LEASE AGREEMENT

between

[NAME OF LANDLORD]

(hereinafter referred to as "the LANDLORD" which expression where the context so admits shall include its successors in title)

based at [address]

and the

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO) (hereinafter referred to as "UNIDO")

with headquarters situated at the Vienna International Centre, Wagramer Strasse 5, A-1400 Vienna, Austria

This Lease Agreement (hereinafter, "Lease") concerns the lease of certain premises property of the LANDLORD to UNIDO, which premises will be occupied by [name of UNIDO Office, for example "the UNIDO Investment and Technology Promotion Office in Italy"] (hereinafter, the "UNIDO Office"), in accordance with the terms and conditions set forth below. The UNIDO Office's activities include [insert as appropriate].

Article 1

The Leased Premises

The LANDLORD hereby grants and UNIDO hereby accepts a lease to the premises situated in the LANDLORD's Building No. [address of leased premises], in [name of city, province and country], which premises comprise a total area of ______ square metres, as shown on the attached plan (Schedule I), hereinafter, the "Premises", together with the use, in common with other persons entitled thereto, of the entrances to the building, its common areas, including, without limitation, halls, corridors, elevators, stairways and toilets, to be used for carrying out activities of the UNIDO Office. The LANDLORD represents that the Premises may lawfully be used as an office and for any other purpose designated by UNIDO at the time of execution of this Lease.

Duration of the Lease

Subject to Article 3 below, the term of the Lease shall be for [__] year[s], effective as of [day, month and year] until [day, month and year], inclusive, and it shall be renewable at UNIDO's option, for a further period of [__] year[s], under the same terms and conditions as are set forth in this Lease.

Article 3

Termination of the Lease

UNIDO shall have the right to terminate the Lease for any reason, upon giving [90] days' written notice by registered letter to the LANDLORD. For the purposes of this Article, the notice period of [90] days shall commence from the date of posting the letter referred to in the previous sentence.

Article 4

<u>Rent</u>

The total monthly rent of the Premises will be Euro [write out amount] (\in ____). Said rent must be paid monthly in advance on the first week of each month under this Lease to the LANDLORD through the cash imprest account of the UNIDO Office. Unless expressly provided in this Lease, the LANDLORD shall not be entitled to any payment other than the aforementioned monthly rent.

Article 5

Obligations of UNIDO

UNIDO agrees to:

- Use the Premises to carry out official activities of the UNIDO Office;
- Pay the monthly rent to the LANDLORD as indicated in Article 4 above;
- Use the Premises [and equipment] in a responsible way and, at the expiry of the Lease, to restore them to the state the Premises were in at the commencement of the Lease, except for wear and tear resulting from normal use;

- Pay all consumption charges of the UNIDO Office in respect of water, heating, electricity and telephone services relating to the Premises;
- Not to sublet any part of the Premises and not to carry out in them any renovations, alterations or modifications without the written consent of the LANDLORD.

Obligations of the Landlord

The LANDLORD agrees to:

- Provide in good and efficient order the services for which it is responsible, including the provision of water, electrical power and heating;
- Carry out, at the LANDLORD's cost and with minimal disruption to UNIDO, all necessary maintenance and repair of the Premises in a timely fashion, including, without limitation, its foundations, pillars, beams, floors, roofs, terraces, walls and other structural parts, its entrances, its common areas (including, without limitation, halls, corridors, elevators and stairways), its main sewers, drains, gutters, window and door casings, and the like, its heating and air conditioning equipment, and toilets, and all building systems (including, without limitation, plumbing and electrical systems). For this purpose, and subject to UNIDO's agreement, the LANDLORD shall have the right, upon reasonable prior notice to UNIDO, and at reasonable times, to enter, inspect and make any necessary repairs to the Premises;
- Allow UNIDO peaceful, uninterrupted possession and enjoyment of the Premises in accordance with the terms of this Lease;
- In the event of a sale or transfer or any conveyance of title or the creation of a mortgage or any other encumbrances affecting the Premises, to ensure that the terms and conditions of this Lease shall remain in full force without prejudice to any rights or remedies UNIDO has hereunder, including, but not limited to, the right to peaceful, uninterrupted possession and enjoyment of the Premises until the expiration or prior termination of this Lease, or any renewal thereof.

Insurance, Liability and Indemnity

7.1. The LANDLORD undertakes during the term of this Lease to provide and maintain at its own cost public liability insurance, which insurance shall hold UNIDO harmless, and name UNIDO as additional insured, from claims against it as occupant of the Premises. The LANDLORD shall also keep the Premises insured for all risks, including fire, explosion, civil strife, as well as earthquake, flood or other natural phenomenon, and war risks under a comprehensive insurance policy. The LANDLORD shall obtain for each insurance policy provisions providing for a waiver of subrogation of the LANDLORD'S rights to the insurance carrier against UNIDO. UNIDO shall be responsible for the insurance of its own property, equipment and furnishings and of that of its employees in the leased Premises.

