

A Comparison between CONLEASE and BOXLEASE

The following table provides a clause-by-clause comparison between the original CONLEASE form and the newly approved revision, code named BOXLEASE.

CONLEASE	BOXLEASE	Comments
<p><u>Definitions</u> Depreciated Value means the amount agreed to be paid by the Lessee to the Lessors as replacement for Equipment lost or damaged beyond repair and which amount is determined by depreciating the agreed replacement value of the Equipment at an agreed rate per annum to an agreed residual value commencing from the date that the Equipment was manufactured as stated on the CSC plate.</p> <p>Direct Interchange means the transfer of leased Equipment between two parties both having a Lease Agreement with the same Lessor whereby at the time of transfer the receiving party assumes the responsibility for such transferred Equipment under its own Lease Agreement with the Lessor.</p> <p>Equipment means freight containers as defined by the International Standards Organisation (ISO).</p> <p>Latent Defect means any defect that is not, or was not, apparent at the time of on-hire of the Equipment, arising from any event occurring before on-hire, including but not limited to, design, material, manufacture, workmanship, modification or maintenance.</p> <p>Master Lease means a lease agreement between Lessor and Lessees whereby Equipment is leased at fixed rates and conditions, but with a variable term and quantity and variable (re)delivery depots.</p> <p>Replacement Value means the purchase value of new Equipment of the same type on the date of replacement.</p> <p>Sub-lease means a contract by which the Lessee gives the use of Equipment to a third party for a specified period of time, but whereby the Lessee remains responsible for the Equipment under the terms and conditions of its Lease Agreement with the Lessor.</p>	<p><u>Definitions</u> Depreciated Value means the amount agreed to be paid by the Lessee to the Lessors as replacement for Equipment lost or damaged beyond repair and which amount is determined by depreciating the agreed replacement value of the Equipment at an agreed rate per annum to an agreed residual value commencing from the date that the Equipment was manufactured as stated on the CSC plate.</p> <p>Direct Interchange means the transfer of leased Equipment between two parties both having a Lease Agreement with the same Lessor whereby at the time of transfer the receiving party assumes the responsibility for such transferred Equipment under its own Lease Agreement with the Lessor.</p> <p>Equipment means freight containers as defined by the International Standards Organisation Organization for Standardization (ISO) and/or related equipment, such as clip-ons.</p> <p>Franchise means the amount stated in Box 6 which shall be deducted by the Lessor from any estimate of repair costs issued to the Lessee in accordance with Clause 5 (Condition of Equipment on Redelivery)</p> <p>Latent Defect means any defect that is not, or was not, apparent at the time of on-hire of the Equipment, arising from any event occurring before on-hire, including but not limited to, design, material, manufacture, workmanship, modification or maintenance.</p> <p>Master Lease means a lease agreement between Lessor and Lessees whereby Equipment is leased at fixed rates and conditions, but with a variable term and quantity and variable (delivery/re)-delivery depots.</p> <p>Replacement Value means the purchase value of new Equipment of the same type on the date of replacement.</p> <p>Sub-lease means a contract by which the Lessee gives the use of Equipment to a third party for a specified period of time, but whereby the Lessee remains responsible for the Equipment under the terms and conditions of its Lease Agreement with the Lessor.</p>	<p>BOXLEASE contains a number of new definitions and several amendments to the definitions found in the original CONLEASE.</p> <p>The definition of Equipment has been extended beyond freight containers to include other container-related equipment such as clip-ons.</p> <p>The original CONLEASE Agreement did not cover the concept of franchise. This has been rectified in BOXLEASE through a new provision in the Condition of Equipment on Redelivery Clause and the associated definition. A franchise in the container leasing industry operates in a similar fashion to a deductible in an insurance policy.</p>

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<p>Term Lease means a lease agreement between Lessor and Lessee whereby Equipment is leased at fixed rates and conditions with a predetermined delivery schedule and for a fixed period of time.</p> <p>Wear and Tear occurs through normal operational use in an industry pattern due to inevitable, continuous deterioration not reasonably avoidable by the user and may affect the cosmetic appearance of the Equipment and by accumulation or degree may eventually affect the integrity of the Equipment. Wear and Tear shall include, but not be limited to:</p> <ul style="list-style-type: none"> (i) Corrosion of metal components not due to contact with foreign substances; (ii) Delamination or rot of wooden components, such as general deterioration of floor, including expansion, shrinkage or warping arising out of normal use; (iii) Colour fading or adhesion failure of decals; (iv) Loose or missing parts or marking, except those that are normally removable, in the absence of evidence of accompanying damage; (v) General paint failure or fading not due to contamination; (vi) General wear and deterioration at corner fittings; (vii) General deterioration at door gasket and fitting, including loose and corroded fittings or loose fittings arising from normal deterioration of doors; (viii) Scratches to metal. 	<p>Term Lease means a lease agreement between Lessor and Lessee whereby Equipment is leased at fixed rates and conditions with a predetermined delivery schedule and for a fixed period of time.</p> <p>Wear and Tear occurs through normal operational use means the unavoidable loss or deterioration in an industry pattern due to value or damage sustained to inevitable, continuous deterioration not reasonably avoidable by the user the Equipment in the course of continued normal use and which may affect the cosmetic appearance of the Equipment and by accumulation or degree may eventually affect the integrity of the Equipment.- Wear and Tear shall include, but not be limited to:</p> <ul style="list-style-type: none"> (i) Corrosion of metal components not due to contact with foreign substances; (ii) De-lamination or rot of wooden components, such as general deterioration of floor, including expansion, shrinkage or warping arising out of normal use; (iii) Colour fading or adhesion failure of decals; (iv) Loose or missing parts or marking, except those that are normally removable, in the absence of evidence of accompanying damage; (v) General paint failure or fading not due to contamination; (vi) General wear and deterioration at corner fittings; (vii) General deterioration at door gasket and fitting, including loose and corroded fittings or loose fittings arising from normal deterioration of doors; (viii) Scratches to metal. <p>In addition to the above, Wear and Tear for Reefer Containers shall include but not be limited to:</p> <ul style="list-style-type: none"> (i) General deterioration of kazoos, to include age hardening; (ii) General electrolytic corrosion from dissimilar metals in contact with each other in an electrolyte such as salt water; (iii) Flooring de-laminations resulting from routine cargo loading and unloading cycles; (iv) Failures and/or malfunctions of machinery components although machinery has been maintained according to manufacturer's recommendations; (v) De-lamination to panels not attributable to any ascertainable impact. 	<p>The definition of Wear and Tear was an issue that vexed the original drafters of CONLEASE. After much debate they eventually settled on using the definition of the concept found in the IICL Repair Standards. The drafting team behind BOXLEASE felt that it was time to update the definition to reflect current commercial practice. The definition still primarily relies on the examples of Wear and Tear given in the IICL definition, but gives clearer and less ambiguous wording regarding what Wear and Tear actually constitutes.</p> <p>New to the definitions section is the introduction of a number of examples of what constitutes Wear and Tear for a reefer container.</p>
