

# Commercial Contract

## AGREEMENT TO USE WALL FOR ADVERTISEMENT



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

**[www.smeda.org.pk](http://www.smeda.org.pk)**

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**July 2009**

## 1. INTRODUCTION OF SMEDA

The Small and Medium Enterprise Development Authority (SMEDA) was established with the objective to provide fresh impetus to the economy through the launch of an aggressive SME development strategy. Since its inception in October 1998, SMEDA had adopted a sectoral SME development approach. A few priority sectors were selected on the criterion of SME presence. In depth research was conducted and comprehensive development plans were formulated after identification of impediments and retardants. The all-encompassing sectoral development strategy involved overhauling of the regulatory environment by taking into consideration other important aspects including finance, marketing, technology and human resource development.

After successfully qualifying in the first phase of sector development SMEDA reorganized its operations in January 2001 with the task of SME development at a broader scale and enhanced outreach in terms of SMEDA's areas of operation. Currently, SMEDA along with sectoral focus offers a range of services to SMEs including over the counter support systems, exclusive business development facilities, training and development and information dissemination through a wide range of publications. SMEDA's activities can now be classified into the three following broad areas:

1. *Creating a Conducive Environment*; includes collaboration with policy makers to devise facilitating mechanisms for SMEs by removing regulatory impediments across numerous policy areas
2. *Cluster/Sector Development*; comprises formulation and implementation of projects for SME clusters/sectors in collaboration with industry/trade associations and chambers
3. *Enhancing Access to Business Development Services*; development and provision of services to meet the business management, strategic and operational requirements of SMEs.

SMEDA has so far successfully formulated strategies for sectors, including fruits and vegetables, marble and granite, gems and jewellery, marine fisheries, leather and footwear, textiles, surgical instruments, transport and dairy. Whereas the task of SME development at a broader scale still requires more coverage and enhanced reach in terms of SMEDA's areas of operation.

Along with the sectoral focus a broad spectrum of services are now being offered to the SMEs by SMEDA, which are driven by factors like enhanced interaction amongst the stakeholders, need based sectoral research, over the counter support systems, exclusive business development facilities, training and development for SMEs and information dissemination through wide range of publications.

## **2. ROLE OF SMEDA LEGAL SERVICES CELL**

The Legal Services Cell (LSC) is a part of Business Development Services Division of SMEDA and plays a key role in providing an overall facilitation and support to SMEs. The LSC provides guidance based on field realities pertaining to SMEs in Pakistan and other parts of the world. LSC believes that information dissemination among the SMEs on the existing regulatory environment is of paramount importance and it can play a pivotal role in their sustainable development.

In order to facilitate SMEs at the Micro Level LSC has developed user-friendly systems, which provide them detail description of the Laws, and Regulations including the process and steps required for compliance.

The purpose of this document is to provide SMEs, Service Providers, Companies and Firms with information pertaining to requisite format and content of a business to business commercial contract. Entrepreneurs interested in enhancing their understanding about the nature and form of an Agreement to use wall for advertisement can also use the document.

## **3. DISCLAIMER**

Form of this document and the contents therein are provided only for general information purpose and on "as is" basis without any warranties of any kind. Use of this document is at the user's sole risk. SMEDA assumes no responsibility for the accuracy or completeness of this document, its form and any of the information provided therein and shall not be liable for any damages arising from its use. The information contained in this document is not an alternate to the legal advice. The users are advised to always consult a legal service provider before using or relying upon this document or any of the content or information contained therein.

### **Agreement to Use Wall for advertising**

This agreement is made at \_\_\_\_\_ (insert place) this \_\_\_\_\_ (give date) day of \_\_\_\_\_ (give month), 200\_\_\_\_\_

#### **Between**

M/s/ \_\_\_\_\_ (Give your Name or name of the firm / company etc.), having registered office at \_\_\_\_\_ (place of office) through its authorized partner / representative (in case of firm or company only) namely \_\_\_\_\_ (herein after called the “Licensor” which expression shall mean and include its successors and assigns) of the one part.

#### **AND**

A B C (Give Name of the firm / company etc.), having registered office at \_\_\_\_\_ (place of office) through its authorized partner / representative namely \_\_\_\_\_ (herein after called the “Advertiser” which expression shall mean and include its successors and assigns) of the other part;

**WHEREAS** the Licensor is the owner in possession of a building No. \_\_\_\_\_ situated in the \_\_\_\_\_ (give name or number of the street) street in the town of \_\_\_\_\_ (give name of the town) including a wall thereof measuring \_\_\_\_\_ (give space length i.e.50x50 etc.) facing towards south and linking with a road called \_\_\_\_\_ (hereinafter the Wall).

