

AGREEMENT FOR THE LEASE OF US ARMY MATERIEL

For use of this form, see AR 700-131; the proponent agency is DCS, G-4.

NOTE: The format below is prescribed for any lease of Army materiel under the authority of 10 U.S.C. 2667

This form will be used to enter into agreements relative to the lease of Army materiel between the United States Army and -

- 1. State and local government agencies.
- 2. Private individuals.
- 3. Commercial activities.

LESSEE AND ADDRESS:

PROPERTY TO BE USED AT:

Payment:

To be made to _____

United States Army, at _____

This lease is authorized by 10 U.S.C. 2667.

This LEASE AGREEMENT, entered into this _____ day of _____, _____ by and between the UNITED STATES OF AMERICA, hereinafter called the Government represented by the Contracting Officer executing this agreement, and _____

* a corporation organized and existing under the laws of the State/City/County of _____

* a joint venture consisting of _____

* partnership consisting of _____

* an individual trading as _____

of the City of _____ in the State of _____

hereinafter called the lessee.

Witnesseth That,

1. The Government hereby leases to the Lessee and the lessee hereby hires from the Government, upon the terms and conditions hereinafter set forth, the personal property listed in Schedule A which is attached hereto and made a part hereof.

2. This lease is subject to the approval of _____ and shall not be binding until so approved. The term of this lease shall commence on _____ the day following the mailing of written notice to the Lessee that the lease has been so approved and that the property is ready for delivery, and shall continue for a period _____ (days, months, or years) of or until sooner terminated or revoked in accordance with the provisions hereof.

3. At any time during the term, either party may terminate this lease in whole or in part effective not less than 90 days after receipt by the other party of written notice thereof without further liability to either party. However, the Secretary of the Army may revoke this lease in whole or in part at any time.

4. Upon commencement of the term of this lease, the Lessee shall take possession of the leased property at _____ as is, without warranty express or implied, on the part of the Government as to condition of fitness for any purpose.

5. The Lessee shall pay rent during the term of this lease at the rate prescribed in Schedule A. The rental accrued at the end of any calendar month, or at the expiration, termination or revocation of this lease, shall be paid to the Government on or before the 10th day thereafter.

6. The Lessee at its own expense shall maintain the property in good condition and repair and make all necessary replacements of components and parts during the term of this lease. In addition, AR 700-131, Chapter 5, provides examples of reimbursable costs required to be paid by the Lessee to the Army for the lease of property. The Lessee shall make no changes or alterations in the property without the written consent of the Contracting Officer.

7. The Lessee shall not mortgage, pledge, assign, transfer, sublet or part with possession of any of the property in any manner to any third party either directly or indirectly, except that this provision shall not preclude the Lessee from permitting the use of the property by a third party with the prior written approval of the Contracting Officer, and the Lessee shall not do or suffer anything whereby any of the property shall or may be encumbered, seized, taken in execution, attached, destroyed, or injured.

8. After taking possession as provided in clause 4, the Lessee shall be solely responsible for the property until it is returned to the Government as provided for in this lease. The property shall be returned in as good condition as when received, reasonable wear and tear excepted. If the Lessee fails to return the property, the Lessee shall pay to the Government the amount specified in Schedule A (prepared by the Contracting Officer and appended to this agreement) as the value of the property less the amount determined by the Contracting Officer to represent reasonable wear and tear for the period during which the property was usable. If the Lessee returns the property in other than as good condition as when received, reasonable wear and tear excepted, the Lessee shall pay to the Government the amount necessary to place the property in such condition, or if it is determined by the Contracting Officer that the property cannot be placed in such condition, the Lessee shall pay to the Government the amount specified in Schedule A as the value of the property less both the amount determined by the Contracting Officer to represent reasonable wear and tear for the period during which the property was usable and the scrap value of the property.

9. The Lessee shall take all steps necessary to protect the interest of the Government in the property, and the Contracting Officer may require the Lessee, at its own expense, to take such specific measure, including but not limited to the procurement of insurance, as may be necessary to protect such interest.

10. On or before the last day of the term of this lease the Lessee shall return the property to the Government at _____ or such other place as the Contracting Officer may designate, except that in the event of revocation of this lease the Lessee shall return the property to the Government at the designated place as soon after such revocation as the same can be accomplished. The Lessee shall reimburse the Government immediately, upon presentation of a statement thereof, for all packing and handling costs incurred by the Government in performance of this lease. The Lessee shall also pay all other packing, handling, and transportation charges, including the expenses of reinstalling the property or processing it for extended storage, except that the Lessee's responsibility for return transportation charges shall not exceed the amount required to return the property to the place specifically named above. Further, if the Contracting Officer designates a place to which the property is to be returned other than that specifically named above and if the time required to return the property to such other place exceeds the time required to return the property to the place specifically named above, then the time for which the Lessee must pay rent under Clause 5 shall be reduced by the amount of such excess.

11. The property is leased without operators. Any operator deemed incompetent by the Contracting Officer shall be removed from the property.

12. Upon request of the Lessee, the contracting Officer shall furnish without charge, copies of such drawings, specifications or instructions as the Lessee may require for the operation or repair of the property and as may in the discretion of the Contracting Officer be reasonably available.

