

LEASE AGREEMENT

This Lease, made and executed by and between _____
_____ (hereinafter "Lessor") and the National Government of the Republic of
Palau, (hereinafter "Lessee") and _____, the anticipated
occupant (hereinafter "Tenant").

In consideration of the payment of rents and performance of covenants herein on the part of Lessee and Tenant, Lessor does hereby demise, lease and let to Lessee and, in consideration of the premises, Lessee does hereby lease, hire and take from Lessor upon the terms and conditions hereinafter set forth the following described property and its appurtenance situated in _____ particularly described as a furnished/unfurnished ____ bedroom apartment/house.

1. Term. This lease agreement shall be for a term of ____ year(s) beginning on _____ and terminating on _____ unless sooner terminated as provided herein.
2. Lessee's Rent. Lessee shall pay to Lessor a total sum of \$_____. Rent is payable at the Finance Office of the Bureau of National Treasury in monthly installments of \$_____ each due no later than the ____ of each month during the term herein, except the first payment which is due upon execution of this Lease Agreement. Rent is payable in advance.
3. Delivery of Demised Premises. Lessor shall deliver to Lessee physical possession of the demised premises on _____. Tenant shall deliver to Lessor physical possession of the demised premises upon the termination of this Lease Agreement in the same condition and state of repair as when Tenant took possession of the same, ordinary wear and tear and acts of God excepted.
4. Repair. Lessor warrants and represents that the premises are in good condition and in a good state of repair and Lessor agrees to maintain the same in a good state of repair at its own expense during the term of this Lease Agreement; and that there will be no liability on the part of Lessee for the state of repair of the premises. Upon reasonable notice to each, Lessee and Tenant agree to permit Lessor and its agents to enter upon the premises or showing the property to prospective tenants, purchasers, insurers, insurers or mortgage holders.
5. Utilities. Tenant shall be responsible for the payment of all customary utility and service charges, including but not limited to electrical power charges, telephone, water, garbage collection charges, and any other routine service charges resulting from Tenant's occupancy of the premises.
6. Renewal and Extension. Lessee shall have the right and option to renew or extend this Lease Agreement for an additional period or periods, subject to all the terms and conditions of this Lease Agreement and to pay the annual rental amount as may be renegotiated and agreed to by

Lessor and Lessee.

7. Lessee's Limited Liability for Rent and Other Charges. All changes, modifications, renewals or extensions of this Lease Agreement shall be void unless made in writing and signed by all parties. Any such changes, modifications, renewals or extensions of the Lease Agreement that obligate Lessee to pay additional funds in excess of the amount specified in paragraph 2 herein are void unless signed by Lessor and Lessee and certified for the availability of funds. Lessee shall not be liable for any charges for holding over by Tenant unless such charges are agreed to in writing and certified for the availability of funds. Lessor, Lessee and Tenant agree that Lessee's financial obligation under this Lease Agreement is limited to the payment of rent as described in paragraph 2 herein.

8. Use. Lessor agrees that Lessee and Tenant upon paying the rent and performing the covenants of this Lease Agreement, may quietly have, hold and enjoy the demised premises during the term of this Lease Agreement.

9. Sublease. Tenant shall not assign this Lease Agreement or sublet any portion of the premises without the written consent of Lessor. The foregoing does not preclude Lessee from changing Tenants with consent of Lessor. Consent of Lessor shall not be unreasonably withheld.

10. Liability. Lessor shall not be liable for any injury or damage to Lessee, Tenant or any other person or to any property at any time on said premises, unless caused by the negligent or willful act of Lessor or its agents. Lessee and Tenant agree to hold Lessor harmless from any claims for damages unless caused by faulty or defective construction or installation or other negligence or willful acts of Lessor or its agents.

11. Insurance. Lessor may insure the premises for its own benefit in an amount at Lessor's discretion. The foregoing does not preclude Lessee or Tenant from obtaining insurance for the contents of the premises.

12. Termination. Lessee shall have the right to cancel or terminate this Lease Agreement upon prior written notice to Lessor of at least one calendar month.