**AND WHEREAS** the Advertiser intends to get the outer space of the Wall facing the \_\_\_\_\_ road for the purpose of exhibiting advertisements for and on behalf of its clients.

**AND WHEREAS** the Licensor has shown his willingness to grant license to the Advertiser to use the Wall for the purpose of exhibiting advertisements thereon subject to the terms and conditions prescribed in this agreement.

**NOW THIS AGREEMENT WITNESSTH** as follows:

**1. Permission to use Wall**

The Licensor hereby grants license to the Advertiser to use the Wall for the purpose of exhibiting advertisements for and on behalf of its clients. The Advertiser may use the Wall for advertising in any manner he deems appropriate.

**2. Fee for License**

The Advertiser shall pay to the Licensor an amount of Rs. \_\_\_\_\_ per month as a license fee for the use of the Wall in accordance with this agreement. Such fee shall be paid by the Advertiser on or before the \_\_\_\_ (**enter date**) day of each succeeding month in advance. The Licensor hereby admits the receipt of the license fee for the first month starting from the date of signing of this agreement. All payments under this agreement shall be subject to deduction of applicable taxes and duties in accordance with law for the time being in force.

**3. Duration of the Agreement**

Unless renewed earlier by mutual consent this license shall remain valid for a period of \_\_\_\_\_ months starting from the signing of this agreement. During the validity of the agreement the Licensor shall have no right to cover the Wall.

**4. Indemnity**

The Advertiser hereby indemnifies and holds harmless the Licensor from any and all actions, claims, damages, loss and expenses arising or that may become payable on account of any and all proceedings, suits or causes that may be instituted or filed against the Licensor on the ground that any or the advertisements submitted by the Advertiser and exhibited by the Cinema Owner violates any copyright or any proprietary or other right of any natural or juridical person or is otherwise scandalous or libelous.

**5. Reimbursement of Claims, legal fees etc.**

The Advertiser shall reimburse any amount including fees of lawyers incurred by the Licensor on defending or settlement of any claim or satisfaction of judgments

passed by a court of competent jurisdiction arising under clause 4 above or on initiating proceedings to collect any money due from the Advertiser under this agreement or to enforce compliance of the terms and conditions of this agreement.

#### **6. No Interest in the Wall**

This agreement shall not in any manner be considered or taken to mean and include as conferring any interest in the Wall in favor of the Advertiser or any of its representatives or clients and the Licensor shall be deemed to be in exclusive possession of the Wall at all times.

#### **7. Termination**

This agreement may be terminated in the following manner:

- i. Subject to the prior written notice of \_\_\_\_\_ months both the parties may without assigning any reason terminate the contract.
- ii. Notwithstanding and without prejudice to the above, in case of violation to any of the provisions of this agreement by a party the other party may terminate this agreement subject to a prior written notice of \_\_\_\_\_ days. Provided however, a party intending to terminate the agreement under this sub-clause shall serve a notice in writing to the other party to rectify such violation within the time given in such notice.
- iii. In case either of the parties ceases to do the business.

Provided that the termination of agreement on any of the grounds/circumstances shall not absolve the parties from any liability accrued at the time of termination including payment of any monies due in respect of the advertisements exhibited.

#### **8. Effect of Termination**

Upon termination of expiry of the term of this agreement the Advertiser shall cause the Wall to be restored to its original position as it was at the time of entering into this agreement. Upon failure of the Advertiser to restore the Wall the Licensor shall be entitled to restore the Wall at the expense of the Advertiser. Any

such expense incurred by the Licensor shall be recoverable from the Advertiser independent of any other monies payable under this agreement.

**9. Force Major**

The Advertiser shall not be liable to pay the License Fee in the event the Wall gets cracked, is demolished partly or wholly or otherwise becomes unfit to be used to exhibition of advertisements or the view thereof is obstructed by the erection of other building(s) in front or adjacent thereto which is likely to diminish, in the opinion of the Advertiser, fitness and value of the Wall for exhibition of advertisements.

**10. Dispute Resolution**

If any dispute arises between the parties regarding the interpretation or applicability of any of the provisions of this agreement the same shall in the first instance be decided amicably through mutual consultation. In case of failure of the parties to resolve the dispute amicably the same shall be resolved either through third party mediation or arbitration in accordance with the Arbitration Act, 1940

**In witness whereof** the parties to the agreement hereby sign and execute the same in token of acceptance of the terms therein contained;

**Witness:**  
**parties.**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

**Signatures of the**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_