

TERMS AND CONDITIONS

1. Term of Lease and Rent.

The Lessor leases to the Lessee the above mentioned "GRP Boat" for a term of 05 (Five) years, and further extendable with mutual consent, commencing with effect from signing date of this lease deed, at the monthly rent of Rs. _____/- (Rupees _____), payable in advance by 15th day of each month. The monthly rent shall be increased by 10% after every one year completion, during the period of this Lease. The advance monthly rent will be payable by the Lessee to the Lessor from the date of handing/taking over of physical possession. All rent payments shall be made to Lessor in the form of cross cheque/pay order in favour of the lessor and delivered at the address given below:

Gwadar Port Authority Head office, at Pak-China Friendship Road, Gwadar, Balochistan.

2. Option to Renewal of Lease.

Provided that the Lessee is not in default in the performance of this Lease, the Lessor shall have the option to renew the Lease for another term of 05 years and further extendable with mutual consent of both parties commencing at the expiration of the initial Lease term. All of the terms and conditions of the Lease shall remain the same during the renewal term except that the monthly rent which will be decided mutually between both parties, and the difference of security deposit amount already deposited with GPA equal to 12 months' rent which will be determined as per revised monthly rent. The option shall be exercised by written notice given to Lessee not less than 180 days prior to the expiration of the existing Lease term.

3. Commercial Use of GRP FIBRE GLASS BOAT.

Lessee shall use the Boat for all lawful purposes in a lawful manner/ activities only within the Pakistan, territorial waters.

4. Care and Maintenance of GRP FIBRE GLASS BOAT.

Lessee will take over the Boat on its own expenses and maintain it in good and safe condition.

5. Alterations.

The Lessee shall obtain the written consent of Lessor, for any permanent structural alterations, additions, or improvements, as considered suitable for GRP Boat, for its optimal use.

6. Ordinances and Statutes.

The Lessee shall comply with all statutes, ordinances, regulations, covenants, conditions and requirements of Marine Mercantile Department (MMD) and International Maritime Organization (IMO) now in force or which may hereafter be in force, pertaining to the GRP Boat, occasioned by or affecting the use thereof by Lessee, wherever, applicable.

7. Utilities.

All expenses i.e. maintenance cost, crew / staff salaries, Bunker, Berthing charges and connections for requisite utility services in the GRP FIBRE GLASS BOAT. shall be made in the name of Lessee only, and Lessee shall be solely liable for payment of utility charges.

8. Delivery of Possession.

The Lessor shall hand over to the Lessee the physical possession of GRP FIBRE GLASS BOAT after signing of this agreement. Lessor shall not be liable for any damage caused thereafter, nor shall this Lease be void or voidable on that account.

9. Indemnification of Lessor.

The Lessor shall not be liable for any damage or injury to Lessee, or any other person and Lessee agrees to indemnify and hold Lessor harmless from any claims for damages during the lease period.

10. Purchase of Insurance Policy.

The Lessee, at Lessee's expense shall purchase insurance policy with a reputable insurance company of AA+ rating, for the full insurable value of the property, against risk of loss or damage by fire, flood, tempests, storms, impacts, explosions and from all other insurable risks and to pay the premium for the same as and when the same becomes due and payable. The Lessee shall provide to Lessor a copy of the insurance policy.

11. Lessor's Remedies on Default.

If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and if Lessee does not cure any such default within 30 days, after receipt of such notice by the Lessee (except if such other default is of such nature that it cannot be completely cured within such period, if Lessee does not commence such curing within such 30 days, and thereafter proceed with reasonable diligence and good faith to cure such default), then Lessor may at its sole discretion , after serving additional 30 days' notice in writing to Lessee of its intention to do so, terminate this Lease and all rights of Lessee under this Lease by such written notice. If it so terminates on the date specified in such notice, the term, of this Lease shall terminate, and Lessee shall then quit and surrender the GRP Fibre Glass Boat to Lessor, but Lessee shall remain liable as hereinafter provided. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the GRP Fibre Glass Boat by any lawful means and remove Lessee and their effects. No failure to enforce any term shall be deemed a waiver. No act of Lessor shall be construed as terminating this Lease except written notice given by Lessor to Lessee advising Lessee that Lessor elects to terminate the Lease. In the event, Lessor elects to terminate this Lease, Lessor may recover from Lessee:

12. Security Deposit.

The Lessee shall deposit with Lessor within 30 working days after signing of agreement, sum equal to 12 (Twelve) months' agreed rent Rs. _____/- (Rupees _____) as security deposit for the performance of Lessee's obligations under this Lease agreement. The same will be refunded on expiry of the lease term.

13. Tax Liability.

The Lessee shall be liable to pay to the government all taxes relating to this lease agreement as applicable for rent/subletting.

14. Liability for breach & termination of Lease.

The parties shall comply with this deed in good faith. If either party breaches any clause or obligation under this lease deed, it shall bear the liabilities for such breach and compensate the other party for all the loss thus incurred.

In the case of termination of this lease deed due to breach of this agreement by the Lessee, the security deposit shall be forfeited by the Lessor and the Lessor shall have the lawful right and entitlement to enter the leased building and reprocess the lease building and take possession of all property of the Lessor therein and let the leased building to others.

In case of termination upon breach of this agreement due to above reasons, Lessor may at any time after termination resume possession of the GRP Fibre Glass Boat by any lawful means and remove Lessee, however, it shall not remove Sub-Lessees in respect of whom sub-lease is still valid.

The amount of security deposit and rental advances are already deposited by the tenants to the Lessee, if any, for the remaining period of sub lease at the time of termination of this lease, shall be payable to Lessor from the Lessee.

Both parties agree that in case of exercise of powers of 'Eminent Domain' by Provincial or Federal Government, all provisions of the relevant law shall apply and bound to be obeyed by both the parties.

15. Notices.

Any notice which either party may or is required to give, shall be given by personal delivery or mailing the same, postage prepaid, to Lessee at the GRP Fibre Glass Boat (or any other address indicated by the lessee, and Lessor at the specified address., or at such other places as may be designated by the parties from time to time.

16. Heirs, Assigns, Successors.

This Lease is binding upon and the heirs, assigns and successors in interest of both the parties.

17. Termination of lease Agreement

During the period of this lease agreement, the Lessor and the Lessee shall have the right to terminate the lease agreement by serving at least six months advance notice.

18. Dispute Resolution.

Any dispute or difference(s) arising out of or in connection with this agreement shall be determined by the appointment of a single arbitrator to be agreed between the parties, or failing agreement within fourteen days, after either party has given to the other a written request to concur in the appointment of an arbitrator, the arbitrator shall be appointed under procedure given in Arbitration Act, 1940. If not decided by the Arbitrator, the matter shall be taken to the court of jurisdiction of Gwadar, Baluchistan.

19. Entire Agreement.

The foregoing constitutes the entire agreement between the parties and may be modified only with mutual consent in writing, signed by both parties.

20. Effective Date

This agreement is made effective from ___ day of _____.

Signed this _____ day of _____.

FOR AND ON BEHALF OF LESSOR

(LESSOR)

FOR AND ON BEHALT OF M/S. LESSEE

(LESSEE)

Witness (1) (LESSOR)

Witness (2) (LESSEE)