

هيئة المنطقة
الحرّة بالحمريّة



HAMRIYAH
FREE ZONE AUTHORITY

STANDARD TERMS AND CONDITIONS

OF

SHOP LEASE

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**SECTION 1
DEFINITIONS AND INTERPRETATION**

1. DEFINITIONS

In this Lease, unless the context requires otherwise, the following expressions shall have the following meanings:-

- 1.1 **"Adjoining Property"** means any land and/or buildings adjoining or neighbouring the Premises;
- 1.2 **"Conduits"** means all drains, pipes, gullies, gutters, sewers, ducts, mains, channels, subways, wires, cables, conduits, flues and any other conducting media of whatsoever nature;
- 1.3 **"Environmental Regulations"** means the Implementing Rules and Regulations relating to waste disposal and other such matters issued by HFZ Authority (as amended from time to time) and the Free Zone Circulars issued pursuant thereto from time to time;
- 1.4 **"Free Zone"** means Hamriyah Free Zone established pursuant to Sharjah Emiri Decree No 6 of 1995;
- 1.5 **"Free Zone Circulars"** means the circulars issued from time to time by the HFZ Authority pursuant to the Implementing Rules and Regulations;
- 1.6 **"HFZ Authority"** means Hamriyah Free Zone Authority;
- 1.7 **"Implementing Rules and Regulations"** means the Implementing Rules and Regulations issued by HFZ Authority (as the same may be amended from time to time) pursuant to Sharjah Emiri Decree No 6 of 1995;
- 1.8 **"Insurance Charge"** means the sums which the Landlord pays from time to time for insuring the Premises and the other items referred to in clause 23.1;
- 1.9 **"Insured Risks"** means (to the extent that any of the same are insurable in the United Arab Emirates insurance market at reasonable cost and on reasonable terms) fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft (other than hostile aircraft) and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, and such other risks as the Landlord may, in its discretion from time to time, determine, subject to such exclusions, excesses, limitations, terms and conditions as may be contained in any policy taken out by the Landlord;
- 1.10 **"Landlord"** means the person for the time being entitled to the reversion immediately expectant on the determination of the Term;
- 1.11 **"this Lease"** means the Shop Lease and any document which is supplemental to it, whether or not it is expressly stated to be so;
- 1.12 **"Outstanding Amount"** means all sums referred to in Clause 6, and all sums which are recoverable as rent in arrear or stated in this Lease to be due to the Landlord;
- 1.13 **"Plan/s"** means the plan/s or drawing/s reference. - General Arrangement Plan annexed to this Lease as Annexure-1;
- 1.14 **"Planning Regulations"** means the Implementing Rules and Regulations relating to Planning and Construction issued by the Free Zone and any Free Zone Circulars issued from time to time pursuant thereto;
- 1.15 **"Premises"** means the Shop and each and every part of the Shop, including:-
 - (a) any Conduits in, on, under or over and exclusively serving them, except those of any utility company;
 - (b) all landlord's fixtures, fittings, plant, machinery, apparatus and equipment now or after the date of this Lease in or upon the same; and
 - (c) any additions, alterations and improvements.
- 1.16 **"Prescribed Rate"** means Three per cent (3%) per annum above the Prime Rate;
- 1.17 **"Prime Rate"** means the base rate used by the Central Bank or some other bank nominated from time to time by the Landlord or, in the event of base rate being abolished, such other comparable rate of interest as the Landlord shall reasonably specify;
- 1.18 **"Principal Rent"** means the rent payable under clause 4.1.1;
- 1.19 **"Rents"** means the sums payable by the Tenant under clause 4;
- 1.20 **"Revised Rent"** means the rent as determined by the landlord on a Relevant Review Date;
- 1.21 **"Tenant"** means the party named as **"Tenant"** in this Lease and includes the Tenant's successors in title and assigns and, in the case of an individual, his personal representatives;
- 1.22 **"UAE"** means United Arab Emirates;
- 1.23 **"UAE Dirhams"** means the lawful currency of the UAE;
- 1.24 **"Utilities"** means water, soil, steam, air, electricity, radio, television, telegraphic, telephone, telecommunications and other services and supplies of whatsoever nature;
- 1.25 **"Working Day"** means any day, other than a Friday, on which clearing banks in Sharjah are open to the public for the transaction of business; and
- 1.26 **"Works"** means works as defined in the Implementing Rules and Regulations relating to Planning and Construction issued by HFZ Authority (as amended from time to time) and the Free Zone Circulars issued pursuant thereto from time to time.

2. INTERPRETATION

- 2.1 Unless there is something in the subject or context inconsistent with the same:- every covenant by a party comprising more than one person shall be deemed to be made by such party jointly and severally;
- 2.2 words importing persons shall include firms, companies and corporations and vice versa;
- 2.3 any covenant by the Tenant not to do any act or thing shall include an obligation not to permit or suffer such act or thing to be done;
- 2.4 any reference to the right of the Landlord to have access to, or to enter, the Premises shall be construed as extending to all persons authorised by the Landlord, including agents, professional advisers, contractors, workmen and others;
- 2.5 any reference to a law (whether specifically named or not) shall include any amendment or re-enactment of it for the time being in force, and all instruments, orders, notices, regulations, directions, bye-laws, permissions and plans for the time being made, issued or given under it, or deriving validity from it;
- 2.6 all agreements and obligations by any party contained in this Lease (whether or not expressed to be covenants) shall be deemed to be, and shall be construed as, covenants by such party;
- 2.7 the words "including" and "include" shall be deemed to be followed by the words "without limitation";
- 2.8 the titles or headings appearing in this Lease are for reference only and shall not affect its construction;
- 2.9 all dates herein shall be construed with reference to and in accordance with the Gregorian Calendar but not otherwise; and
- 2.10 any reference to a clause or schedule or annex shall mean a clause or schedule annex of this Lease.