7.2. The LANDLORD shall indemnify, hold and save harmless, and defend, at its own expense, UNIDO, its officials, agents, servants and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of, or related to, acts or omissions of the LANDLORD, or of the LANDLORD's employees, officers, agents or sub-contractors, in the performance of this Lease or the use of the Premises by UNIDO, including, without limitation, any claims by any third party professing ownership of, or any other rights of whatever nature in, any or all parts of the Premises or claims by any third party for personal injury, loss, illness, death or damage to their property occurring on or about the Premises and attributable to the acts or omissions of the LANDLORD's obligations under this paragraph do not lapse upon termination of this Lease.

7.3. UNIDO shall be responsible for dealing with any claims by third parties for personal injury, loss, illness, death or damage to their property arising from its occupation and use of the Premises and attributable to the acts or omissions of UNIDO or of its servants or agents. The LANDLORD acknowledges and agrees that UNIDO may insure or self-insure against such risks.

Restrictions to the Use of the Premises

If, while the Lease is in force, any replacement, repair or special maintenance work should become necessary and entails a partial restriction in the use of the Premises over a period exceeding twenty (20) days, UNIDO shall be entitled to a reduction of the rent proportionate to the total duration of the replacement, repair or special maintenance itself and to the total loss of benefit. If, on the other hand, the deprivation of benefit is total, UNIDO shall be exonerated from the payment of the full rent for the duration involved.

Article 9

Privileges and Immunities; Tax Exemption

9.1. Nothing in or relating to this Lease shall be deemed a waiver, express or implied, of any of the privileges and immunities which UNIDO is accorded under the Convention on the Privileges and Immunities of the United Nations or under the Convention on the Privileges and Immunities of the Specialized Agencies. Pursuant to those Conventions, the Premises shall be inviolable and no agent or authority of the LANDLORD or the State of [__] may enter the Premises without the express prior consent of the Director-General of UNIDO.

9.2. UNIDO is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of articles imported or exported for its official use. Accordingly, the LANDLORD undertakes full and sole responsibility for the payment of all taxes and for any other charges of a public nature which are or may be assessed in the future against the Premises. In the event any governmental authority refuses to recognize UNIDO's exemption from such taxes, duties or charges, the LANDLORD shall immediately consult with UNIDO to determine a mutually acceptable procedure.

Force Majeure

10.1. If the LANDLORD is rendered permanently unable, wholly or in part, by reasons of force majeure to perform its obligations and meet its responsibilities under this Lease, UNIDO shall have the right to terminate this Lease in whole or in part upon thirty (30) days' notice of termination to the LANDLORD. In the event that such termination is not caused by the LANDLORD's negligence or fault, UNIDO shall be liable to the LANDLORD for payment of rent up to the effective date of termination.

10.2. For the purpose of the first paragraph of this Article, UNIDO may consider the LANDLORD permanently unable to perform in the case of any period of suspension in excess of thirty (30) days. Any such period of thirty (30) days or less shall be deemed temporary inability to perform.

10.3. <u>Force majeure</u> as used in this Article means acts of God, war (whether declared or not), invasion, revolution, insurrection or other acts of a similar nature or force.

Article 11

Entire Agreement

This Lease, including all annexes, constitutes the entire agreement between the parties and supersedes any and all prior oral communications or written documents with respect to its subject matter.

Article 12

Amendments

No modification or amendment of this Lease, or waiver of any of its provisions, shall be valid and enforceable unless approved in writing by duly authorized representatives of the parties hereto.

Arbitration Clause

Any dispute, controversy or claim between the parties arising out of or relating to this Lease, or the breach, termination or invalidity thereof, unless settled by direct negotiation, shall be settled by arbitration before a single arbitrator in accordance with the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules then obtaining. The language to be used in the arbitral proceedings shall be English, and the arbitral tribunal shall have no authority to award punitive damages. The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute. The provisions of this paragraph shall neither constitute nor imply the waiver by UNIDO of its privileges and immunities.

Article 14

Address for Notices

Any communications or notices pursuant to or contemplated by this Lease shall be in English, effective when received unless otherwise expressly provided in the Lease, and addressed as follows:

For the LANDLORD: [name of landlord] [full mailing address]

For UNIDO: [name of UNIDO Office] [full mailing address]

With courtesy copy sent to:

United Nations Industrial Development Organization (UNIDO) Wagramer Strasse 5, P.O. Box 300 A-1400 Vienna, Austria ATTN: [as appropriate]

Entry into Force and Duration

This Lease shall, after the last signature by the parties, be deemed to have entered into force on [day, month and year as in Art. 2] and shall remain in force pursuant to Article 2 of this Lease.

Article 16

Cost of Registration

The cost of the registration of this Lease shall be borne in equal shares by the LANDLORD and UNIDO. [Only use if applicable]

Article 17

Language of the Lease

This Lease is drawn up and signed in English [and in (insert language, if applicable). In case of discrepancy between the English and the (other language) texts, the English version shall prevail].

For [Name of Landlord]:

For the United Nations Industrial Development Organization (UNIDO):

Name: Title:

Place: Date : Name: Title:

Place: Date :