<p>1. Marginal Headings The marginal headings of this Agreement are for identification</p>		<p>BOXLEASE does not contain a "Marginal Headings" Clause as it is generally accepted today that clause</p>

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<p>only and shall not be deemed to be part hereof or be taken into consideration in the interpretation or construction of this Agreement.</p>		<p>headings do not give meaning to the provisions of the agreement unless expressly agreed to and stated by the parties. As a result no recently published BIMCO standard forms contain such a clause.</p>
<p>2. Duration of the Agreement</p> <p>(a) All terms and conditions of this Lease Agreement shall take effect from the date stated in Box 2 and shall remain in force until all Equipment covered by this Agreement has been redelivered.</p> <p>(b) The period of lease shall commence on the date stated in Box 6 and shall continue at least until the date stated in Box 7 unless otherwise terminated in accordance with Clause 9.</p>	<p>(ix) 1. Duration of the Agreement</p> <p>(a) All terms and conditions of this Lease Agreement shall take effect from the date stated in Box 2 and shall remain in force until all Equipment covered by this Agreement has been redelivered.</p> <p>(b) The period of lease shall commence on the date stated in Box 7 and shall continue at least until the date Earliest Termination Date stated in Box 9 unless otherwise terminated in accordance with Clause 9 (Termination).</p>	<p>Sub-clause (a) is unchanged from CONLEASE and states that the Agreement is effective from the date that the first container, the subject of this Agreement, is taken on hire until the last container has been redelivered.</p> <p>The intention of sub-clause (b) is, in the case of a Term Lease, to define the period commencing after a certain build up period, when the agreed number of containers has been on-hired and which ends when the build-down period described in Clause 10 commences. In the case of a Master Lease, although containers are continuously picked up and redelivered, it is nevertheless common that a certain minimum number of boxes during a certain period are agreed upon. Sub-clause (b) has been amended to expressly state that the lease continues at least until the Earliest Termination Date has been reached.</p>
<p>3. Condition of Equipment on Delivery</p> <p>(a) The Lessor warrant that at the time of delivery the Equipment shall be in a good and serviceable condition and shall have been designed, manufactured, tested and maintained in compliance with the standards detailed hereinafter:</p> <ul style="list-style-type: none"> (i) International Standards Organisation (ISO); (ii) International Convention for Safe Containers (CSC) of 1972 or any amendment thereof; (iii) Customs Convention on Containers of 1956 and 1972 or any amendment thereof; (iv) Australian Quarantine Regulations in respect of Timber Component Treatment; (v) Current IICL Standards for Repair and Cleaning. <p>(b) The Lessor warrants that the Equipment is delivered free from all liens and encumbrances.</p> <p>(c) The Lessor warrants that the</p>	<p>(x) 2. Condition of Equipment on Delivery</p> <p>(a) The Lessor warrant warrants that at the time of delivery the Equipment shall be in a good and serviceable condition and shall have been designed, manufactured, tested and maintained in compliance with the standards Standards detailed hereinafter:</p> <ul style="list-style-type: none"> (i) International Standards Organisation Standards Organisation (ISO); (ii) International Convention for Safe Containers (CSC) of 1972 or any amendment thereof; (iii) Customs Convention on Containers of 1956 and 1972 or any amendment thereof; (iv) Australian Quarantine Regulations in respect of Timber Component Treatment; (v) Current IICL Standards for Repair and Cleaning. The latest edition of the Unified Container Inspection and Repair Criteria/Refrigerated Container Inspection and Repair Criteria (UCIRC/RCIRC) or as may otherwise be agreed in Box. <p>(b) The Lessor warrants that the Equipment is shall be delivered free from all liens and encumbrances.</p> <p>(c) The Lessor warrants that the</p>	<p>This clause requires a warranty from the Lessors that the containers are in a good and serviceable conditions when delivered. It also sets out the most important standards to which the containers must be designed, manufactured, tested and maintained. Of particular note is that the standards referred to in Sub-clause (a)(v) have been amended from the IICL Standards for Repair and Cleaning to now require compliance with the Unified Container Inspection and Repair Criteria (UCIRC)/Refrigerated Container Inspection and Repair Criteria (RCIRC) – or other criteria as the parties may wish to agree.</p> <p>On the financial side the Lessor is required in sub-clause (b) to warrant that the container on delivery is free from all liens and encumbrances.</p>

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<p>period of validity of the CSC Safety Approval Plate is 30 months from the date of on-hire, unless the Equipment is CSC controlled under an Approved Continuous Examination Programme (ACEP).</p> <p>(d) The Lessee may appoint a surveyor to inspect any Equipment prior to on-hire. The Lessor will make the Equipment available for this inspection. The surveyor will apply the standards set out in the latest edition of the IICL Container Inspection and Repair Manuals. The surveyor's report of the condition of the Equipment at on-hire shall be prima facie evidence of the condition of the Equipment taken on hire.</p>	<p>period of validity of the CSC Safety Approval Plate is 30 months from the date of on-hire, unless the Equipment is CSC controlled under an Approved Continuous Examination Programme (ACEP).</p> <p>(d) The Lessee may appoint a surveyor to inspect any Equipment prior to on-hire. -The Lessor will shall make the Equipment available for this such inspection. - The surveyor will shall apply the standards set out in the latest edition of the IICL Container Inspection UCIRC/RCIRC or as may otherwise be agreed and Repair Manuals. stated in Box. The surveyor's surveyor's report of the condition of the Equipment at on- hire shall be prima facie evidence of the condition of the Equipment taken on hire.</p>	<p>Sub-clause (c) ensures that unless the container is under an Approved Continuous Examination Programme (ACEP), the validity of the CSC Plate will be at least 30 months from on-hire.</p> <p>Sub-clause (d), in line with the amendments made to Sub-clause (a)(v), requires the surveyor to apply UCIRC/RCIRC standards or as otherwise agreed.</p>
	<p>3. Technical Specifications If requested by the Lessees the Lessors shall provide the Lessees with the technical specifications for the Equipment.</p>	<p>This new Clause has been added to oblige the Lessor to provide technical data for the containers on request.</p> <p>Owners often encounter the problem that they have to supply spare parts for reefer container to their vessels and ensure ashore and at sea maintenance of these units. Whenever leased boxes are used the owners need to know technical data like machinery type, refrigerant and a couple of things more. The same, although not to the same detailed extent, also applies for dry boxes. In the case of dry boxes the Lessees need to know things like widths of the doors, material of the floor and other data in order select the right box to meet a request of the shipper. Most owners keep detailed data on their own containers in a database for ready reference. The purpose of this Clause is to encourage Lessors, if so requested, to provide similar technical information in a format that the Lessees can use alongside the databases of their own equipment.</p>