**SECTION 2
GRANT OF LEASE**

3. GRANT, RIGHTS AND OTHER MATTERS

3.1 Demise, Term and Earlier Termination

In consideration of the rents, covenants and agreements reserved by, and contained in, this Lease to be paid and performed by the Tenant, the Landlord leases the Premises to the Tenant from and including the Term Commencement Date for the Term paying the Rents to the Landlord in accordance with clause 4. If at least Three (3) months before the expiry of the Term the Tenant shall give to the Landlord written notice requesting a renewal of this Lease, the Landlord shall grant to the Tenant renewal on such terms and conditions as may be agreed between the Landlord and the Tenant. In the event of the parties failing to agree the terms on which the Lease is to be renewed before the expiry of the Term, the Tenant shall vacate the Premises at the expiry of the term. In the case of earlier termination, a rent paid notice period of three months ending with the running contractual year shall be given failing which rent will have to be paid for the shortfall in notice period.

3.2 Covenants, easements etc.

This Lease is granted subject to any rights, easements, reservations, privileges, covenants, restrictions, stipulations and other matters of whatever nature affecting the Premises.

3.3 No implied easements

Nothing contained in this Lease shall confer on, or grant to, the Tenant any easement, right or privilege, other than any expressly granted by this Lease.

3.4 Encroachments and easements

The Tenant shall not stop up or obstruct any of the windows or lights belonging to the Premises and shall not permit any new window, light, opening, doorway, passage, Conduit or other encroachment or easement to be made or acquired into, on or over the Premises or any part of them. If any person shall attempt to make or acquire any encroachment or easement whatsoever, the Tenant shall give written notice of that fact to the Landlord immediately it shall come to the notice of the Tenant and, at the request of the Landlord but at the cost of the Tenant, adopt such means as may be reasonably required by the Landlord for preventing any encroachment or the acquisition of any easement.

3.5 Covenants relating to other property

Nothing contained in, or implied by, this Lease shall give the Tenant the benefit of, or the right to enforce or prevent the release or modification of, any covenant or agreement entered into by any tenant of the Landlord in respect of any property not comprised in this Lease.

3.6 Rights of entry by Landlord

3.6.1 The Tenant shall permit the Landlord with all necessary materials and appliances to enter and remain on the Premises:-

- (a) to examine the condition of the Premises and to take details of the landlord's fixtures in them;
- (b) to exercise any of the rights excepted and reserved by this Lease; and

(c) for any other purpose connected with the interest of the Landlord in the Premises, including valuing or disposing of the Landlord's interest in them.

3.6.2 In the event of any emergency whatsoever at the Free Zone and if required by the Landlord, the Tenant shall allow free entry on and across the Premises for personnel of the Landlord and other persons authorised by the Landlord and for any emergency personnel.

3.7 Landlord's Covenants

Covenants on the part of the Landlord are covenants to do or not to do that which is covenanted for so long only as the Landlord remains entitled to the reversion immediately expectant on the determination of the Term.

3.8 Terms of entry by Landlord

In exercising any of the rights mentioned in clause 3.6, the Landlord or the person exercising the right shall:-

3.8.1 give to the Tenant reasonable prior notice that the right to be exercised and shall only exercise it at reasonable times (except in an emergency, when no notice need be given and when it can be exercised at any time);

3.8.2 cause as little inconvenience as practicable to the Tenant or any other permitted occupier of any part of the Premises; and

3.8.3 make good, as soon as practicable and to the reasonable satisfaction of the Tenant, any damage caused to the Premises.

SECTION 3 FINANCIAL PROVISIONS

4. RENTS

4.1 Tenant's obligation to pay

The Tenant covenants to pay to the Landlord at all times during the Term:-

4.1.1 yearly, and proportionately for any fraction of a year, the Initial Rent and from and including each Rent Review Date, such yearly rent as shall become payable under clause 5;

4.1.2 the Insurance Charge; and

4.1.3 the Outstanding Amount.

4.2 Dates of payment of Principal Rent

The Principal Rent shall be paid in one instalment annually in advance.

4.3 Method of payment of Principal Rent

The Principal Rent shall be paid in such manner as the Landlord may, from time to time, determine so that the Landlord shall receive full value in cleared funds on the date when payment is due.

4.4 Dates of payment of Insurance Charge and Outstanding Amount

The Insurance Charge and the Outstanding Amount shall be paid on demand, the first payment of the Insurance Charge to be made on the Rent Commencement Date.

4.5 No right of set-off

The Tenant shall not exercise any rights of set-off, deduction, abatement or counterclaim which it may have to reduce its liability for Rents.

5. RENT REVIEW

5.1 Review

The Principal Rent shall be reviewed at each Review Date and from and including each Review Date the Principal Rent shall equal the Revised Rent.

5.2 Memoranda of reviewed rent

Within ten (10) Working Days after the Revised Rent has been determined, memoranda recording that fact shall be prepared by the Landlord or its solicitors and shall be signed by or on behalf of the Landlord and the Tenant and annexed to this Lease and its counterpart. The parties shall each bear their own costs in relation to the preparation and signing of such memoranda.

