

# Commercial Contract

## AGREEMENT FOR EXTENSION OF LEASE



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

### Ministry of Industries & Production

### Government of Pakistan

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**January 2013**

## **Agreement for Extension of Lease**

### **Pro- Gole (Right to do Business)**

Legal Services, B&SDS

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#### **LEGAL SERVICES, SMEDA**

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

#### **Pro-GOLE, (Right to do Business)**

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

#### **The Need for Commercial Contracts Templates**

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

#### **Disclaimer**

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to real estate matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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### **8. AGREEMENT FOR EXTENSION OF LEASE**

**THIS AGREEMENT FOR EXTENSION OF LEASE** (hereinafter referred to as the "Agreement") is made at \_\_\_\_\_ (insert place) on this \_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 20\_\_ (insert year)

#### **BY AND BETWEEN:**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number];

**OR**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

(hereinafter referred to as the "Lessee", which expression shall, wherever the context so provides, include its heirs, assigns, nominees and agents)

**AND**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number];

**OR**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

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(Hereinafter referred to as the "Lessor", which expression shall, wherever the context so provides, include its heirs, assigns, nominees and agents.)

(The Lessee and the Lessor are hereinafter collectively referred to as the "Parties", and individually as the "Party".)

**WHEREAS** the Lessee and the Lessor had entered into a Lease Agreement dated [insert date] (hereinafter referred to as the "Lease Agreement") wherein the Lessee acquired the property measuring \_\_\_\_\_ (insert measurement), bearing Property No. \_\_\_\_ (insert property number), situated at \_\_\_\_\_ (insert complete address) (hereinafter referred to as the "Property") on lease.

**AND WHEREAS** the Lease Agreement is due to expire on [insert date of Expiry].

**AND WHEREAS** by virtue of Clause [insert clause number] of the Lease Agreement, the Lease Agreement is extendable with the mutual consent of the Parties, and on such terms and conditions that the Parties may decide amongst themselves.

**AND WHEREAS** the Lessor, upon the request of the Lessee, has agreed to extend the Lease Agreement for a further term of [insert number] months.

**NOW THEREFORE** the Parties have entered into this Agreement for the Extension of Lease on the following terms and conditions:

1. This Agreement shall come into effect on the date of its execution, and shall remain in force for a period of [insert number] months, i.e. till [insert date] unless terminated by the Parties in accordance with the terms of the Lease Agreement.
2. The Lessee shall pay to the Lessor the rent amount at a rate of Rs \_\_\_\_\_/- (Rupees \_\_\_\_\_) per month (insert amount) (hereinafter referred to as the "Rent Amount"), which shall be payable to the Lessor in the mode and manner as enumerated in the Lease Agreement.

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3. Except as hereby modified, the terms and conditions of the Lease Agreement shall continue in full force and effect, and shall be deemed to have been incorporated and set out in full herein, and any reference to the Lease Agreement shall be construed as reference to the Lease Agreement as amended and extended by this Agreement for Extension of Lease.
4. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940, subject to the exclusive jurisdiction of the Courts of [insert place].

**IN WITNESS WHEREOF**, the Parties have entered into this Agreement at the place, and on the date mentioned above.

\_\_\_\_\_  
For and on behalf of  
The Lessor

\_\_\_\_\_  
For and on behalf of  
The Lessee

Witnesses:

1. \_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_