<p>4. Title to Equipment, Sub-lease and Direct Interchange</p> <p>(a) The Equipment shall at all times remain the property of the Lessor, and the Lessee shall acquire no title to Equipment by virtue of paying rents, costs of transportation or repairs, registration or licensing fees, taxes (property excise or any other governmental fees or charges) or any other expenses or charges related to or assessed against such Equipment or its operation during the period of this Agreement.</p> <p>(b) The Lessee shall not, without the Lessor's prior written consent, which shall not be unreasonably</p>	<p>(xi) 4. Title to Equipment, Sub-lease and Direct Interchange</p> <p>(a) The Equipment shall at all times remain the property of the Lessor, and the Lessee shall acquire no title to Equipment by virtue of paying rents, costs of transportation or repairs, registration or licensing fees, taxes (property excise or any other governmental fees or charges) or any other expenses or charges related to or assessed against such Equipment or its operation during the period of this Agreement.</p> <p>(b) The Lessee shall not, without the Lessor's prior written consent, which shall not be unreasonably</p>	<p>This Clause establishes that the equipment at all times remains the property of the Lessor whatever the Lessee may have paid as rent, repair costs, fees or any other expenses or charges. However, should the equipment become a total constructive loss in accordance with Clause 12 (liabilities and Indemnities) then provided the lessee has paid the Depreciated Value title will pass to the Lessee. In the event that the total constructive loss is not established until after the equipment is returned to the depot then title will remain with the Lessor after payment of the Depreciated Value (to avoid the Lessee having to collect and dispose of the equipment).</p>

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<p>withheld, assign any right or interest in or to this Agreement or the Equipment, nor sub-lease Equipment except to a company which is directly or indirectly associated with the Lessee. In case of such assignment or sub-lease, the Lessee will remain responsible for all obligations in accordance with this Agreement.</p> <p>(c) The Lessee may transfer Equipment to a third party in a Direct Interchange, but only with the Lessor's written consent, which shall not be unreasonably withheld. When the third party has confirmed to the Lessor its agreement with such a transfer, the Lessee's obligations to pay rental shall cease and a Direct Interchange fee as stated in Box 8 shall be paid by the Lessee to the Lessor.</p> <p>(d) The Equipment shall have the Lessor's serial numbers and other identifying marks affixed thereto, which shall not be obliterated, altered, concealed or otherwise changed or hidden from view by the Lessee so as to prevent or block access to such numbers or marks without prior written agreement from the Lessor. The Lessee has the option to have its own company logo applied on the Equipment provided that same is to be removed for the Lessee's account upon redelivery of the Equipment.</p>	<p>withheld, assign any right or interest in or to this Agreement or the Equipment, nor. The Lessee may sub-lease or interchange Equipment except to a company which is directly or indirectly associated with the Lessee. In case of such assignment or sub-lease, the Lessee will shall remain responsible for all obligations in accordance with this Agreement.</p> <p>a- (c) The Lessee may transfer Equipment to a third party in a Direct Interchange, but only with the Lessor's written consent, which shall not be unreasonably withheld. When the third party has confirmed to the Lessor its agreement with to such a transfer, the Lessee's obligations to pay rental shall cease and a Direct Interchange fee as stated in Box 8 shall be paid by the Lessee to the Lessor.</p> <p>b- (d) The Equipment shall have the Lessor's serial numbers and other identifying marks affixed thereto, which shall not be obliterated, altered, concealed or otherwise changed or hidden from view by the Lessee so as to prevent or block access to such numbers or marks without prior written agreement from the Lessor. The Lessee has the option to have its own company logo applied on the Equipment provided that same is to be removed for the Lessee's account upon redelivery of the Equipment.</p>	<p>Sub-clause (b) allows for sub-leasing and interchanging under certain conditions and will mainly be used between Lessees which are in some way associated with another, although not necessarily directly. This arrangement can have certain advantages but in all circumstances the original Lessee remains responsible for the container and for its eventual redelivery.</p> <p>Sub-clause (c) allows for Direct Interchanges, an often used method for correcting imbalances as opposed to subleasing. The advantage with Direct Interchange is that the original Lessee can remove the container from his system and does not need to reposition the box, but it requires that the new user has an existing lease agreement with the Lessor. Normally an administration fee is charged for this service.</p>
<p>5. Condition of Equipment on Redelivery</p> <p>a) The Equipment shall be redelivered in like condition to the condition at on-hire, normal Wear and Tear excepted and unless advised by the Lessor to the contrary in accordance with sub-clause 5(b), the Lessee may assume that the Equipment has been redelivered in undamaged condition.</p> <p>b) In the event that Equipment is redelivered in a damaged condition, excepting all normal Wear and Tear, the Lessor shall within the number of working days stated in Box 9 give notice to the Lessee providing a detailed estimate of repairs. If the Lessee does not respond to the Lessor within the number of working days stated in Box 9 of receiving the detailed estimate of repairs, the Lessor shall be entitled to assume</p>	<p>5. Condition of Equipment on Redelivery</p> <p>(a) The Equipment shall be redelivered in like condition to accordance with the condition at on-hire, normal latest edition of UCIRC/RCIRC or as may be otherwise agreed and stated in Box 8, Wear and Tear excepted and unless advised by the Lessor to the contrary in accordance with sub-clause 5(b), the Lessee may assume that (b), the Equipment has shall be deemed to have been redelivered in undamaged condition.</p> <p>(b) In the event that Equipment is redelivered in a damaged condition, excepting all normal Wear and Tear, the Lessor shall within the number of working days stated in Box 11 give notice to provide the Lessee providing with a detailed estimate of repairs. If, in an electronic format if so requested by the Lessee does not respond to the Lessor within the number of working days stated in Box 9</p>	<p>Sub-clause (a) has been amended to stipulate that the container must be redelivered in accordance with the latest edition of UCIRC/RCIRC or as otherwise agreed, Wear and Tear excepted. This not only relates to the container's physical condition but also to its cleanliness and general cargo-worthiness.</p> <p>The rest of the clause describes the procedure to be followed in case the container is redelivered in damaged condition.</p> <p>Sub-clause (b) provides for situations where a container is returned damaged. The Lessor is required to submit a details repair estimate to the Lessee within an agreed number of working days. To assist the Lessee the repair estimate may be required to be submitted in an electronic format.</p> <p>The provisions of Sub-clause (b) have been extended to cover current commercial practice in respect of the</p>

