

Lands Lease Contract for Financing as Build-operate-transfer (B.O.T) in order to construct Centers for rendering Services (Bank, Laboratory & Service)

The following contract has been concluded on the basis of enactment of meeting No. dated by the Board of Directors of Ports and Shipment Organization between ... province General Directorate of Ports and Shipment represented by Mr. hereinafter called lessor on the one hand and Company registered under No. in Registry of Companies managed by Mr. , managing director of the company, hereinafter called lessee on the other hand under the following conditions and the parties shall comply with its provisions. Articles of Association of the company is attached to the contract under appendix No. 1.

Article 1: Subject of the Contract

Subject of the contract includes lease of a piece of land with area of Sq. meter belonging to lessor located in specified in sketch under appendix No. 2 with dimensions and specifications determined therein and with regard to equipment, facilities, installations and routes of access and cases inserted in the minutes for delivery of land to the lessee in order to construct centers for rendering services (bank, laboratory and service) (according to appendix No. 3)

Note: the minimum price of financing for performing obligations of Rls. is based on plan under appendix No. 4.

Article 2: Term of the Contract

Term of the contract is solar ... year/s since date of drawing up the minutes for delivery of the contract subject by the lessor to the lessee which will be signed by the parties (appendix 5).

- 1- ... year/s will be term of construction (presentation of plan, receiving confirmation letter for plan and construction by the lessee)
- 2- ... year/s will be term of exploitation.

Note 1: In case that the subject of the contract is not executed completely according to appendix No. 3: Term of exploitation will be adjusted in proportion to the executed part based on the basis of view of the following formula. In addition, the contract will be extendible according to consent of the parties and on the basis of new conditions of the contract after expiry of the contract.

$$\text{Term of exploitation (adjusted)} = \frac{\text{term of exploitation} * \text{investment}}{\text{amount of financing based on plan subject of note of article 1}}$$

Note 2: Lands in which financing has not been made shall be returned at the request of the lessor.

Note 3: In the event that land has not been delivered for any reason within 3 months of contract signature, lessee can take action regarding demand for termination of the contract and lessor is obliged to pay the incurred expenses (consulting and study) by the lessee according to the proven documents and view of official expert to the judiciary and release all bonds of the lessee at most within day/s.

Note 4: In case the lessee doesn't take action regarding taking delivery of land one month after conclusion of the contract, the lessor can take action regarding cancelation of the contract and confiscation of the related bonds without observing any formalities.

Article 3: Price of the Contract

1- The lessee shall pay the price mentioned in attached table 7 as monthly rental of the transferred land since date of exploitation.

Note 1: For construction terms (period inserted in paragraph 1 of article 2), rental will be equivalent to 5% of rental of the first year of exploitation. It is evident that construction terms inserted in paragraph 1 of article 2 of this contract will not change at all (unless delay of construction is confined finally by the lessor due to action or the lessor and out of the lessee's control. Council of Deputies and Legal Affairs of the port are responsible for at discretion of this issue). It is evident that the above price will not accrue to delays of construction periods resulting from action of the lessor.

Note 2: In case that the lessee doesn't take action regarding completion of construction operations at due date, rental of the lands will be received since expiry of the due date completely and according to exploitation period (construction term and reasonable delays predicted in paragraph 3 of article 4).

Note 3: At the end of each contractual year, rental of 5% will increase in proportion to the previous year. The first increase will be since end of the first year of exploitation.

Note 4: Contracting price is reviewed every by mutually agree expert every ... year/s. first review is at the end of --- year of the contract.

2- Lessee shall deliver 12 dated checks with the equal prices for each monthly rental. Lessor will take action regarding collection of a check through banking system every month.

Note: In case of lack of sufficient balance in account of the lessee and delay in collection of rental, collateral will be received from the lessee on the basis of attached table 6.

3- The lessee shall take action regarding renewal and issuance of 12 checks for rental with regard to note 3 of paragraph 1 of article 3 at the end of each contractual year.

