

LEASE AGREEMENT

between

and

United Nations Development Programme

THIS LEASE Agreement, made and entered into this ____ day of ____ in the year two thousand _____ by and between _____, [whose address is _____ for himself, his heirs, executors, administrators, successors and assignees] [a ----- company duly incorporated under the laws of -----], (hereinafter referred to as "**the Lessor**"), [acting by -----, its [title]] and the United Nations Development Programme (hereinafter referred to as "**the UNDP**") acting by _____, its Representative in (hereinafter referred to as "**the country**"), whose address is _____. The Lessor and the UNDP are collectively hereinafter referred to as "**the Parties**".

WITNESSTH:

The Parties hereto, for the mutual considerations herein set forth, hereby agree as follows:

1. The Lessor hereby leases to the UNDP, and the UNDP hires from the Lessor, the [house] [building] known as _____ [on the _____ floor(s) in the building known as _____] [together with appropriate parking space,] in the city of _____ the said [house] [building] and parking space (hereinafter referred to as "the demised Premises"). The Lessor represents and warrants that he/she/it has legal title and rightful ownership of the Premises hereby described more fully as follows:
(If the building is to be shared with other occupants, the following provisions should be included:)

"**TOGETHER WITH** the use in common with other persons entitled thereto of the entrances to the building, its public halls, corridors, elevators, stairways, and public toilets."

TO BE USED for a ____ office in the country and for such other purposes as the ____ may desire, this Lease Agreement cancelling all other agreements, if any, heretofore entered into between the said Parties relating in any way to the demised Premises.

FOR A TERM beginning _____ and ending _____, or on such earlier date as this Lease Agreement may terminate as herein provided.

2. The UNDP shall pay the Lessor for the demised Premises a rent of _____ for each full month of the term of this Lease Agreement. Such rent shall be payable within five calendar days after the end of the calendar month to which the rent payment pertains. In the event the UNDP's use and occupancy of the demised Premises is for less than a full month, the monthly rent shall be pro-rated.

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(If the above standard provision is changed and, in particular, if the rent is to be paid in advance after the provisions of the UN financial rule 125.11 have been satisfied, the following shall be added at the end of this Paragraph 2 to read as follows:

"The Lessor shall issue a standby irrevocable letter of credit (or give a bank guaranty or other form of guarantee) acceptable to the UNDP to the benefit of the UNDP."

3. The UNDP shall take good care of the demised Premises and the fixtures and appurtenances therein reasonable wear and tear excepted.

4. The Lessor represents that the demised Premises [other than the parking space] may lawfully be used for the UNDP office and other purposes, if any, expressly set forth in this Lease Agreement, and covenants and agrees that the UNDP shall peaceably and quietly have, hold and enjoy the demised Premises for the term above- mentioned without any unlawful interruption or disturbance.

5. Upon its expiration, this Lease Agreement shall be renewable at the option of the UNDP, under the same terms and conditions as are set forth herein.

(If the Lessor is agreeable to renewing the Lease Agreement on the same terms and conditions except for the monthly rent then the following provisions should be added to the end of Paragraph 5:)

", except for the rent which shall be adjusted within agreed limits on the basis of the rate of increase or decrease of the official consumer price index in(city)..... or such other index as the Parties may agree."

6. UNDP may terminate this Lease Agreement upon giving not less than thirty (30) day's advance written notice to the Lessor. In the event of termination by UNDP, the Lessor shall have the right to payment of rent only, to the date the UNDP vacates the demised Premises.

7. In the event of a sale or transfer of title or the creation of a mortgage or any other encumbrances affecting the demised Premises, the Lessor warrants that the Lease terms and conditions shall remain in full force without prejudice to any rights or remedies the UNDP have hereunder, including but not limited to, the right to enjoy and use the demised Premises until its date of expiry as provided in this Lease Agreement, or any extension or renewal thereof.

8. The Lessor undertakes to furnish, at no additional cost to the UNDP, the services described in Annex A hereto.

9. The Lessor undertakes full and sole responsibility for the payment of all taxes and for any other charges of a public nature which are or may be assessed in the future against the demised Premises.

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10. The Lessor undertakes to maintain the demised Premises [and the building, including its entrances, public halls, corridors, elevators, stairways, and public toilets] in good repair and tenantable condition, including repainting and/or repairing at intervals of two years and when their condition warrants earlier attention. For this purpose, and subject to the UNDP's agreement, the Lessor shall have the right upon reasonable prior notice to the UNDP, and at reasonable times, to enter, inspect and make any necessary repairs to the demised Premises, and may enter the demised Premises forthwith whenever reasonably necessary to make urgent, emergency repairs.