6. INTEREST

6.1 Interest on late payments

Without prejudice to any other right, remedy or power contained in this Lease or otherwise available to the Landlord, if any of the Rents (whether formally demanded or not) or any other sum of money payable to the Landlord by the Tenant under this Lease shall not be paid so that the Landlord receives full value in cleared funds:-

6.1.1 in the case of the Principal Rent, on the date when payment is due (or, if the due date is not a Working Day, the next Working Day after the due date); or

6.1.2 in the case of any other Rents or sums, within five (5) Working Days of the date when payment is due the Tenant shall pay interest on such Rents and/or sums at the Prescribed Rate

and including the date when payment was due to the date of payment to the Landlord (both before and after any judgement).

6.2 Interest on refused payments

Without prejudice to any other right, remedy or power contained in this Lease or otherwise available to the Landlord, if the Landlord shall decline to accept any of the Rents so as not to waive any existing breach or alleged breach of covenant, the Tenant shall pay interest on such Rent at the Prescribed Rate from and including the date when payment was due (or, where applicable, would have been due if demanded on the earliest date on which it could have been demanded) to the date when payment is accepted by the Landlord.

7. OUTGOINGS

7.1 Tenant's obligation to pay

The Tenant shall pay, or indemnify the Landlord against, all existing and future rates, taxes, duties, charges, assessments, impositions and other outgoings whatsoever (whether governmental, municipal, local or of any other description and whether or not of a capital or non-recurring nature or of a wholly novel character) which are now or may at any time during the Term be charged, levied, assessed or imposed upon, or payable in respect of, the Premises or upon the owner or occupier of them and, in the absence of a direct assessment on the Premises, shall pay to the Landlord a fair proportion (to be determined by the Landlord) of any such outgoings.

7.2 Costs of utilities etc.

The Tenant shall:-

7.2.1 pay all charges for electricity, gas and water consumed in the Premises, including any connection and hiring charges and meter rents; and

7.2.2 perform and observe all present and future regulations and requirements of the electricity, gas and water supply companies or bodies in respect of the supply and consumption of electricity, gas and water on the Premises.

7.3 Sewage Charges

The Tenant shall arrange and pay for garbage/sewage removal (by the contractor approved and designated by the Landlord from time to time) from his premises or pay the expenses incurred by the Landlord for the said waste removal.

7.4 Costs of Pest control etc.

The Tenant shall pay all charges related to pest control and any other expenses incurred by the Landlord for maintaining the Premises in common with other premises.

7.5 Common facilities

The Tenant shall pay to the Landlord, within ten (10) Working Days of written demand, a fair proportion (to be reasonably determined by the Landlord) of all reasonable costs and expenses properly expended or incurred by the Landlord in repairing, maintaining, decorating, cleaning, lighting, making, laying or rebuilding, as the case may be, any forecourts, passages, pavements, roads, ways, party walls or fences, party structures, Conduits or other conveniences and easements whatsoever which may belong to, or be capable of being used or enjoyed by, the Premises in common with any Adjoining Property and, in default of payment, such costs and expenses shall be recoverable as rent in arrear.

8. LANDLORD'S COSTS

Within ten (10) Working Days of written demand, the Tenant shall pay, or indemnify the Landlord against, all reasonable costs, fees, charges, disbursements and expenses properly incurred by the Landlord, including those payable to solicitors, counsel, surveyors, architects and bailiffs:-

8.1 in relation to, or in contemplation of, the preparation and service of all notices and schedules relating to any wants of repair, whether served during or after the expiration of the Term (but relating in all cases only to such wants of repair which accrued not later than the expiration or earlier determination of the Term);

8.2 in connection with the recovery or attempted recovery of arrears of rent or other sums due from the Tenant, or in procuring the remedying of the breach of any covenant by the Tenant;

8.3 in relation to any application for consent required or made necessary by this Lease (such costs to include reasonable management fees and expenses) whether or not it is granted (except in cases where the Landlord is obliged not to withhold its consent unreasonably and the withholding of its consent is held to be unreasonable), or the application is withdrawn; and

8.4 in connection with the settling, amending and termination of this Lease and the costs of disbursements of the Landlord's agents incurred in connection with the approval of the Tenants plans and specifications and any amendment thereto.

**SECTION 4
REPAIRS, ALTERATIONS AND SIGNS**

9. REPAIRS, DECORATION, ETC.

9.1 Repairs

The Tenant shall:-

- 9.1.1 repair and keep in good and substantial repair and condition the Premises and, as often as may be necessary, reinstate, rebuild or renew each part of them; and
- 9.1.2 as and when necessary, replace any of the Landlord's fixtures and fittings which may be or become beyond repair with new ones which are similar in type and quality.

9.2 Internal decorations

The Tenant shall:-

9.2.1 in every Internal Decoration Year and also in the last three (3) months of the Term (whether determined by passage of time or otherwise), in a good and workmanlike manner prepare and decorate with at least two coats of good quality paint or otherwise treat, as appropriate, all internal parts of the Premises, such decorations and treatment in the last year of the Term to be executed in such colours and materials as the Landlord may reasonably require;

9.2.2 as often as may be reasonably necessary, wash down all tiles, glazed bricks and similar washable surfaces.

9.3 External decorations

The Tenant shall:-

9.3.1 in every External Decoration Year and also during the last six (6) months of the Term (whether determined by passage of time or otherwise) in a good and workmanlike manner prepare and decorate with at least two coats of paint (approved in advance by the Landlord) and in colours to be approved in writing by the Landlord (such approval not to be unreasonably withheld), or otherwise treat, as appropriate, all external parts of the Premises;

9.3.2 as often as reasonably necessary, clean, make good and restore and, where appropriate, treat with suitable preservative any external cladding, brickwork, concrete, stonework or other finish of the Premises.