4- All taxes and legal deductions resulting from exploitation and income obtained from the performed activities shall be paid by the lessee and he shall present the related accounts statements.

Article 4-Commitments of the Parties:

- 1- The lessee uses the leased land only according to article 1 and is not entitled to transfer whole or part of the contract subject without written agreement of the lessor.
- 2- Within month/s after delivery of land, the lessee will take action regarding preparation of installations and buildings plans by the consulting engineers qualified by State Management and Planning Organization and give them to the lessor for final approval and the lessor shall notify the lessee in writing any change, otherwise, plans will be deemed to have been approved. The lessee shall take action regarding amendment of plans and its presentation to the lessor within 1 month.
- 3- The lessee shall take action regarding commencement of the executive operations within month/s of receiving the confirmed plans according to enacted plans of the lessor at most within ... month/s after construction operations. In case of delay in construction term by % in completion of executive operations and commencement of exploitation the lessor will be entitled to take action regarding cancelation of the contract.

Note: The lessee shall obtain all required licenses on the basis of its type and discretion of the lessor before or after conclusion of the contract regarding construction of the installations and exploitation of the lessee object from the concerned organizations.

- 4- Lessee shall prepare land under the contract at his own expenses and according to the plans enacted by Port Department and separate it from other plots and exploit it at discretion of the lessor by fencing or walling according to the enacted plan.
- 5- The lessee shall take action regarding preparation of As Built plans which has been confirmed by the consulting engineer and representative of the lessor at the end of each land preparation and construction of installations and deliver one copy to the lessor.
- 6- The lessee shall comply with all governing laws and regulates in ports such as public, port, environmental, customs, safety, firefighting, labor, social security, tax, security laws and regulations of the country and the like.
- 7- The lessee shall execute orders of the lessor regarding safety, firefighting and environmental protection issues and shall observe safety notes according to instruction notified by the lessor in his workplace. The lessee shall compensate for all incurred damages resulting from failure to execute this paragraph.
- 8- Lessee shall insure his liability against the organization and third parties.
- 9- The lessee shall perform all necessary actions for maintaining, repairing and renovating the lands and installations which have been transferred or newly constructed during term of the contract at his own expenses. The lessee is obliged to present the necessary reports and documents in this

regard to the lessor while assuring quality of the performed actions on the basis of the related standards.

10- Execution of the contract subject shall not disturb current operations of port, quays, sites and stores and their access routes in the port.

11- Lessee shall take action regarding compensating for the incurred damage at discretion of the lessor (port accidents commission) in case of damage on installations and equipments belonging to the lessor and goods or ship and other natural persons and legal entities present in the port resulting from act of the lessee or his supervised personnel. In case of failure to pay the incurred damages, the lessor will deduce the incurred damage out of the lessee's bond.

Note: In case that the lessee objects, the problem shall be followed by the dispute settlement commission.

12- The lessee shall pay consumable charges of water, electricity, telephone and any expansion or distribution of the said mains and other similar expenses and the lessor has no responsibility in this regard.

13- Transportation of the personnel, equipments and vehicles of the lessee to the port site shall be based on all safety notes and regulations and subject to executive regulations and rules of the port and the lessor shall cooperate with the lessee by observing regulations and all aspects in this regard.

14- The persons whom the lessee employs for performing subject of the contract shall have experience and specialty relating to subject of activity and confirmed by the lessor and are personnel of the lessee and the lessee shall observe all insurance and social security laws and shall be responsible to all of his personnel during term of the contract or after cancelation and termination of the contract. The lessor has no responsibility to the said personnel.

15- The lessee shall protect the transferred zone and shall coordinate with Ports Guards and Security Department in this regard. In any way, the lessor is not responsible for damage resulting from robbery in the related site.

16- The lessee shall deliver all immovable buildings and the installed structures which are possessed by the organization by calculating the reasonable amortization (at discretion of the lessor's expert).

