

# Commercial Contract

## AGREEMENT TO TERMINATE 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**

## **Agreement to Terminate 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.

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

### **2. AGREEMENT TO TERMINATE LEASE AGREEMENT**

**THIS AGREEMENT TO TERMINATE 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 "Lessor", 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];

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

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

## Agreement to Terminate Lease Agreement

Pro- Gole (Right to do Business)

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

**AND WHEREAS** the Lessor and the Lessee wish to cancel the Lease Agreement.

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

1. In consideration of the Lessee handing over the vacant possession of the Property to the Lessor on or before [insert date], the Lease Agreement shall stand revoked, rescinded and terminated effective the said date, i.e. [insert date] (hereinafter referred to as the "Date of Termination").
2. The Parties hereby agree that following the Date of Termination, the rights and obligations conferred/created by the Lease Agreement upon/against either Party shall stand relinquished, and no Party shall have, following the Date of Termination, any right against the other Party under the Lease Agreement.
3. The Parties agree that this Agreement shall not be construed to absolve the Parties of any rights, duties and obligations accrued under the Lease Agreement until the Date of Termination, unless provided for in this Agreement.
4. The Parties agree that if the Lessee fails to handover the vacant possession of the Property to the Lessor by the Date of Termination, this Agreement shall stand null and void.
5. The Lessor shall, upon taking the vacant possession of the Property from the Lessee, repay to the Lessee the amount of security deposited under the Lease Agreement, after adjustment of any outstanding liabilities of the Lessee towards the Lessor.
6. The Parties agree that this Agreement binds and benefits the Parties and their respective heirs, executors, administrators, personal representatives, successors and assigns.
7. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach 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 WITNESSWHEREOF**, the Parties hereto have set their respective hands to this Agreement on the day, month and year mentioned above.

# Agreement to Terminate Lease Agreement

Pro- Gole (Right to do Business)

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

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

Witnesses:

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

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

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

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

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

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

\_\_\_\_\_

\_\_\_\_\_