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<p>that the Lessee agrees with the estimate of repairs and will pay for the said repairs, excepting all normal Wear and Tear, at the amount specified in the estimate, on presentation of an invoice.</p> <p>If the Lessee disagrees with the estimate of repair costs and/or disagrees that any item therein should be for the Lessee's account, he shall detail his objections by notice to the Lessor within the period provided in Box 9.</p> <p>In the event of a continuing dispute the parties shall within 14 days of the date of the Lessee's notice appoint a joint surveyor who will survey the Equipment and review the estimate of repairs. The parties agree to be bound by the decision of the joint surveyor as to the extent of the repairs payable by the Lessee and the reasonable cost thereof and to share the cost of the survey.</p> <p>All damages will be defined in accordance with the current IICL Inspection Standards and all repairs will be performed in accordance with the current IICL Standards for Repair and Cleaning. In the event that an agreed estimate of repairs exceeds the depreciated value of the Equipment as stated in Box 5, the Lessee will pay to the Lessor the depreciated value of the Equipment.</p>	<p>of receiving the detailed estimate of repairs, the Lessor shall be entitled to assume that the Lessee agrees with the estimate of repairs and will pay for the said repairs, excepting all normal Wear and Tear, at the amount specified in the estimate, on presentation of an invoice.</p> <p>(i) If the repairs are covered by Franchise, the repair costs exceeding the Franchise shall be paid by the Lessee or</p> <p>(ii) If there is no Franchise, the repair costs shall be those based on a repair estimate of each container or</p> <p>(iii) If repair costs are covered by a lumpsum per piece of Equipment the amount for each piece of Equipment shall be stated in Box 12 or</p> <p>(iv) In the event that repair costs exceed the Depreciated Value the Lessee shall pay to the Lessor the Depreciated Value as calculated in Box 13.</p> <p>(c) If the Lessee does not respond to the Lessor within the number of working days stated in Box 14 of receiving the detailed estimate of repairs, the Lessee shall pay for the said repairs, for the amount specified in the estimate, which shall not exceed the Depreciated Value as per Box 13.</p> <p>⇨ (d) If the Lessee disagrees with the estimate of repair costs and/or disagrees that any item therein should be for the Lessee's account, hethe Lessee shall detail his objections by notice to the Lessor within the period providedstated in Box 15. In the event of a continuing dispute the parties shall within 1410 days of the date of the Lessee'sthat notice appoint a joint surveyor who willshall survey the Equipment and review the estimate of repairs.- The partiesLessor and Lessee agree to be bound by the decision of the joint surveyor as to the extent of the repairs payable by the Lessee and the reasonable cost thereof and to share the cost of the survey.</p> <p>(e) All damages willshall be defined in accordance with the current IICLlatest Inspection Standards and all repairs will be performed in accordance with the current IICL Standards for Repair and Cleaning. In the event that an Criteria as per UCIRC/RCIRC or as may otherwise be agreed estimate of repairs exceeds the depreciated value of the Equipment as stated in accordance with Box 85, the Lessee will pay to the Lessor the depreciated value of the</p>	<p>use of franchises/lump sums covering the repairs. Provision is also made for situations where the repair costs exceed the Depreciated Value of the container. In such circumstances the Lessee is liable to pay only up to the Depreciated Value.</p> <p>The final part of this Clause has been amended to refer to UCIRC/RCIRC to establish damages. Repairs are to be done in accordance with the IICL Repair Manual.</p>
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	<p style="color: red;">Equipment and all repairs shall be performed in accordance with the Institute of International Container Lessors (IICL) Repair Manual.</p>	
<p>6. Pick-ups and Drop-offs</p> <p><i>* (a) <u>Master Lease</u>: The Lessee may pick up Equipment at any of the Lessor's depots as may from time to time be mutually agreed. The Lessor shall not unreasonably withhold Equipment from the Lessee and shall use his best endeavours to fulfil the requirements of the Lessee.</i></p> <p><i>* (b) <u>Term Lease</u>: The Lessee may pick up Equipment in the minimum quantities per period of time indicated at each of the Lessor's depots stated in Box 10. Save for the provisions of Clauses 9 and 10 such Equipment shall remain on hire for at least the period stipulated in Clause 2(b).</i></p> <p><i>(c) Subject to the terms of this Agreement, the Lessee may redeliver any of the Equipment, to any of the Lessor's depots designated in Annex A which may contain permissible redelivery quota and drop-off charges, or as may from time to time be mutually agreed. Redelivery will terminate this Lease Agreement insofar as it relates to the redelivered Equipment.</i></p> <p><i>* (a) and (b) are alternatives. Delete whichever is not applicable.</i></p>	<p>6. 6. Pick-ups and Drop Offs</p> <p><i>* (a) <u>Master/Short Term Lease</u>: The Lessee may pick up Equipment at from any of the Lessor's depots as may from time to time be mutually agreed. The Lessor shall not unreasonably withhold Equipment from the Lessee and shall use his best endeavours to fulfil the requirements of the Lessee.</i></p> <p>e. <i>* (b) <u>Term Lease</u>: The Lessee may pick up Equipment in from the minimum quantities per period of time indicated at each of the Lessor's depots place(s) stated in Box 16. Save for the provisions of Clauses 9 (Termination) and 10 (Build-down Period) such Equipment shall remain on hire for at least the period stipulated in Clause 1(b).</i></p> <p>f. <i>(c) Subject to the terms of this Agreement, the Lessee may redeliver any of the Equipment, to any of the Lessor's depots designated in Annex A, which may contain permissible redelivery quota and drop-off charges, or as may from time to time be mutually agreed. Redelivery will terminate shall end this Lease Agreement only insofar as it relates to the redelivered Equipment. The Lessor shall confirm in writing to the Lessee the off-hire date and off-hire depot within 24 hours after the physical return of the Equipment.</i></p> <p><i>(d) Unless a Depot closure is due to circumstances beyond the control of the Lessor, which could not have been avoided through the exercise of due diligence, the Lessor shall give the Lessee not less than 60 days notice of any change to the list of depots or availability of any depot stated in Annex A. Such change or availability shall only be accepted subject to the approval of the Lessee, which shall not be unreasonably withheld. If, for any reason whatsoever, the depot is closed the Lessor shall offer the Lessee the same number of drop-offs at an adequate, alternative depot within the same trading range.</i></p> <p><i>* (a) and (b) are alternatives. Delete Indicate in Box 17 whichever is not applicable.</i></p>	<p>It is in the area of pick-ups and drop-off that the main distinction between Term Leases and Master Leases appears and it is therefore in this clause that one of two alternatives may be chosen. In sub-clause (a) the Master (or Short Term) Lease option allows the Lessee to pick up containers at the Lessor's depots in quantities and at costs which are from time to time agreed. Redelivery under this alternative takes place in accordance with sub-clause (c) which may also apply to redeliveries under the second alternative, Term Lease.</p> <p>The arrangement for pick-ups under this second alternative (Sub-clause (b) Term Lease) has been amended to remove the restriction placed on Lessees in CONLEASE whereby they were required to pick-up a minimum quantity of containers in each period. Under the provisions of BOXLEASE the Lessees are free to pick up the quantities of containers they require in accordance with the agreement. It should also be noted that pick-ups under a Term Lease are no longer restricted to depots as containers may be picked up from various places.</p> <p>Sub-clause (c) deals with re-delivery and is largely unchanged from the original CONLEASE with the exception of a new provision requiring the Lessor to confirm in writing the date and location of off-hire within 24 hours of the container being returned. This provision has been added to avoid disputes as to when and where containers were re-delivered to designated depots.</p> <p>Sub-clause (d) introduces a new provision regarding the closure of depots requiring the Lessor to give 60 days notice of any depot closure or non-availability of a depot. The closure of any pre-agreed depot requires the Lessor, in all circumstances, to provide the Lessee with alternative drop-off locations and capacity within the same trading range.</p>
<p>7. Rental and other Charges, Payment</p> <p>(a) In consideration for leasing the Equipment from the Lessor, the</p>	<p>(xii) 7. Payment of Rental and other Other Charges-Payment</p> <p>a. (a) In consideration for leasing</p>	<p>The provisions concerning the payment of rental and other charges are fairly straightforward and perhaps somewhat oversimplified, only laying</p>