17- In case it is necessary that the lessor occupy and interfere in land under the contract without damaging its final use or exploitation by the lessee, the lessee shall provide the lessor with necessary facilities such as passage of installations pipes or electricity cable.

Note: In case of interference of the lessor in the land under the contract causes damage and loss for the lessee, the lessor will take action regarding payment of damages resulting from interference according to view of the official expert to the Justice Administration after

presentation of the port civil engineering unit's report and confirmation of the subject in Council of Port and final confirmation by the committee comprising of representatives of financial affairs department general, legal office and Special Zone General Directorate of the organization.

- 18- The lessee shall use and operate mechanized software and hardware system notified by the lessor in order to perform operations under the contract. Software, hardware and manpower procurement cost shall be paid by the lessee. In addition, the lessee shall provide the opportunities for the lessor to access this software.
- 19- The lessor shall procure all infrastructural equipments such as access route, electricity, water, and wastewater and telephone lines.
- 20- The lessee shall comply with all rules and regulations of special economic zones and all manual and procedures related to entry and exit of goods to/from special economic zone of Shahid Rajaei Port for performing subject of the contract.
- 21- Since financing contract is as B.O.T, the lessee shall notify the lessor of completion of construction stages (after completion of each phase that is constructed based on phase classification) so that the lessor take action regarding issuance of exploitation license after separation of buildings by a committee comprising representatives of financial and administrative units (port properties), civil and engineering unit and the lessee and drawing up the related minutes in compliance with provisions of the contract.
- 22- The lessee shall be responsible for managing and organizing all affairs related to the site of subject of contract including management, planning, repairs and maintenance of infrastructures and superstructures, safety equipments and installations, security, health and protection of environment, management of human resources and related affairs at lessee's expense and he is fully empowered to perform his duties in compliance with this contract according to the related rules and regulations. The lessee shall promote and update his services and facilities through application of modern technical knowledge, use of qualified and competent manpower, planning and implementation of necessary training, use of modern software and hardware and updating them, efficient management, establishment of customer-oriented system and modern management techniques.
- 23- The lessee is entitled to investigate within provisions of this contract, but investigation shall not result in stoppage and disruption of current operation of the lessee.
- 24- The lessee shall regularly provide statistical reports from his operational activity according to the format agreed by the lessor and send them to the lessor. Also, if the lessor needs case reports, the lessee shall prepare them at appropriate time appointed by the lessor.
- 25- With regard to the strategy of the port in protection and maintenance of the ports as Green port, observance of health and environmental issues as one of the most important indices and

standards of the port for rendering services. Therefore, the lessee's activities shall be in Environmental friendly form and the performing any activity that causes environmental pollution (such as water pollution, air pollution, soil pollution, etc.) is forbidden.

Article 5- Dispute Settlement

In case of any dispute resulting from execution and interpretation of the contract articles, the parties will try to settle the dispute amicably and in case of disagreement on this subject, the subject will be referred to Dispute Settlement Commission including representative of the lessor, representative of the lessee, mutually agreed expert and in case that the dispute is not settled, it will be referred to legal authorities. It is evident that the parties shall comply with provisions of the contract in this regard.

Article 6- Good Performance Bond

The lessee shall take action regarding submission of the bonds to lessor as follows:

- 1- A bank surety bond equivalent to yearly rental (according to article 3 of the contract without considering note 1 of paragraph 1 of article 3)
- 2- A check valued at Rls. for fulfillment of contract obligations
- 3- Check or promissory note or bank surety bond valued at Rls. at discretion of the lessor as guarantee for financing that is paid back to the lessee after completion of construction.

Note 1: The lessee shall increase the bond price up to the primary determined rate within 15 days in case the lessor withdraws any amount of money from his bond due to his debts or compensation for damage.