9.4 Plant and machinery

The Tenant shall keep all lifts, boilers and air conditioning plant, sprinklers, window cleaning cradles and other plant, machinery, apparatus and equipment in the Premises properly maintained and in good working order and condition and for that purpose shall:-

9.4.1 employ such reputable contractors as may be approved by the Landlord, such approval not to be unreasonably withheld, regularly to inspect, maintain and service them;

9.4.2 renew or replace all working and other parts as and when necessary;

9.4.3 ensure, by directions to the Tenant's staff and otherwise, that such plant and machinery is properly operated.

9.5 Cleaning

The Tenant shall:-

9.5.1 keep the Premises in a clean and tidy condition;

9.5.2 at least once in every month properly clean both sides of the windows or window frames and all other glass in the Premises.

9.6 Landlord's right to decorate and repair when Tenant in Default

In the event of the Tenant failing to fulfil its obligations under this Clause, the Landlord shall be entitled to have the Premises decorated and repaired at the cost of the Tenant.

10. YIELD UP

10.1 Reinstatement of Premises

Immediately prior to the expiration or earlier determination of the Term, the Tenant shall at its cost:-

10.1.1 replace any of the landlord's fixtures and fittings which shall be missing, damaged or destroyed, with new ones of similar kind and quality or (at the option of the Landlord) pay to the Landlord the cost of replacing any of them;

10.1.2 remove from the Premises any sign, writing or painting of the name or business of the Tenant or any occupier of them and all tenant's fixtures, fittings, furniture and effects and make good, to the reasonable satisfaction of the Landlord, all damage caused by such removal;

10.1.3 if so required by the Landlord, but not otherwise, remove and make good any alterations or additions made to the Premises during the Term, and well and substantially reinstate the Premises in such manner as the Landlord shall direct and to the Landlord's reasonable satisfaction.

10.2 Yielding up in good repair

At the expiration or earlier determination of the Term, the Tenant shall quietly yield up the Premises to the Landlord in good and substantial repair and condition and in accordance with the covenants by the Tenant contained in this Lease.

11. COMPLIANCE WITH NOTICES

11.1 Tenant to remedy breaches of covenant

Whenever the Landlord shall give written notice to the Tenant of any defects, wants of repair or breaches of covenant, the Tenant shall, within sixty (60) days of such notice, or sooner if requisite, make good such defects or wants of repair and remedy the breach of covenant to the reasonable satisfaction of the Landlord.

11.2 Failure of Tenant to repair

If the Tenant shall fail within fifteen (15) Working days of such notice, or as soon as reasonably possible in the case of emergency, to commence and then diligently and expeditiously to continue to comply with such notice, the Landlord may enter the Premises and carry out, or cause to be carried out, any of the works referred to in such notice and all costs and expenses incurred as a result shall be paid by the Tenant to the Landlord on demand and, in default of payment, shall be recoverable as rent in arrear.

12. ALTERATIONS

12.1 No structural alterations

The Tenant shall not:-

- 12.1.1 erect any new building or new structure on the Premises;
- 12.1.2 alter or change the height, elevation or external design or appearance of the Premises;
- 12.1.3 merge the Premises with any Adjoining Property;
- 12.1.4 alter, cut into or remove any of the principal or load-bearing walls, floors, beams or columns of the Premises; or
- 12.1.5 make any other alteration or addition of a structural nature to the Premises.

12.2 No alterations to landlord's fixtures

The Tenant shall not make any alteration or addition to any of the landlord's fixtures or to any of the Conduits in the Premises without the prior written consent of the Landlord.

12.3 Non-structural alterations

The Tenant shall not make any alteration or addition of a non-structural nature to the Premises without the prior written consent of the Landlord.

12.4 Demountable partitioning

The Tenant shall not install, alter or remove demountable partitioning in the Premises without the prior written consent of the Landlord (such consent not to be unreasonably withheld).

12.5 Covenants by Tenant

The Tenant shall enter into such covenants as the Landlord may require regarding the execution of any works to which the Landlord consents under this clause, and the reinstatement of the Premises at the end or earlier determination of the Term.

13. SIGNS, ADVERTISEMENTS AND PRESS RELEASES

13.1 The Tenant shall within 30 days of signature of this lease, erect on the exterior of the Premises a sign indicating the name of the Tenant. The sign shall be in accordance with the Landlord's specifications.

13.2 The Tenant shall not erect or display on the exterior of the Premises or in the windows of them so as to be visible from the exterior, any advertisement, poster, notice, pole, flag, aerial, satellite dish or any other sign or thing, without the prior written approval of the Landlord to the size, style and position and the materials to be used, such approval not to be unreasonably withheld.

13.3 The Tenant shall submit a draft and obtain from the landlord prior written approval, which shall not be unreasonably withheld, for any press releases or media coverage related to any Projector development in the Free Zone.

**SECTION 5
USE**

14. USE OF PREMISES

14.1 Permitted use

The Tenant shall not use the Premises or any part of them except for the Permitted Use which shall be confined to the interior parts of the Shops. Outside shall not be used for any purpose other than for parking light duty vehicles. It shall be the duty of the Tenant to keep the Premises as well as all areas outside the Premises in a clean condition on a daily basis.

