR:

By: \_\_\_\_\_  
\_\_\_\_\_

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

SIGNATURE OF LESSEE:

By: \_\_\_\_\_  
\_\_\_\_\_

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