



Papersign

Car Lease Agreement Template

Prepared for

[Recipient Name]

[Company Name]

Prepared by

[Sender Name]

[Company Name]

Car Lease Agreement Template

1. Introduction

This Car Lease Agreement (the "Agreement") is entered into on this [__ day of ____, 20] by and between [Lessor's Full Name], hereinafter referred to as the "Lessor," and [Lessee's Full Name], hereinafter referred to as the "Lessee."

This Agreement sets forth the terms and conditions upon which the Lessor agrees to lease the vehicle described herein to the Lessee, and the Lessee agrees to lease the said vehicle from the Lessor. The parties hereto mutually agree to abide by all the terms and conditions stipulated within this Agreement.

2. Description of Vehicle

- ❖ Vehicle Make: [e.g., Toyota, Ford, etc.]
- ❖ Vehicle Model: [e.g., Camry, F-150, etc.]
- ❖ Vehicle Year: [Year of Manufacture, e.g., 2023]
- ❖ Vehicle Identification Number (VIN): [Insert VIN]
- ❖ Color: [e.g., Blue, Red, etc.]
- ❖ Odometer Reading at Start of Lease: [e.g., 10,000 miles]
- ❖ Other Relevant Details: [e.g., License plate number, any special features or add-ons]

The above-described vehicle (the "Leased Vehicle") is the subject of this Agreement and shall be provided by the Lessor for use by the Lessee based on the terms and conditions set forth in this Agreement.

3. Lease Term

Start Date of Lease: [Insert start date, e.g., January 1, 2023]

End Date of Lease: [Insert end date, e.g., December 31, 2023]

The lease term will be for a period of [Specify duration, e.g., "12 months"], commencing on the Start Date and concluding on the End Date, unless otherwise terminated or extended in accordance with the provisions of this Agreement.

Renewal Options:

Upon the expiration of this Agreement, the Lessee may have the option to renew the lease for an additional term, subject to agreement on the terms and conditions by both parties. The option for renewal, if exercised, should be communicated in writing to the Lessor no less than [e.g., "30 days"] before the expiration of the current term.

4. Monthly Payments

Monthly Lease Amount: \$[Specify amount, e.g., "500.00"].

Due Date:

Payments are due on the [specify day, e.g., "1st"] day of each month. If the said date falls on a weekend or public holiday, the immediate next business day will be considered the due date.

Payment Method:

Payments should be made by [Specify preferred method, e.g., "bank transfer, check, etc."] to the following account/details:

- Bank Name: [Insert Bank Name]
- Account Name: [Insert Account Name]
- Account Number: [Insert Account Number]
- Routing Number (if applicable): [Insert Routing Number]

Late Fees:

If any lease payment is not received by the Lessor within [e.g., "5 days"] of the due date, a late fee of \$[Specify late fee amount, e.g., "50.00"] will be applied. Continued delays may result in further actions as stipulated in the Termination and Penalties section of this Agreement.

5. Security Deposit

Deposit Amount: \$[Specify amount, e.g., "1,000.00"].

The Lessee agrees to pay a security deposit, as mentioned above, which will be held by the Lessor as a guarantee for the performance of the Lessee's obligations under this Agreement, including any potential damages to the Leased Vehicle.

Conditions for Return:

The security deposit will be returned to the Lessee at the end of the lease term, minus any amounts required to cover unpaid rents, fees, or repairs not considered regular wear and tear.

Interest:

[If applicable in your jurisdiction or agreed upon. E.g., "Any interest earned on the security deposit will be retained by the Lessor."]

Deductions: The Lessor will provide an itemized list of any deductions made from the security deposit, along with the balance amount, within [Specify time, e.g., "30 days"] of the termination of this lease.

6. Maintenance and Repairs

Responsibility:

Maintenance and repairs of the Leased Vehicle shall be divided as follows:

Regular Maintenance:

- The Lessee is responsible for the regular maintenance of the Leased Vehicle. This includes, but is not limited to, regular oil changes, tire rotations, brake checks, and any other routine maintenance recommended by the vehicle manufacturer.

Unexpected Repairs:

- Minor Repairs: For repairs costing less than \$[Specify amount, e.g., "200"], the Lessee is responsible for the full cost.
- Major Repairs: For repairs costing more than the aforementioned amount, the Lessor will cover [Specify percentage, e.g., "50%"] of the cost, and the Lessee will cover the remainder. The Lessee is required to notify the Lessor prior to authorizing any major repairs.

Wear and Tear:

- Normal wear and tear are expected over the duration of the lease term. However, excessive or abnormal wear and tear will be evaluated upon the termination of the lease, and any repairs deemed outside the scope of normal wear and tear will be charged to the Lessee.

Authorized Repair Shops:

- The Lessee agrees to use only [Specify, e.g., "authorized dealerships or repair shops approved by the Lessor"] for any maintenance or repair work. Unauthorized repairs may result in penalties as stipulated in this Agreement.

7. Mileage Limitations

Annual Mileage Limit:

[Specify annual mileage, e.g., "12,000 miles"].

Total Lease Term Mileage Limit:

[Specify total mileage for the entire lease term, e.g., "36,000 miles for a 3-year lease"].

The Lessee agrees not to exceed the specified mileage limits.

If the odometer reading on the Leased Vehicle at the end of the lease term surpasses the Total Lease Term Mileage Limit, the Lessee will be responsible for an excess mileage charge.

Excess Mileage Charge: \$[Specify charge per mile, e.g., "0.25"] per mile for every mile over the allowed limit.