11. The Lessor undertakes and agrees to maintain the sidewalks of the [house] [building] in proper condition and free [of ice, snow and] any obstruction, and to accept all responsibility in connection therewith.

(If the building is to be shared with other occupants, the following paragraph should be included:)

"12. The Lessor undertakes that other parts of the building shall not be let or used for any illegal purpose or for gambling, and to take into account that the UNDP is a tenant in the building."

13. (a) The UNDP shall have the right to make alterations, attach fixtures, install protection films on windows, install permanent walls, and erect additions, structures, and signs in or upon the demised Premises, and to affix a flagstaff and office signs and insignia outside the [house] [building] and on the demised Premises provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants in the building. Such fixtures, additions, or structures so placed in or upon or attached to the demised Premises shall be and remain the property of the UNDP and may be removed therefrom by the UNDP prior to or within a reasonable time after the term of this Lease Agreement expires or is terminated in accordance herewith;

(b) Where minor alterations, renovations or additions are made on the demised Premises, the UNDP, at the request of the Lessor, shall restore the demised Premises to the same condition as that existing at the time of entering upon the same under this Lease Agreement, reasonable wear and tear and damage by the elements or by circumstances over which the ___ has no control, excepted. If the Lessor requires such restoration, the Lessor shall give written notice thereof to the UNDP not less than thirty days before the expiration or termination of this Lease Agreement.

(c) Where, with the prior written consent of the Lessor, major alterations, renovations or additions are made on the demised Premises, the UNDP shall not be under any obligation to restore the demised Premises to the state and conditions existing prior to entering upon the same under this Lease Agreement. Such consent shall be set forth in writing and shall contain provisions on the amortization or compensation of the expenses either through offsetting the expenses against rental payments, or payment for their fair market value.

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14. The UNDP shall not transfer, assign or sublet the demised Premises or any part thereof, except to other units, organs or bodies of the United Nations or Specialized Agencies within the United Nations system, without the written consent of the Lessor, which consent shall not, however, be unreasonably withheld, and when given to a transfer or assignment, said consent shall have the legal effect of releasing and discharging the UNDP from its obligations under this Lease Agreement as of the date of the transfer or assignment.

15. Should the [house] [building] or any part thereof be damaged by fire or any other cause, this Lease Agreement shall, in case of total destruction of either the [house] [building] or the demised Premises, or upon either the [house] [building] or the demised Premises being rendered unfit for further tenancy or for use by the UNDP, immediately terminate this Lease Agreement notwithstanding Paragraph 6, and, in case of partial destruction or damage of either the [house] [building] or the demised Premises, shall terminate at the option of the UNDP upon giving notice in writing to the Lessor within thirty days after such fire or partial destruction or damage. In the event of termination of this Lease Agreement under this paragraph, no rent shall accrue to the Lessor after such total or partial destruction or damage. Should the UNDP elect to remain on the demised Premises rendered partially untenable, it shall have the right to a proportionate rebate or reduction of the rent payments. In such circumstances, the Lessor shall promptly undertake the repairs or permit the UNDP to undertake the repairs at the expense of the Lessor. Such permission shall be set forth in writing and shall contain a provision authorizing the UNDP to offset the expenses incurred on Lessor's behalf against the monthly rent.

(Where rent is paid in advance, the following sentence should be added at the end of Article 15).

Where rent is paid in advance and UNDP decides to vacate the premises following such total or partial destruction or damage, the Lessor shall refund the remaining pro-rated rental amount upon UNDP's vacation of the Premises.

16. In the event of interruption or curtailment, whether due to strikes, mechanical difficulties or other causes, of any service maintained or required to be maintained in the [house] [building], or the demised Premises, the Lessor undertakes to take such measures as may be necessary in the circumstances to restore the service without undue delay. The UNDP shall have the right to a proportionate abatement of rent during the period of such interruption or curtailment.

17. In the event the Lessor fails to substantially fulfil any of the terms and conditions of this Lease Agreement, and without prejudice to any other remedy which the UNDP may have for such failure, the UNDP shall have the right either to terminate this Lease Agreement without prior notice and/or, at its option, to take any other measures which it may deem necessary, to establish the conditions contemplated by this Lease Agreement and at the entire cost and expense of the Lessor.