14.2 Tenant not to leave Premises unoccupied

The Tenant shall not leave the Premises continuously unoccupied for more than thirty (30) days without notifying the Landlord. In the event of such non-occupation the landlord shall have the right to enter the premises, after notice and in the absence of response to such notice, vacate the Premises, remove and dispose off any items inside and re-lease the Premises to any other Tenant and charge the Tenant for the expenses the landlord has incurred. The Tenant specifically absolves the Landlord from any actions or claims including court cases related to such events.

14.3 Details of keyholders

The Tenant shall ensure that, at all times, the Landlord has particulars of the name, home address and home telephone number of at least two keyholders of the Premises.

14.4 Keys to be given to Landlord

The Tenant shall provide the Landlord with a set of keys to the Premises to enable the Landlord or its agents and others authorised by the Landlord to enter the Premises for security purposes or in cases of emergency.

15. USE RESTRICTIONS

The Tenant shall perform and observe the obligations set out in **Schedule 2**.

16. EXCLUSION OF WARRANTY AS TO USER

16.1 No warranty by Landlord

Nothing contained in this Lease, or in any consent or approval granted by the Landlord under this Lease, shall imply or warrant that the Premises may be used for the purpose permitted by this Lease or any purpose subsequently permitted.

**SECTION 6
DISPOSALS**

17. ASSIGNMENT AND UNDERLETTING

17.1 The Tenant shall not assign, charge, underlet or part with possession or share the occupation of, or permit any person to occupy, or create any trust in respect of the Tenant's interest in, the whole or any part of the Premises.

**SECTION 7 LEGAL
REQUIREMENTS**

18. STATUTORY REQUIREMENTS

Tenant to comply with statutes

The Tenant shall, at its expense, comply in all respects with all laws, decrees, regulations and orders, whether governmental, municipal, local or otherwise from time to time in force, now in force or which may, after the date of this Lease, be in force relating to the Premises or the business being carried on from time to time at the Premises and shall indemnify the Landlord on demand against all actions, proceedings, claims, demands, losses, expenses, damages and liability whatsoever in respect of any non-compliance.

18.2 Tenant to execute necessary works

The Tenant shall execute all works and provide and maintain all arrangements on or in respect of the Premises or their use which are required by any law now in force or which may after the date of this Lease be in force or by any government department, local, public or other competent authority or court of competent jurisdiction acting under or in pursuance of any statute, whether any of the same are required to be carried out by the landlord, tenant or occupier, and shall indemnify the Landlord against all costs, charges, fees and expenses of, or incidental to, the execution of any works or the provision or maintenance of any arrangements so required.

18.3 Tenant to refrain from certain acts

The Tenant shall not do, or omit to be done, in or near the Premises, any act or thing by reason of which the Landlord may, under any law, incur or have imposed upon it, or become liable to pay, any damages, compensation, costs, charges, expenses or penalty.

19. COMPLIANCE WITH FREE ZONE RULES AND REGULATIONS

19.1 Tenant's obligation to comply

The Tenant shall comply in all respects with the Planning Regulations and shall indemnify the Landlord on demand against all actions, proceedings, claims, demands, losses, costs, expenses, damages and liability whatsoever in respect of any non-compliance.

19.2 Tenant to carry out works before end of Term

Unless the Landlord shall otherwise direct in writing, the Tenant shall carry out and complete before the expiration or earlier determination of the Term any Works begun upon the Premises.

19.3 Plans etc. to be produced

The Tenant shall produce to the Landlord on demand all plans, documents and other evidence as the Landlord may reasonably require in order to satisfy itself that this clause has been complied with.

19.4 Planning conditions

Where a Works Permit for Works has been granted subject to conditions, the Landlord shall be entitled, where it is reasonable to do so, to require the Tenant to provide security for compliance with such conditions, and the Tenant shall not commence the Works until security shall have been provided to the reasonable satisfaction of the Landlord.

19.5 Environmental Regulations

The Tenant shall comply in all respects with the Environmental Regulations including particularly those related to UAE Federal Law No. (24) of 1999 for the Protection and Development of the Environment and the rules, regulations and guidelines issued thereunder by UAE Environmental Agency and shall indemnify the Landlord on demand against all actions, proceedings, claims, demands, losses, costs, expenses, damages and liability whatsoever in respect of any non-compliance.

19.6 General Compliance

The Tenant shall comply in all respects with all Implementing Rules and Regulations issued by HFZ Authority (as amended from time to time) and all Free Zone Circulars issued pursuant thereto and shall indemnify the Landlord on demand against all actions, proceedings, claims, demands, losses, costs, expenses, damages and liability whatsoever in respect of any non-compliance.

19.7 Compliance with Licence

The Tenant shall obtain and pay for during each year of the Term a Licence and all other approvals and consents necessary to operate in the Free Zone. The Tenant shall comply in all respects with the terms of the licences held by the Tenant and shall indemnify the Landlord on demand against all actions, proceedings, claims, demands, losses, costs, expenses, damages and liability whatsoever in respect of any non compliance.

20. LEGAL NOTICES

The Tenant shall:-

20.1 within five (5) Working Days (or sooner if necessary having regard to the requirements of the notice or order in question or the time limits stated in it) of receipt of any notice or order or proposal for a notice or order given to the Tenant and relevant to the Premises or any occupier of them by any government department, local, public or other competent authority or court of competent jurisdiction, provide the Landlord with a true copy of it and any further particulars required by the Landlord;

20.2 without delay, take all necessary steps to comply with the notice or order so far as the same is the responsibility of the Tenant; and

20.3 at the request of the Landlord but at the cost of the Tenant, make or join with the Landlord in making such objection, complaint, representation or appeal against or in respect of any such notice, order or proposal as the Landlord shall deem expedient.