13. Casualty Destruction. The parties agree that the rent shall cease forthwith if the premises be destroyed by fire or otherwise become uninhabitable due to casualty.

14. Default. In the event of the default in the payment of rent when due after notice in writing by mail is received by Lessee and Tenant of said default, and the failure of Lessee and/or Tenant to cure said default within thirty (30) calendar days after receipt of said notice, Lessor may elect to terminate this Lease Agreement upon a specified date not less than thirty (30) days after notice is received by Lessee and Tenant, and this Lease Agreement shall then terminate on the date so specified as if that date had been originally fixed as the termination date.

15. Tenant and Lessee. As between Tenant and Lessee, Tenant is responsible for payment of all utilities as specified in paragraph 5 herein and any other charges (other than Lessee's rent) herein specified resulting from Tenant's occupancy or use of the premises. Tenant is

responsible for the restoration of the premises to an acceptable condition upon termination of this Lease Agreement and for the payment of damages for any breach by Tenant of this Lease Agreement.

16. Enforceability. This Lease Agreement is enforceable only if Lessor's signature is made later in time than the signatures of all authorized officials of Lessee. The authorized government officials are the Procurement Officer of the Republic of Palau;, the Attorney General of the Republic of Palau, Director Bureau of Program Budget and Management of the Republic of Palau.

17. Obey Laws. Lessor agrees to obey all laws of the Republic of Palau. Lessor's failure to do so shall constitute grounds for termination of this Lease Agreement.

18. Business Licenses. Lessor shall obtain the necessary business license(s) and pay all taxes and fees required or lawfully imposed by the Republic of Palau. Notwithstanding any other provision of this Lease Agreement, Lessee may reasonably delay tender of any payment otherwise due under this Lease Agreement until Lessee is satisfied that Lessor has complied with all applicable business and tax laws.

19. Ethical Standards. Lessor understands and agrees to abide by the following ethical standards:

A. Kickbacks. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.

B. Gratuities. It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement of a purchase request, influencing the content of any specification of procurement standard, rendering of advise, investigation, auditing, or in any other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal thereof.

20. Certification of No Conflict. Lessor certifies that no employee of the _____ of the Republic of Palau has a financial interest in the premises.

21. Warranty of Ownership. Lessor warrants that it is the owner of the leased premises in fee simple absolute and that it will forever defend any claims for rent against Lessee and/or Tenant by third parties.

22. Right to Inspect. Lessor acknowledges the right of Lessee to inspect Lessor's place of business and to examine, copy, and audit books and records of Lessor and its subcontractors pursuant to Title 40 Chapter 2 of the Republic of Palau National Code.

23. Business Records. Lessor further acknowledges that Lessor's records are to be maintained for three years from the date of final payment by the Lessee.

24. Venue. Any action at law, suit in equity or judicial proceeding for the enforcement of this Lease Agreement or any provisions thereof against Lessee, shall be instituted only in the courts of the Republic of Palau.

25. Government Obligations Contingent Upon Appropriations. All obligations of Government under this contract shall be contingent upon the appropriation of funds for this contract during applicable fiscal year(s). Government shall not be liable for any obligations under this contract for which funds are not appropriated. At this time, no funds have been appropriated for this contract after the fiscal year ending _____. Lessor and Government expressly agree that Lessor cannot reasonably rely upon Government's performance of this contract after _____. This section shall not apply to contracts being paid solely from funding which is non-lapsing at the end of the current fiscal year.

26. Entire Agreement. The foregoing constitutes the entire agreement between the parties.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement.

REQUESTING OFFICIAL

Date: _____
_____ Appropriate Management Official

LESSEE

Date: _____
_____ Procurement Officer

Form and Legality Certified:

Date: _____
_____ Attorney General, ROP

Certification of Availability and Type of Funds:
Charge to Account: _____ Lapsing _____ Non-Lapsing _____

Date: _____
_____ Director, Bureau of Budget & Planning

TENANT

Date: _____

LESSOR

Date: _____
_____ Printed Name & Signature