The Lessee acknowledges and understands that the vehicle's odometer reading will be taken at the start and end of the lease term to determine any excess mileage.

8. Insurance Requirements

The Lessee agrees to maintain continuous insurance coverage for the duration of the lease term on the Leased Vehicle with the following minimum limits:

Liability Insurance:

- Bodily Injury: \$[Specify amount, e.g., "100,000"] per person and \$[Specify amount, e.g., "300,000"] per accident.
- Property Damage: \$[Specify amount, e.g., "50,000"] per accident.

Collision and Comprehensive Insurance:

- Deductible not to exceed \$[Specify deductible amount, e.g., "500"].

Uninsured/Underinsured Motorist Coverage:

(Optional based on your requirements) \$[Specify amount, e.g., "50,000"] per person and \$[Specify amount, e.g., "100,000"] per accident.

The Lessee shall name the Lessor as an additional insured party and shall furnish proof of the insurance policy to the Lessor before taking possession of the Leased Vehicle. In case of cancellation, non-renewal, or modification of the insurance policy, the Lessee shall notify the Lessor immediately.

The Lessor reserves the right to repossess the Leased Vehicle if there's a lapse in the required insurance coverage or if the Lessee fails to provide proof of insurance.

9. Options to Purchase

Upon the termination or end of the lease term, the Lessee may have the option to purchase the Leased Vehicle from the Lessor under the following terms:

Purchase Price:

The purchase price of the Leased Vehicle will be \$[Specify amount, e.g., "15,000.00"], minus any payments already made during the lease term.

Notice Requirement:

Should the Lessee decide to exercise the option to purchase the Leased Vehicle, written notice must be provided to the Lessor no less than [Specify time, e.g., "30 days"] before the end of the lease term.

Financing: The Lessee is responsible for arranging any necessary financing for the purchase. If the Lessee requires financing and is unable to secure it, this will not serve as grounds to void or alter the purchase option.

Transfer of Ownership: Upon receipt of the full purchase price, the Lessor agrees to transfer ownership of the Leased Vehicle to the Lessee, free from any liens or encumbrances, and provide all necessary documentation for the transfer of the title.

Condition: The vehicle is sold "as is" at the time of purchase, with no warranties expressed or implied by the Lessor, unless otherwise specified in writing.

10. Termination and Penalties

Voluntary Early Termination by Lessee:

The Lessee has the option to terminate this lease before its end date by providing [e.g., "30 days"] written notice to the Lessor. In such cases, the Lessee will be responsible for:

- Paying all outstanding monthly lease payments up to the termination date.
- An early termination fee of \$[Specify amount, e.g., "1,000.00"].
- Any other charges or fees specified elsewhere in this Agreement related to early termination.

Involuntary Termination by Lessor:

The Lessor may terminate this lease agreement under the following conditions:

- Failure by the Lessee to make timely monthly payments.
- Breach of any other terms and conditions outlined in this Agreement by the Lessee.
- Loss or damage to the Leased Vehicle where it is deemed a total loss.

In the case of involuntary termination, the Lessee will be liable for:

- Any unpaid monthly lease payments.
- The cost of repairs or replacement of the Leased Vehicle if not covered by insurance.
- Any additional penalties or charges as stipulated in this Agreement.

Return of the Vehicle:

Upon termination, the Lessee agrees to return the Leased Vehicle to the Lessor in a condition consistent with normal wear and tear, barring any specific alterations or damages. Failure to do so will result in additional charges to restore the vehicle to its original condition.

11. State-Specific Provisions

This Car Lease Agreement may be subject to specific laws and regulations of the state in which it is executed. The parties agree to comply with any state-specific provisions or disclosures required by applicable law.

If any provisions within this Agreement conflict with state laws, the state laws shall prevail, and the affected provisions will be modified to comply with such laws while preserving the intent of the Agreement to the fullest extent permitted by law.

12. Dispute Resolution

Negotiation and Mediation:

In the event of any dispute or disagreement arising out of or related to this Agreement, the parties agree to first attempt to resolve the dispute amicably through good-faith negotiations and, if necessary, mediation.

Arbitration:

If negotiations and mediation fail to resolve the dispute, both parties agree to submit the matter to binding arbitration in accordance with the rules and regulations of a mutually agreed-upon arbitration service or, in the absence of agreement, as determined by the American Arbitration Association. The decision rendered by the arbitrator(s) shall be final and binding, and judgment upon the award may be entered in any court with jurisdiction.

Court Proceedings:

In the event that arbitration is unsuccessful or not deemed appropriate, any disputes shall be resolved in a court of competent jurisdiction in the state where this Agreement is executed.

Legal Costs:

Each party shall be responsible for their own legal costs and attorney's fees incurred during any dispute resolution process.

13. Miscellaneous Terms

13.1 Entire Agreement:

This Car Lease Agreement constitutes the entire agreement between the parties and supersedes all prior understandings, representations, and agreements.

13.2 Amendments:

Any modifications or amendments to this Agreement must be in writing and signed by both parties.

13.3 Governing Law:

This Agreement shall be governed by and construed in accordance with the laws of the state in which it is executed.

13.4 Severability:

If any provision of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

13.5 Waiver:

The failure of either party to enforce any provision of this Agreement shall not constitute a waiver of that provision or the right to enforce it at a later time.

13.6 Headings:

The headings in this Agreement are for convenience only and shall not affect the interpretation of its provisions.

14. Signatures

The parties hereto have executed this Car Lease Agreement as of the Effective Date first mentioned above.

[NAME OF LESSOR]

[NAME OF LESSEE]

Signature:_____

Signature:_____

Date:_____

Date:_____