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<p>Lessee shall, as from the pick-up date, be liable to pay to the Lessor, as rent, the per diem leasing rate specified in Box 5, as well as any other charges which may be agreed upon and enumerated in Box 11. The Lessee's obligations to pay rental will cease on the day after redelivery into any of the Lessor's designated depots.</p> <p>(b) An invoice shall be sent to the Lessee's billing address as stated in Box 12.</p> <p>(c) Payment shall be made by the Lessee to the Lessor's bank account as stated in Box 13, within the number of working days stated in Box 14 of the date of the Lessor's invoice.</p> <p>(d) The Lessee shall, within the number of days stated in Box 9, give written notice to the Lessor of any disputed items on the Lessor's invoice. The Lessor will reconcile disputed items within the number of days stated in Box 9 by either providing supporting documents for such items or by issuing an appropriate adjustment of the invoice. Notification of disputed items shall not prejudice the obligation of the Lessee to pay the undisputed portion of any invoice within the number of days stated in Box 14 after receipt.</p>	<p>the Equipment from the Lessor, the Lessee shall, as from the pick-up date, be liable to pay to the Lessor, as rent, the per diem leasing rate specified in Box 5, as well as any other charges which may be agreed upon and enumerated in Box 18. The Lessee's obligations to pay rental willshall cease on the day after redelivery into any of the Lessor's designated depots.</p> <p>b- (b) An invoice shall be sent to the Lessee's billing address as stated in Box 19, in an electronic format if so requested by the lessee.</p> <p>c- (c) Payment shall be made by the Lessee to the Lessor's bank account as stated in Box 20, within the number of working days stated in Box 21 of the date of the Lessor's invoice. Any delay in payment shall entitle the Lessor to charge the Lessee interest at the rate stated in Box 22 for each month or part thereof that the payment remains outstanding.</p> <p>(d) The Lessee shall, within the number of days stated in Box 9, give written notice to the Lessor of any disputed items on the Lessor's invoice. The Lessor willshall reconcile disputed items within the number of days stated in Box 9 by either providing supporting documents for such items or by issuing an appropriate adjustment of the invoice. Notification of disputed items shall not prejudice the obligation of the Lessee to pay the undisputed portion of any invoice within the number of days stated in Box 21 after receipt. (See Clause 9(d) (Termination – Lessee's Default)).</p>	<p>down the basic principles. It should in this respect be noted that the agreement is silent on matters such as financial leases, payment schedules, self-billing schemes, etc., leaving it to the parties to agree on these separately.</p> <p>Sub-clause (b) has been amended to include the sending of invoices electronically.</p> <p>Sub-clause (c) has a new final sentence providing interest to the Lessor on any outstanding amount resulting from a delay in payment.</p> <p>The time bar for claims is now left to background law to determine rather than the previous method of having the parties mutually agree to a limit.</p>
<p>8. Taxes, Fees and Fines The Lessee shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the use of the Equipment.</p> <p>Upon the return of any Equipment to the Lessor, and provided it is a permissible return under the conditions of this Lease Agreement, the lessor shall indemnify the Lessee from any import duties or taxes whatsoever that may be imposed from the time the Equipment was returned to the Lessor provided that the Equipment is redelivered within 60 days of the importation date. The Lessee shall, to the best of its ability, and at the Lessor's request, assist the Lessor to avoid any import duties or taxes by co-operating to the fullest extent in requesting extension of the same as local regulations permit.</p>	<p>(xiii) 8. Taxes, Fees and Fines The Lessee shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the use of the Equipment.</p> <p>Upon the return of any Equipment to the Lessor, and provided it is a permissible return under the conditions of this Lease Agreement, the lessorLessor shall indemnify the Lessee from any import duties or taxes whatsoever that may be imposed from the time the Equipment was returned to the Lessor provided that the Equipment is redelivered within 60 days of the importation date. The Lessee shall, to the best of its ability, and at the Lessor's request, assist the Lessor to avoid any import duties or taxes by co-operating to the fullest extent in requesting extension of the same as</p>	<p>This clause attempts to strike a balance between Lessors and Lessees as far the payment of taxes, fees and fines is concerned. All such payments arising out of the operation of the container are for the account of the Lessee, whilst those arising out of ownership are for Lessors account.</p> <p>In various countries import duties are assessed if a container remains there longer than a certain period of time. As long as the container is on hire with the Lessee this import duty will be his responsibility. Should the Lessee have redelivered the box to the Lessor then the latter becomes responsible for any import duties from the time of redelivery. The previous redelivery time limit of 60 days after importation was no longer felt to be necessary and has been deleted. The Lessee is, however, required to assist the Lessor in avoiding import duty by requesting</p>

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<p>The Lessor shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the ownership of the Equipment.</p>	<p>local regulations permit.</p> <p>The Lessor shall pay all taxes, dues and charges levied on or against the Equipment arising out of or in connection with the ownership of the Equipment.</p>	<p>extension of stay wherever possible.</p>
<p>9. Termination of Agreement</p> <p>(a) Either party may terminate this Agreement by giving the other party written notice of termination at least the number of working days stated in Box 15 prior to the date stated in Box 7 or any later date agreed to by the parties.</p> <p>(b) The Lessee may upon written notice cancel this Agreement with immediate effect insofar as it relates to any Equipment</p> <p>(i) The use of which shall have been curtailed or obstructed by any legislation or regulation of any Government or statutory body of any country where the Lessee wishes to use said Equipment; or</p> <p>(ii) Which is shown to have latent defects such that it is unsafe or unsuitable for continued use. Such Equipment shall be returned to the lessor as soon as is practicable in accordance with Clause 6(c).</p> <p>(c) Notwithstanding the stipulations of Clause 2 and sub-clause 6(b) and by giving the number of working days advance notice as</p>	<p>9. Termination-of-Agreement</p> <p>(a) Either party may terminate this Agreement by giving the other party written notice of termination at least the number of days stated in Box 24 prior to the Earliest Termination Date stated in Box 9 or any later date agreed to by the parties.</p> <p>(b) Early Termination - Notwithstanding the provisions of Clause 1 (Duration of the Agreement), Clause 6(b) (Pick-ups and Drop-offs) and Clause 9(a) (Termination) and by giving the number of days notice stated in Box 24, the Lessee shall have the option of terminating the Agreement on any of the dates stated in Box 23. In such case the hire shall be adjusted in accordance with the appropriate per diem rates stated in Box 23.</p> <p>(b)(c) Lessor's Default The Lessee may upon written giving notice cancel terminate this Agreement with immediate effect in so far as it relates to for any Equipment:</p> <p>(i) the use of which shall have been curtailed or obstructed by any legislation or regulation of any Government or statutory body of any country where the Lessee wishes to use said Equipment; or</p> <p>(ii) which is shown to have latent defects or Wear and Tear such that it is unsafe or unsuitable for continued use. Such Equipment shall be returned to the Lessor as soon as is practicable in accordance with Clause 6(e) at any of their depots or as otherwise agreed.