21. FIRE PRECAUTIONS AND EQUIPMENT

21.1 Compliance with requirements

The Tenant shall comply with the requirements and recommendations of the insurers of the Premises and the requirements of the Landlord in relation to fire precautions affecting the Premises.

21.2 Fire fighting appliances to be supplied

The Tenant shall keep the Premises equipped with such fire fighting appliances as shall be required by any law, or the insurers of the Premises, or as shall be required by the Landlord (or, at the Landlord's option, the Tenant shall pay to the Landlord on demand the cost of providing and installing any such appliances) and the Tenant shall keep such appliances open to inspection and maintained to the reasonable satisfaction of the Landlord.

21.3 Access to be kept clear

The Tenant shall not obstruct the access to, or means of working, any fire fighting appliances or the means of escape from the Premises in case of fire or other emergency.

22. DEFECTIVE PREMISES

Immediately upon becoming aware of the same, the Tenant shall give written notice to the Landlord of any defect in the Premises and shall display and maintain in the Premises all notices which the Landlord may, from time to time, reasonably require to be displayed in relation to any such matters.

SECTION 8 INSURANCE

23. INSURANCE PROVISIONS

Landlord to insure

The Landlord shall insure and keep insured with a UAE registered insurance company, subject to such exclusions, excesses, limitations, terms and conditions as may be contained in any policy taken out by the Landlord:-

23.1.1 the Premises [(other than plate glass)] in their Full Reinstatement Cost against loss or damage by the Insured Risks;

23.1.2 explosion of any engineering and electrical plant and machinery to the extent that the same is not covered by clause 23.1.1;

23.1.3 property owner's liability and such other insurances as the Landlord may, from time to time, deem necessary to effect.

23.2 Full Reinstatement Cost

In this clause, "**Full Reinstatement Cost**" means the full cost of reinstating the Premises at the time when such reinstatement is likely to take place, having regard to any possible increases in building costs, and including the cost of demolition, shoring up, site clearance, ancillary expenses and architects', surveyors' and other professional fees and any necessary.

23.3 Landlord's fixtures

The Tenant shall notify the Landlord in writing of the full reinstatement cost of any fixtures and fittings installed at any time by the Tenant and which may become landlord's fixtures and fittings for the purpose of enabling the Landlord to effect adequate insurance cover for them.

23.4 Insurance valuations

The Tenant shall pay on demand the costs from time to time of any insurance valuations carried out by the Landlord in respect of the Premises at such periods as the Landlord may reasonably consider appropriate.

23.5 Damage to the Premises

If the Premises or any part of them shall be damaged or destroyed by any of the Insured Risks then:-

23.5.1 unless payment of the insurance moneys shall be refused wholly or partly by reason of any act or default of the Tenant, of any part of the Premises or any of their respective agents, licensees, visitors or contractors or any person under the control of any of them; and

23.5.2 subject to any necessary labour and materials being and remaining available, which the Landlord shall use reasonable endeavours to obtain as soon as practicable

the Landlord shall (subject to clause 23.7) lay out the net proceeds of such insurance received by the Landlord in respect of such damage, (other than any in respect of loss of rent), in the reinstatement and rebuilding of the part of the Premises so damaged or destroyed substantially as it was prior to any such damage or destruction (but not so as to provide accommodation identical in layout if it would not be reasonably practical to do so).

23.6 Option to determine

If, the Premises shall be so damaged or destroyed by any of the Insured Risks as to render them substantially unfit for use and occupation or inaccessible, and if the Landlord does not wish to reinstate or rebuild them, then the Landlord may determine this Lease by giving to the Tenant not less than 1 months' written notice to be given at any time within 1 month after such damage or destruction but such determination shall be without prejudice to any claim which the Landlord may have against the Tenant or which the Tenant may have against the Landlord for any previous breach of covenant or sum previously accrued due. If this Lease shall be so determined, the Landlord shall not be required to lay out any of the insurance moneys which shall belong solely to the Landlord.

23.7 Where reinstatement is prevented

If, for any reason whatsoever, the Landlord is prevented from reinstating or rebuilding the Premises, the Landlord shall thereupon be released from such obligation and shall be solely entitled to all the insurance moneys. Unless this Lease has been terminated by frustration in the meantime, the Landlord may determine this Lease by giving written notice to the Tenant but such determination shall be without prejudice to any claim which the Landlord may have against the Tenant for any previous breach of covenant or sum previously accrued due.

23.8 Payment of insurance money refused

If payment of any insurance money is refused as a result of some act or default of the Tenant, of any part of the Premises or any of their respective agents, licensees, visitors or contractors or any person under the control of any of them, the Tenant shall pay to the Landlord, on written demand, the amount so refused with interest on that amount at the Prescribed Rate from and including the date of such refusal to the date of payment by the Tenant.

23.9 Plate glass insurance

The Tenant shall:-

23.9.1 insure and keep insured, in the joint names of the Landlord and the Tenant, any plate glass in the Premises against breakage for a sum which is not less than the full replacement value of it for the time being with such insurance company or with such underwriters and through such agency as may, from time to time, be approved by the Landlord;

23.9.2 pay any premium necessary for that purpose and, whenever reasonably required by the Landlord, produce the policy of insurance and the receipt for the current year's premium; and

23.9.3 lay out any money received from such insurance, and such other money as may be necessary, in reinstating the plate glass with glass of the same quality and thickness.

