

# Commercial Contract

## SUB LEASE AGREEMENT



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

### Ministry of Industries & Production

### Government of Pakistan

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**January 2013**

## **Sub Lease Agreement**

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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### **5. SUB LEASE AGREEMENT**

**THIS SUB LEASE AGREEMENT** (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 Lessor has acquired the interest in the property measuring \_\_\_\_\_ (insert measurement), bearing Property No. \_\_\_\_\_ (insert property number), situated at \_\_\_\_\_ (insert complete address) (hereinafter referred to as the "Property") by way of a Lease Agreement dated [insert date] with Mr/Mrs/Ms [insert name of landlord], expiring on [insert dated of expiry].

**AND WHEREAS** by virtue of Clause [insert clause number] of the Lease Agreement, the Lessor has the right to sub-lease the Property to any third Party.

**AND WHEREAS** the Lessor has agreed to sub lease and the Lessee has agreed to acquire the Property on sub-lease in accordance with the terms and conditions of the Lease Agreement.

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

1. The term of this Agreement is [insert number] months, from [insert date] to [insert date].
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").
3. The Rent Amount shall be payable by the Lessee to the Lessor on or before the [number] day of each month, in advance.

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4. The Lessee shall pay to the Lessor an amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) in advance, at the time of signing of this Agreement, which shall be adjusted against the Rent Amount payable by the Lessee to the Lessor for the first [insert number] months of this Agreement.
5. All charges for utilities connected with the Property which are to be paid by the Lessor under the Lease Agreement shall be paid by the Lessee for the term of this Agreement, as and when they become due.
6. The Lessee agrees to surrender and deliver to the Lessee the vacant possession of the Property in as good a condition as it was at the beginning of the term of this Agreement, reasonable wear and tear excepted. The Lessee shall be liable to the Lessor for any damages occurring to the Property, or the contents thereof, or to the building, which are caused by the Lessee or its agents, employees, representatives and assigns etc.
7. The Lessee shall pay to the Lessor an amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) as security (hereinafter referred to as the "Security Amount"), refundable at the expiry/termination of this Agreement after adjusting any arrears payable by the Lessee to the Lessor.
8. This Agreement incorporates, and is subject to, the original Lease Agreement between the Lessor and the Landlord, a copy of which is attached hereto, and which is hereby referred to and incorporated as if it were set out here at length. The Lessee agrees to assume all of the obligations and responsibilities of the Lessor under the original Lease Agreement for the duration of this Agreement.
9. This Agreement, as set out here in full, constitutes the sole agreement between the Parties, and no additions, deletions or modifications may be accomplished without the written consent of both Parties. Any oral representations made at the time of, before, or after the execution of this Agreement are not legally valid and, therefore, are not binding upon either Party.

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10.The Parties agree that this Agreement shall be binding upon and inure to the benefit of the Parties, and their successors and assigns.

11.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:\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_