</p> <p>(d) Lessee's Default The Lessor may upon giving notice terminate this Agreement with immediate effect in the event of default by the Lessee in paying any invoice for rental in accordance with Clause 7 (Payment of Rental and Other Charges) for sixty (60) days after it has become due to the Lessor or, in the event of disputed items, sixty (60) days after reconciliation of the invoice by the Lessors in accordance with Clause 7(d) (Payment of Rental and Other Charges).</p> <p>(d)(e) Insolvency (e) Notwithstanding the stipulations of Clause 2 and sub-clause 6(b) and by giving the number of working days advance notice as</p>	<p>Sub-clause (a) provides both parties with the possibility to terminate the agreement by giving the other party the required notice.</p> <p>Sub-clause (b) is a revision of Sub-clause (c) from CONLEASE giving the Lessee the opportunity to bring the agreement to an end by giving the required notice prior to any of the agreed early termination dates. The intention of the provision is to give the Lessee some flexibility to adjust his stock of leased containers to changing market conditions. If early termination occurs then the Lessee is obliged to pay higher rental, retroactively applied.</p> <p>Sub-clause (c) provides the Lessee with the opportunity to terminate if for some reason the containers cannot be operated in certain countries or if latent defects or Wear and Tear are found such that they render the container unsafe or unsuitable for use.</p> <p>The basic premise of the Lessee's Default provision (Sub-clause (d)) is that if the invoice amount is not disputed then the Lessors can terminate if the amount is not paid 60 days after becoming due. However, if items on the invoice are disputed then the 60 day termination clock is not triggered until the invoice has been reconciled by the lessors.</p> <p>Sub-clause (e) provides for termination by either party in the event of the insolvency of the other. If it is the Lessor who terminates he has the right of immediate</p>

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<p>stipulated in Box 15, the Lessee shall have the option of terminating the Agreement on any of the dates stated in Box 16. In such case the hire shall be retroactively adjusted in accordance with the appropriate per diem rates entered behind the dates in Box 16.</p>	<p>stipulated in Box 15, the Lessee shall have the option of terminating the Agreement on any of the dates stated in Box 16. In such case the hire shall be retroactively adjusted in accordance with the appropriate per diem rates entered behind the dates in Box 16.</p> <p>(i) Both the Lessee and the Lessor shall be entitled to terminate this Agreement in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if the other party suspends payment, ceases to carry on business or makes any special arrangement with their creditors.</p> <p>(ii) If the Lessor terminates this Agreement according to sub-clause (i), the Lessor shall, upon giving the number of days notice stated in Box 26, have the right to re-possess all empty Equipment leased to the Lessee under this Agreement.</p> <p>(iii) The Lessee must, upon receipt of the notice from the Lessor, immediately insofar as he is able to do so, notify the Lessor of the exact location of all Equipment leased to it under this Agreement and, within the number of days stated in Box 27, redeliver all empty Equipment to the nearest Lessor's depot unless otherwise mutually agreed.</p>	<p>repossession of his equipment provided it is empty. The reason for this condition is an attempt to protect cargo owners against becoming hostages to the situation. It should in this connection be borne in mind that it is the Lessee who has the contractual duty towards the cargo owners to deliver their cargo while there is no such duty on the part of the Lessor. The insolvency provisions have been consolidated into the Termination provisions from the previous Clause 11 (Insolvency) of CONLEASE.</p>
<p>10. Build-down Period On the date of termination as stipulated in Clause 2(b) a build-down period shall commence, during which time all the Equipment shall be redelivered to the Lessor. The length and redelivery schedule of the build-down period shall be as set out in Box 17. Equipment still on lease after the build-down period will be charged the per diem rental stated in Box 5 until finally redelivered to the Lessor.</p>	<p>On the date of termination as stipulated in Clause 2(b) a build-down period shall commence, during which time all the Equipment shall be redelivered to the Lessor. The length and redelivery schedule of the build-down period shall be as set out in Box 17.</p> <p>Equipment still on lease after the build-down period will be charged the per diem rental stated in Box 5 until finally redelivered to the Lessor.</p> <p>(a) The build-down period shall be in proportion to the volume of Equipment leased as per the scale stated in Box and shall commence on the first day of the month following termination of the Agreement as per Clause 1(b) (Duration of the Agreement) or Clause 9(a) (Termination), during which time all the Equipment shall be redelivered to the Lessor.</p> <p>(b) For Equipment still being used after the build-down period, the Lessor may invoice the per diem rate as per Box 5.</p>	<p>With any sizeable quantity of containers spread out geographically timely redelivery becomes a logistical problem. It is therefore common that a certain build-down period is agreed during which the containers may be redelivered and are on hire at the agreement rate. In order to induce redelivery within the build-down period it is common that the rate rises sharply at the end of this period.</p> <p>The Build-down Clause of BOXLEASE provides that the build-down period is to be in proportion to the volume of boxes under the lease and the number of drop off caps. Since in Master-lease Agreements the volume of boxes on lease is not determined when concluding the Agreement the Clause provides for a "sliding scale" build down period meaning that the length of the build down period extends or shrinks in proportion to the number of boxes on lease. That means that the initial build-down period of x month's is valid for a lease volume of 1.000 units, if the number of boxes covered by the lease exceeds the 1.000 box barrier</p>

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<p>11. Insolvency</p> <p>(a) Both the Lessee and the Lessor shall be entitled to terminate this Agreement in the event of an order being made or resolution passed for the winding up, dissolution, liquidation or bankruptcy of the other party (otherwise than for the purpose of reconstruction or amalgamation) or if a receiver is appointed, or if the other party suspends payment, ceases to carry on business or makes any special arrangement with their creditors.</p> <p>(b) If the Lessor terminates this Agreement according to sub-clause 11(a), the Lessor shall have the right to take immediate possession of all empty Equipment leased to the Lessee under this Agreement.</p> <p>(c) Should the Lessor obtain the right to immediate possession of any empty Equipment covered by this Agreement, then the Lessee must, upon written notice from the Lessor, immediately insofar as he is able to do so, notify the Lessor of the exact location of all Equipment leased to it under this Agreement and promptly redeliver all such empty Equipment to the nearest Lessor's depot unless otherwise mutually agreed.</p>	<p>(See Clause 9(e))</p>	<p>the build down period is doubled and so on.</p> <p>(See Clause 9(e))</p>