23.10 Benefit of other insurances

If the Tenant shall become entitled to the benefit of any insurance covering any part of the Premises which is not effected or maintained in pursuance of the obligations contained in this Lease, the Tenant shall apply any money received from such insurance (in so far as it extends) in making good the loss or damage in respect of which it shall have been received.

23.11 Insurance becoming void

The Tenant shall not do, or omit to do:-

23.11.1 anything which could cause any policy of insurance covering the Premises or any Adjoining

Property owned by the Landlord to become wholly or partly void or voidable; or

23.11.2 anything whereby any abnormal or loaded premium may become payable in respect of the

policy, unless the Tenant has previously notified the Landlord and agreed to pay the increased premium

and, in any event, the Tenant shall pay to the Landlord on written demand all expenses incurred by the Landlord in renewing any such policy.

23.12 Requirements of insurers

The Tenant shall, at all times, comply with any requirements and recommendations of the insurers of the Premises so far as the same are known by the Tenant.

23.13 Notice by Tenant

The Tenant shall give notice to the Landlord immediately on the happening of any event or thing which might affect any insurance policy relating to the Premises.

**SECTION 9
DEFAULT OF TENANT AND RIGHTS OF RE-ENTRY**

24. DEFAULT OF TENANT

24.1 Re-entry

Without prejudice to any other right, remedy or power contained in this Lease or otherwise available to the Landlord, on or at any time after the happening of any of the events mentioned in clause 24.2, the Landlord may re-enter the Premises or any part of them in the name of the whole, and the Term shall then end, but without prejudice to any claim which the Landlord may have against the Tenant for any previous breach of covenant or sum previously accrued due.

24.2 Events of default

The events referred to in clause 24.1 are the following:-

24.2.1 if the Rents or any part of them shall be unpaid for ten (10) Working Days after becoming payable (whether formally demanded or not); or

24.2.2 if any of the covenants by the Tenant contained in this Lease shall not be performed and observed; or

24.2.3 if the Tenant, for the time being, and/or the Guarantor (if any) (being a body corporate):-

- (a) calls, or a nominee on its behalf calls, a meeting of any of its creditors; or
- (b) shall enter into liquidation whether compulsory or voluntarily; or
- (c) takes any steps to wind itself up; or
- (d) shall cease for any reason to maintain its corporate

existence.

24.2.4 if the Tenant, for the time being, being an individual shall become bankrupt or make any arrangement or composition with his creditors; or

24.2.5 if analogous proceedings or events to those referred to in this clause shall be instituted or occur in relation to the Tenant, for the time being; or

24.2.6 if the Tenant, for the time being, suffers any distress or execution to be levied on the Premises which is not discharged in full within twenty one (21) days after the levy has been made; or becomes unable to pay its debts as and when they fall due; or

24.2.7 if the Tenant, for the time being, is in breach of clause 18 or clause 19 of this Lease.

24.2.8 If the Tenant fails to use the Premises for the licenced activity for more than a month, allows any other activity, permits anyone else to occupy the premises or sub-lease without written permission of the Landlord or he uses the area outside the Shop for any activity other than parking of light duty vehicles belonging to him.

**SECTION 10
MISCELLANEOUS**

25. QUIET ENJOYMENT

The Landlord covenants with the Tenant that the Tenant, paying the Rents and performing and observing the covenants on the part of the Tenant contained in this Lease, shall and may peaceably hold and enjoy the Premises during the Term without any interruption by the Landlord or any person lawfully claiming through, under, or in trust for it.

26. EXCLUSION OF IMPLIED COVENANTS BY LANDLORD

Any covenants on the part of the Landlord which would otherwise be implied by law are hereby expressly excluded.

27. RELETTING NOTICES

The Tenant shall permit the Landlord, at all reasonable times during the last six (6) months of the Term, to enter the Premises and affix and retain, without interference, on any suitable parts of them (but not so as materially to affect the access of light or air to the Premises) notices for reletting them and the Tenant shall not remove or obscure such notices and shall permit all persons with the written authority of the Landlord to view the Premises at all reasonable hours in the daytime, upon prior appointment having been made.

28. SECURITY

The Tenant shall strictly observe and abide by and use its best endeavours to ensure that employees of the Tenant and visitors to the Premises strictly observe and abide by the rules and regulations from time to time laid down by the landlord for the security of the Free Zone and all applicable traffic and safety regulations.

29. DISCLOSURE OF INFORMATION

Upon making any application or request in connection with the Premises or this Lease, or upon written request by the Landlord from time to time, the Tenant shall disclose to the Landlord such information as the Landlord may reasonably require and, whenever the Landlord shall reasonably request, the Tenant shall supply full particulars of all occupations and derivative interests in the Premises, however remote or inferior.

30. INDEMNITY

The Tenant shall keep the Landlord fully indemnified from and against all actions, proceedings, claims, demands, losses, costs, expenses, damages and liability arising in any way directly or indirectly out of:-

30.1 any act, omission, neglect or default of the Tenant or any persons in the Premises expressly or impliedly with the Tenant's authority; or

30.2 any breach of any covenant by the Tenant contained in this Lease.

31. REPRESENTATIONS

The Tenant acknowledges that this Lease has not been entered into in reliance, wholly or partly, on any statement or representation made by, or on behalf of, the Landlord, except any such statement or representation that is expressly set out in this Lease.