(If advance payment is made, the following paragraph should be added.)

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"18. Without prejudice to any other rights available to the against the Lessor, and notwithstanding any provision of this Lease Agreement to the contrary, should this Lease Agreement be terminated for any reason prior to the ending date set forth in Paragraph 1 or any extension thereof, the Lessor shall refund to the UNDP the balance of any advance payment after having deducted the rent corresponding to the period of the UNDP's actual occupancy of the demised Premises. Such refund shall be affected on the date the UNDP vacates the demised Premises."

19. The Lessor undertakes to provide and maintain at its own cost public liability insurance which shall hold the UNDP harmless, and name the UNDP as additional insured, from claims against it as occupant of the demised Premises, and the Lessor shall provide the UNDP with proof that such insurance has been obtained and remains in effect.

20. (a) The Lessor shall keep the demised Premises insured for all risks, including fire, explosion, civil strife, as well as earthquake, flood or other natural phenomenon, under a comprehensive policy taken out with an insurance company acceptable to the UNDP, and shall make known to such insurance company the use to which the building will be put by the UNDP.

(b) The Lessor shall obtain, for each policy of each insurance, provisions providing for a waiver of subrogation of the Lessor's rights to the insurance carrier against the UNDP.

(c) The UNDP shall be responsible for the insurance of its own property, equipment and furnishings in the demised Premises.

(d) The Lessor shall be responsible for satisfying any tort claims by third parties for personal injury, loss, illness, death or damage to their property occurring on or about the demised Premises and attributable to the acts or omissions of the Lessor or of its servants or agents, and shall hold the UNDP harmless against such claims.

(e) The UNDP shall be responsible for dealing with any tort claims by third parties for personal injury, loss, illness, death or damage to their property arising from its occupation and use of the demised Premises. The Lessor acknowledges and agrees that the UNDP shall self-insure against such risks.

21. The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Lease Agreement or the breach, termination or invalidity thereof through negotiation, conciliation or other modes of amicable settlement. Where the Parties wish to seek such an amicable settlement through conciliation, the conciliation shall be undertaken in accordance with the UNCITRAL Conciliation Rules then obtaining. If the Parties fail to resolve the dispute, controversy or claim amicably within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, either party shall submit the dispute, controversy or claim to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. The arbitral tribunal shall have no authority to award punitive

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damages. The Parties shall be bound by the arbitration award rendered in accordance with such arbitration, as the final adjudication of any such dispute, controversy or claim.

22. Nothing contained in this Lease Agreement shall be deemed a waiver, express or implied, of any immunity from suit or legal process, or of any privilege, exemption or other immunity enjoyed by the UNDP, whether pursuant to the Convention on the Privileges and Immunities of the United Nations or other Convention, law or decree of an international or national character or otherwise.

23. The Lessor undertakes to pay the stamp duties for and the taxes or levies on this Lease Agreement, if any.

24. This Lease Agreement has been prepared in ____ Paragraphs and ____ Annexes, which are integral part of this Lease Agreement.

IN WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names as of the date first above written.

Mr./Ms.
Title
Lessor

Date

Mr./Ms.
Title
United Nations Development Programme

Date

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Annex A

Items entered in this Annex are examples – they should be deleted if not relevant, and additional items relevant to specificity of the Lease Agreement may be added.

Services to be provided by the Lessor at no additional cost to the UNDP referred to under Paragraph 8 of the Lease Agreement.

- (1) Passenger elevator service on official UNDP working days, from 8:00 a.m. to 7:30 p.m., it being agreed that at all other times there shall be one elevator subject to call;
- (2) Adequate heat or air conditioning, during the appropriate seasons, on official UNDP working days from 8:00 a.m. to 7:30 p.m.;
- (3) Hot and cold water for lavatory purposes;
- (4) Cleaning services, adequate to maintain the demised Premises in a condition and at a standard of cleanliness appropriate for the use for which they are intended by the UNDP;
- (5) Light and electricity;
- (6) Rubbish disposal;
- (7) Toilet facilities, including necessary sewage facilities;
- (8) Provision for access to the demised Premises on all days and at all times and hours, whether business days or hours or otherwise;
- (9) All facilities and services which it makes available generally to tenants in the building; and
- (10) The Lessor undertakes to furnish heat and air conditioning at the rate of _____ and _____ respectively at times other than those indicated in subparagraph (a)(2) above, whenever requested by the UNDP and for the periods requested by it.

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