<p>12. Maritime Lien</p> <p>The Equipment is supplied for the purpose of intermodal operations in international trade and may be used for the carriage of lawful goods by sea as well as in inland transport including the handling at terminals and inland depots and freight stations. The Equipment is not designated for use on any particular Vessel and consequently no maritime lien securing the obligations under this Agreement may be attached to any Vessel connected in any way with the Lessee.</p> <p>The Lessor is relying solely upon the credit of the Lessee in supplying containers under this lease.</p>	<p>(xiv) 11. Maritime Lien</p> <p>a- The Equipment is supplied for the purpose of intermodal operations in international trade and may be used for the carriage of lawful goods by sea as well as in inland transport including the handling at terminals and inland depots and freight stations. The Equipment is not designated for use on any particular Vessel and consequently no maritime lien securing the obligations under this Agreement may be attached to any Vessel connected in any way with the Lessee.</p> <p>b- The Lessor is relying shall rely solely upon the credit of the Lessee in supplying containers Equipment under this lease Agreement.</p>	<p>In some jurisdictions, notably the USA, it is possible to establish a maritime lien under a contract for marine equipment. The purpose of this Clause is to attempt to stop the Lessors from arresting any vessel belonging to the Lessees. In this connection it should be noted that in USA a container is not considered an item of a ship unless it is onboard the actual vessel the Lessor wants to arrest.</p>
<p>13. Liabilities and Indemnity</p> <p>(a) The Lessee shall be liable to the Lessor for the actual or constructive total loss of, or damage, normal Wear and Tear excepted, to any Equipment occurring during the period of this Agreement.</p> <p>The Lessee shall immediately</p>	<p>(xv) 12. Liabilities and Indemnity</p> <p>a- (a) The Lessee shall be liable to the Lessor for the actual or constructive total loss of, or damage, normal Wear and Tear excepted, to any Equipment occurring during the period of this Agreement.</p>	<p>Sub-clause (a) places liability for damage or total loss of the equipment on the Lessee. In case of actual or constructive total loss the Lessor shall be immediately notified upon which hire ceases and the Lessee becomes liable to pay the agreed Depreciated Value. Some leasing companies insist on a requirement to prove a total loss</p>

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<p>notify the Lessor in writing of any actual or constructive total loss of any Equipment and upon such notice the Lessee's obligations to pay rental shall cease. In the event that such actual or constructive total loss occurs, the Lessee shall be promptly invoiced therefore and pay to the Lessor the agreed Depreciated Value of such Equipment.</p> <p>Should the Lessee later determine that Equipment previously declared lost has been recovered, the Lessor will, at the request of the Lessee, reimburse any previously paid Replacement Value/Depreciated Value less any rental accrued from the date the equipment was declared lost.</p> <p>(b) The Lessee shall defend, indemnify and hold the Lessor harmless for any and all claims, losses, expenses, costs or damages (including without limitation all reasonable expenses in defending any claim or suit or enforcing this indemnity, such as court costs, attorney's fees, and other expenses) arising or alleged to arise directly or indirectly or incidentally out of:</p> <p>(i) any failure of the Lessee to comply with its obligations under this Agreement;</p> <p>(ii) any claim, whether private or governmental, for bodily injury or death to persons (including employees of the Lessor) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident to the possession, leasing, operation, control or use of the Equipment by the Lessee.</p> <p>(c) The Lessor shall defend, indemnify and hold the Lessee harmless for any and all claims, losses, expenses, costs or damages (including without limitation all reasonable expenses in defending any claim or suit such as court costs, attorney's fees and other expenses) arising or alleged to arise directly or indirectly or</p>	<p>The Lessee shall immediately notify the Lessor in writing of any actual or constructive total loss of any Equipment and upon such notice the Lessee's obligations to pay rental shall cease. In the event that such actual or constructive total loss occurs, the Lessee shall be promptly invoiced therefore and pay to the Lessor the agreed Depreciated Value of such Equipment, which transfers the ownership of said Equipment to the Lessee. If actual or constructive total loss of any Equipment is not determined until after redelivery has taken place, the Lessee shall pay to the Lessor the Depreciated Value of such Equipment but ownership of said Equipment shall remain with the Lessor.</p> <p>Should the Lessee later determine that Equipment previously declared lost has been recovered, the Lessor willshall, at the request of the Lessee, reimburse any previously paid Replacement Value/Depreciated Value less any rental accrued from the date the equipment was declared lost if the recovery date is within twelve months of the total loss declaration.</p> <p>b- (b) The Lessee shall defend, indemnify and hold the Lessor harmless for any and all claims, losses, expenses, costs or damages (including without limitation all reasonable expenses in defending any claim or suit or enforcing this indemnity, such as court costs, attorney's fees, and other expenses) arising or alleged to arise directly or indirectly or incidentally out of:</p> <p>(i) any failure of the Lessee to comply with its obligations under this Agreement;</p> <p>(ii) any claim, whether private or governmental, for bodily injury or death to persons (including employees of the Lessor) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident in connection with to the possession, leasing, operation, control or use of the Equipment by the Lessee.</p> <p>c) The Lessor shall be liable to the Lessee and defend, indemnify and hold the Lessee harmless for any and all claims, losses, expenses, costs or damages (including without limitation all reasonable expenses in defending any claim or suit such as court costs, attorney's fees and other expenses) arising or alleged to</p>	<p>before agreeing to the described procedure. However this is not a realistic demand as in many cases of an actual total loss the container simply vanishes, either overboard or stolen, or is otherwise untraceable. This is also the reason that a provision is made in sub-clause (a) allowing the process of declaring total loss to be reversed in case the container turns up although this is now qualified in BOXLEASE by the requirement that the container must turn up within 12 months of it being declared a total constructive loss.</p> <p>In general title transfers to the Lessee upon payment of the Depreciated Value of the box.</p> <p>However, in many cases the fact that the box must be considered as a "constructive total loss" (damages exceeding Depreciated Value) transpires only after offhire of said equipment to the Lessors depot once the box has been surveyed and the repair estimate has been received. With the box sitting at the Lessors' depot the Lessee pays the depreciated value as per the agreement and gains title to the box. In reality the Lessee will not want to have to take possession of the carcass and truck the heavy damaged box to their depot again.</p> <p>For practical reasons the new wording at the end of Sub-clause (a) excludes the transfer of title in case of constructive total loss to the Lessee once the box has been already redelivered and offhired to Lessors depot.</p> <p>Sub-clauses (b) and (c) provide that each party shall defend, indemnify and hold the other harmless for any claims, loss or damage arising out of their respective responsibilities. In the case of the Lessee this is incident to the possession, leasing, operation, control or use of the equipment, whilst in the case of the Lessor it is incident to the ownership, manufacture, design or supply of the equipment.</p> <p>Sub-clause (c) has been amended to balance the provision in respect of the Lessor being liable towards the Lessee as well as providing the usual indemnities. The intention here is to address potential scenarios such as where a leased container carried on board the Lessee's own vessel causes damage to the vessel due to a fault in the container's manufacture then the Lessor will be liable. Without this</p>