32. EFFECT OF WAIVER

Each covenant by the Tenant shall remain in full force even though the Landlord may have waived or released it temporarily or waived or released (temporarily or permanently, revocably or irrevocably) a similar covenant affecting other property belonging to the Landlord.

33. NOTICES

All correspondence shall be sent to the parties at the address or such addresses as may be notified by the parties:

Any such notice, communication or demand given shall be deemed to have been received at the time of confirmed delivery

34. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws in force from time to time in the Emirate of Sharjah.

SCHEDULE 1: EXCEPTIONS AND RESERVATIONS

1. There are excepted and reserved to the Landlord and the tenants and occupiers of any Adjoining Property and all other persons authorised by the Landlord or having similar rights:-
 - 1.1 the right to the passage and running of the Utilities through any relevant Conduits which are now, or may at any time be in, under, or over the Premises;
 - 1.2 the right to enter the Premises in order to:-
 - 1.2.1 inspect, clean, maintain, repair, connect, remove, lay, renew, relay, replace, alter or execute any works whatsoever to, or in connection with, any of the Conduits or any other services;
 - 1.2.2 execute repairs, decorations, alterations or any other works, and to make installations to, any Adjoining Property; or
 - 1.2.3 do anything which the Landlord may do under this Lease.
 - 1.3 the right to erect scaffolding for the purpose of repairing or cleaning any building now, or after the date of this Lease, erected on any Adjoining Property, or in connection with the exercise of any of the rights mentioned in this Schedule even though such scaffolding may temporarily restrict the access to, or enjoyment or use of, the Premises;
 - 1.4 any rights of light, air, support, protection and shelter or other easements and rights now, or after the date of this Lease, belonging to, or enjoyed by, any Adjoining Property;
 - 1.5 full right and liberty at any time after the date of this Lease to raise the height of, or make any alterations or additions or execute any other works to, any buildings on any Adjoining Property, or to erect any new buildings of any height on any Adjoining Property in such manner as the Landlord or the person exercising the right shall think fit and even though they may obstruct, affect or interfere with the amenity of, or access to, the Premises or the passage of light and air to the Premises, but not so that the Tenant's use and occupation of them is materially affected;
 - 1.6 the right:-
 - 1.6.1 to build on to or into any boundary or party wall of the Premises;
 - 1.6.2 after giving not less than seven (7) days' written notice, to enter the Premises to place and lay in, under or on them such footings for any intended party structure or party wall with such foundations for it as the Landlord may reasonably think necessary;
 - 1.6.3 for that purpose, to excavate the Premises along the line of the junction between the Premises and any Adjoining Property; and
 - 1.6.4 to keep and maintain those footings and foundations.

SCHEDULE 2: USE RESTRICTIONS

1. Dangerous materials and use of machinery

The Tenant shall not:-

1.1 keep in the Premises any article or thing which is or may become combustible, dangerous, explosive, inflammable, offensive or radio-active, or which might increase the risk of fire explosion;

1.2 keep or operate in the Premises any machinery which is unduly noisy or causes vibration, or which is likely to disturb any owner or occupier of any Adjoining Property.

2. Overloading floors and services

The Tenant shall not:-

2.1 overload the floors of the Premises nor suspend any excessive weight from any ceiling, roof, stanchion, structure or wall of them nor overload any Utility in or serving them;

2.2 do anything which may subject the Premises to any strain beyond that which they are designed to bear (with due margin for safety), and shall pay to the Landlord, on written demand, any expense reasonably incurred by the Landlord in obtaining the opinion of a qualified structural engineer as to whether the structure of the Premises is being, or is about to be, overloaded;

2.3 exceed the weight limits prescribed for any lift in the Premises.

3. Discharge into Conduits

The Tenant shall not discharge into any Conduit any oil or grease or any noxious or deleterious effluent or substance which may cause an obstruction or might be or become a source of danger, or which might damage any Conduit or the drainage system of the Premises or any Adjoining Property or which in the Landlord's opinion is detrimental to the use and development of the Free Zone.

4. Disposal of refuse

The Tenant shall not deposit on any part of the Premises any refuse, rubbish or trade empties of any kind other than in proper receptacles, and shall not burn any refuse or rubbish on the Premises. The Tenant shall ensure that all waste of whatsoever nature is treated prior to disposal in a manner approved by the Landlord. The Tenant shall keep the Premises free from pollution of any kind.

5. Obstruction of common areas

The Tenant shall not do anything as a result of which any forecourt, path, road or other area over which the Tenant may have rights of access or use may be damaged, or their fair use by others may be obstructed in any way and shall not park any vehicle on any road or open area forming part of the Premises other than in any approved parking area.

6. Prohibited uses

The Tenant shall not use the Premises for any public or political meeting, or public exhibition or public entertainment, show or spectacle; or for any dangerous, noisy, noxious or offensive business, occupation or trade; or for any illegal or immoral purpose; or for residential or sleeping purposes; or for betting, gambling, gaming or wagering; or as a betting office; or as a club; or for the sale of any beer, wines or spirits; or for any auction.

7. Nuisance

The Tenant shall not:-

7.1 do anything in the Premises which may be or become a nuisance, or which may cause annoyance, damage, disturbance or inconvenience to, the Landlord or any owner or occupier of any Adjoining Property, or which may be injurious to amenity, character, tone or value of the Premises;

7.2 play any musical instrument, or use any loudspeaker, radio, tape recorder, record or compact disc player or similar apparatus in such a manner as to be audible outside the Premises;

7.3 place outside any building on the Premises or expose from any windows of them any articles, goods or things of any kind.