13. The Government shall not be responsible for damages to property of the Lessee or property of others, or for personal injuries to the Lessee's officers, agents, servants, or employees, or to other persons, arising from or incident to the use of the property herein leased, and the Lessee shall save the Government harmless from any and all such claims; provided, that nothing contained in this Clause 13 shall be deemed to affect any liability of the Government to its own employees.

14. At all times the Contracting Officer shall have access to the job site whereon any of the property is situated, for the purposes of inspecting or inventorying the same, or for the purpose of removing the same in the event of the termination of this lease.

15. CONTROL OF GOVERNMENT PROPERTY. The provisions of Subpart 45.5 of the Federal Acquisition Regulation (FAR) and the DOD FAR Supplement which set forth requirements for establishing and maintaining control over Government Property are incorporated by reference and made a part hereof.

16. OFFICIALS NOT TO BENEFIT. No member or delegate to Congress, or resident commissioner, shall be admitted to any share or part of the lease, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this lease, if made with a corporation for its general benefit.

17. COVENANT AGAINST CONTINGENT FEES. The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this lease without liability or in its discretion to require the Lessee to pay, in addition to the contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

18. DISPUTES (DEC 1991)

(a) This lease is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) (the Act).

(b) Except as provided in the Act, all disputes arising under or relating to this lease shall be resolved under this clause.

(c) "Claim," as used in this clause, means a written demand or written assertion by one of the parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of lease terms, or other relief arising under or relating to this lease. A claim arising under a lease, unlike a claim relating to that lease, is a claim that can be resolved under a lease clause that provides for the relief sought by the claimant. However, a written demand or written assertion by the Lessee seeking the payment of money exceeding \$50,000 is not a claim under the Act until certified as required by subparagraph (d)(2) below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

(d)(1) A claim by the Lessee shall be made in writing and submitted to the Contracting Officer for a written decision. A claim by the Government against the Lessee shall be subject to a written decision by the Contracting Officer.

(2) For Lessee claims exceeding \$50,000, the Lessee shall submit with the claim a certification -

(i) The claim is made in good faith.

(ii) Supporting data are accurate and complete to the best of the Lessee's knowledge and belief; and

(iii) The amount requested accurately reflects the adjustment for which the Lessee believes the

Government is liable.

- (3) (i) If the Lessee is an individual, the certification shall be executed by that individual.
- (ii) If the Lessee is not an individual, the certification shall be executed by -
 - (A) A senior company official in charge at the Lessee's plan or location involved; or
 - (B) An officer or general partner of the Lessee having overall responsibility for the conduct of the Lessee's

affairs.

(e) For Lessee claims of \$50,000 or less; the Contracting Officer must, if requested in writing by the Lessee, render a decision within 60 days of the request. For Lessee certified claims over \$50,000 the Contracting Officer must, within 60 days, decide the claim or notify the Contractor of the date by which the decision will be made.

(f) The Contracting Officer's decision shall be final unless the Lessee appeals or files a suit as provided in the Act.

(g) The Government shall pay interest on the amount due and unpaid from (1) the date the Contracting Officer receives the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of the payment. Simple interest on claims shall be paid at the rate, fixed by the Secretary of the Treasury as provided in the Act, which is applicable to the period during which the Contracting Officer receives the claim and then at the rate applicable for each 6-month period as fixed by The Treasury Secretary during the pendency of the claim.

19. ADJUSTMENT OF RENTALS-STATE OR LOCAL TAXATION. Except as may be otherwise provided, the rental rates established in this lease do not include any State or local tax on the property herein leased. If and to the extent that such property is hereafter made taxable by State and local government by Act of Congress, then in such event the lease shall be renegotiated.

20. Except as otherwise specified in this lease, all notices to either of the parties to this lease shall be sufficient if mailed in a sealed postpaid envelope addressed as follows:

To the Lessee _____
(Name)

(Address)

To the Government _____
(Title)

(Title)

(Address)

21. DEFINITIONS. As used throughout this lease, the following terms shall have the meanings set forth below:

(a) The term "Secretary" means the Secretary, the Under Secretary or any Assistant Secretary of the Department and the head or any assistant head of the executive agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing this lease on behalf of the Government, and any other officer or civilian employee who is a property designated Contracting Officer; and the term includes, except as otherwise provided in this lease, the authorized representative of a Contracting Officer acting within the limits of his authority.

22. This agreement shall be subject to the written approval of the Secretary of the Army or his duly authorized representative and shall not be binding until so approved.

23. ALTERATIONS. The following changes were made in this lease before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this lease as of the day and year first above written.

THE UNITED STATES OF AMERICA

Two witnesses:

BY _____

(Official Title)

(Address)

(Lessee)

BY _____

(Address)

(Business Address)

I _____ certify that I am the Secretary of the Corporation named as Lessee herein, that _____ who signed this lease on behalf of the Lessee was then _____ of said corporation; that said lease was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporation powers.

IN WITNESS WHEREOF, I have hereunto affixed my hand this seal of said corporation this

_____ day of _____, _____.

(CORPORATE SEAL)

(SECRETARY)