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<p>incidentally out of:</p> <p>(i) any failure of the Lessor to comply with its obligations under this Agreement;</p> <p>(ii) any claim, whether private or governmental, for bodily injury or death to persons (including employees of the Lessee) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident to the ownership, manufacture, design or supply of the Equipment.</p> <p>(d) Each party undertakes to give to the other party immediate notice of claims or actions arising under this Clause, and to assist in the handling of any and all such claims or actions.</p>	<p>arise directly or indirectly or incidentally out of:</p> <p>(i) any failure of the Lessor to comply with its obligations under this Agreement;</p> <p>+ (ii) any claim, whether private or governmental, for bodily injury or death to persons (including employees of the Lessee) and for loss of or damage to property, cargo and/or vessels and/or means of transport, arising out of or incident to in connection with the ownership, manufacture, design or supply of the Equipment.</p> <p>(d) Each party undertakes to give to the other party immediate notice of claims or actions arising under this Clause, and to assist in the handling of any and all such claims or actions.</p>	<p>additional wording the Lessor's liability would be limited to containers carried on board vessels chartered by the Lessee.</p>
<p>14. Insurance</p> <p>(a) The Lessee agrees to procure and maintain in full force and effect during the term of this Agreement, at its sole cost and expense, the following insurances:</p> <p>(i) Insurance to cover physical loss or damage to the Equipment for not less than the full Depreciated Value stipulated in Box 5.</p> <p>(ii) General liability insurance to a minimum limit as stipulated in Box 18 for any one occurrence, to cover third party bodily injury and property damage. Such insurance shall be primary insurance.</p> <p>Any and all deductibles under the terms of the foregoing insurances shall be for the Lessee's account. On request, the Lessee will provide the Lessor with evidence of the insurances.</p> <p>(b) The Lessor agrees to procure and maintain in full force and effect during the term of this Agreement, at its sole cost and expense the following insurance:</p> <p>(iii) General liability insurance to a minimum limit as stipulated in Box 18 for any one occurrence, to cover third party bodily injury and property damage.</p> <p>Any and all deductibles under the terms of the foregoing insurance shall be for the Lessor's account. On request, the Lessors will provide the Lessee with evidence of the insurance.</p> <p>Should a party fail to procure or maintain any of the required insurance, or by act or omission vitiate to invalidate any of such insurance, that party shall indemnify the other party to the extent the other party suffers or incurs loss, damage, liability or</p>	<p>(xvi) 13. Insurance</p> <p>a: (a) The Lessee agrees to shall procure and maintain in full force and effect during the term of this Agreement, at its sole cost and expense, the following insurances:</p> <p>+ (i) Insurance to cover physical loss or damage to the Equipment for not less than the full Depreciated Value stipulated stated in Box 13.</p> <p>ii: (ii) General liability insurance to a minimum limit as stipulated stated in Box 28 for any one occurrence, to cover third party bodily injury and property damage. Such insurance shall be primary insurance.</p> <p>Any and all deductibles under the terms of the foregoing insurances shall be for the Lessee's account. On request, the Lessee will shall provide the Lessor with evidence of the insurances.</p> <p>(b) The Lessor agrees to shall procure and maintain in full force and effect during the term of this Agreement, at its sole cost and expense the following insurance: b-General, general liability insurance to a minimum limit as stipulated stated in Box 28 for any one occurrence, to cover third party bodily injury and property damage.</p> <p>Any and all deductibles under the terms of the foregoing insurance shall be for the Lessor's account. On request, the Lessors will shall provide the Lessee with evidence of the general liability insurance.</p> <p>Should a party fail to procure or maintain any of the required insurance, or by act or omission vitiates to invalidate any of such insurance, that party shall indemnify the other party to the extent the other party suffers or incurs loss, damage, liability or</p>	<p>This clause sets out which insurances both parties are required to procure and maintain and is self-explanatory.</p>

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<p>expense as a consequence of such failure, act or omission.</p>	<p>expense as a consequence of such failure, act or omission.</p>	
<p>15. Law and Arbitration</p>	<p>14. BIMCO Dispute Resolution Clause <u>(for the full text of this Clause please visit the BIMCO website and select the Documentary/BIMCO Clauses section from the top menu bar)</u></p>	<p>The latest edition of BIMCO Dispute Resolution Clause has been incorporated into BOXLEASE. The Dispute Resolution Clause is identical to the previously published Standard Law and Arbitration Clause 1998 with the exception of the introduction of a mediation provision. The Clause provides for arbitration in London, New York or any other agreed place. It should be noted that if the parties fail to elect a place of arbitration and governing law then, by default, English law and London arbitration shall apply. The mediation provision of the Clause can be used by the parties to settle part or all of a dispute. In practice it may well be that the larger leasing companies being based in the US will insist on jurisdiction in their home State.</p>
<p>16. Notices Any notice or notification or advice or communication of any kind to be served or given hereunder and/or any extension, variation, amendment, cancellation or deletion of any of the terms hereof shall (save in emergency) be in writing and sent or delivered to the registered office for the time being of the Lessor or the Lessee (as the case may be).</p> <p>At the request of the Lessee the Lessor shall provide relevant information in electronic format.</p>	<p>15. Notices Any notice or notification or advice or communication of any kind to be served or given hereunder and/or any extension, variation, amendment, cancellation or deletion of any of the terms hereof shall (save in emergency) be in writing and sent or delivered to the registered office for the time being of the Lessor or the Lessee (as the case may be).</p> <p>At the request of the Lessee the Lessor shall provide relevant information in electronic format.</p> <p>(a) All notices given by either party or their agents to the other party or their agents in accordance with the provisions of this Agreement shall be in writing.</p> <p>(b) For the purposes of this Agreement, "in writing" shall mean any method of legible communication. A notice may be given by any effective means including, but not limited to, cable, telex, fax, e-mail, registered or recorded mail, or by personal service.</p>	<p>This Clause is BIMCO's standard Notices Clause as used in a number of other agreements. It basically provides for all notices under BOXLEASE to be given in writing and that the method of communicating such notices must be "effective" – that is a method commonly in use by the parties such as fax and e-mail. The Clause reflects the widespread use of EDI in the container leasing sector.</p>
<p>17. Overriding Agreement The terms and conditions set forth in this Agreement and attached exhibits shall constitute the only and total Agreement between the Lessor and the Lessee.</p>	<p>16. Overriding Entire agreement The terms and conditions set forth in this Agreement and attached exhibits shall constitute the only and total Agreement between the Lessor and the Lessee.</p> <p>This Agreement constitutes the entire agreement between the Parties and no promise, undertaking, representation, warranty or statement by either party prior to the date of this Agreement stated in Box 2 shall affect the Agreement. Any modification of this Agreement shall not be of any effect unless in writing signed by or on behalf of the Parties</p>	<p>BOXLEASE contains a new wording for the previous "Overriding Agreement" Clause. The Entire Agreement Clause is taken from a more recently published BIMCO document and is recommended for the sake of consistency.</p>