Note 2: The said bond will be returned to the lessee after termination of the contract and drawing up and signature of the land and installations delivery minutes to the lessor and presentation of the required accounts settlement from tax authorities and social security authorities.

Note 3: The lessee shall take action regarding increase of good performance bond of the contract at the end of each contractual year with regard to note 3 of paragraph 1 of article 3.

Article 7: Force Majeure

In case of force majeure (war, epidemics, earthquake, flood and unordinary overflows and unexpected droughts as well as widespread fires not resulting from act of lessee) which are temporary, the contract is prolonged equal to term of suspension. The parties are exempted from fulfillment of contract obligations (such as payment of rental) during this term and they are not obliged to meet the obligations. If the emergency conditions are permanent, the contract will be canceled as of date of occurrence of force majeure events and the parties shall not be responsible against each other (e.g. payment of rental).

Manager of the port and legal affairs of the port are considered as authority for approval of temporary and permanent emergency conditions. In case of occurrence of temporary emergency conditions, duration of contract suspension is determined proportional to the time and status of contract by the said authorities.

Article 8- Conditions for Termination of the Contract

- 1- Written request of the lessee before termination of the contract and after confirmation of the lessor
- 2- Termination of the contract
- 3- Occurrence of force majeure events (as described in article 7)

Article 9: Executive Stages of Contract Termination

After execution of paragraphs 1, 2 and 3 of contract termination conditions or execution of national plans with invitation letter of the applicant for termination of the contract within one week, a session will be held in presence of the fully authorized representatives of the parties and representatives of the managing director of the organization and the following stages will be inserted in the minutes as contract termination minutes:

- 1- Determination of time for return of land and the constructed buildings to the lessor and drawing up minutes for return of land.
- 2- Determination of grace period for exit of the lessee and his movable equipments from the land (on the basis of list confirmed by the lessor).
- 3- Determination of grace period for estimating value of the immovable installations and buildings and the installed equipments by a committee comprising of 3 official experts to Justice Administration (the first by proxy of the lessor, the second by proxy of the lessee and the third agreed by the parties) at expense of the applicant for termination of the contract and force majeure conditions at expense of the parties.

Note: In case of objection to expert's assessment, the case is referred to the 5-person and 7-person committees of the experts.

- 4- Determination of share of the lessor and lessee regarding value of immovable installations and buildings and installed equipments with regard to the remaining term of the contract with use of the following relation.

$$\text{Share of the lessee} = \frac{\text{remaining term of the contract}}{\text{total term of the contract}} \times \text{estimation of the official expert to the justice administration}$$

Basis for calculation of the remaining term is date of land return to the lessor.

Note: In case of execution of the national projects in the land under the contract causes termination of the contract, value of the buildings and installations will be calculated to be 10% more than price

of the official expert to the justice administration and in case the lessee applies for termination, value of the buildings and installations will be calculated to be 10% less than price of the official expert to the justice administration.

5- Determining grace period for payment of the lessee's share.

6- Determining time of final account settlement and drawing up account settlement minutes.

7- Determining destination of the available goods.

8- Suspension term (only in case of occurrence of force majeure events)

Note: In case of termination of the contract according to paragraph 3 of article 8, only stages 1, 2, 6 and 7 will be included in contract termination minutes.

Article 10: Contract Cancellation Conditions

In case the contract is canceled due to one of the following conditions, the lessee shall pay collateral and compensate for the incurred damage:

1- Bankruptcy of the lessee (as confirmed by the official authorities of the country)

2- Stoppage of construction activities and exploitation for 6 consecutive months resulting from fault of the lessee.

3- Failure to observe standards and technical , safety and executive specifications under the contract and failure to bind the lessee to execute provisions of the contract after receiving notice from the lessor for two times with three-month grace periods and final confirmation letter of the aboard of directors of the organization.

4- Excluding lessee's activity because of annulment of the license, etc.

Article 11: Executive Stages of Contract Cancellation

After stipulating contract cancellation conditions, the lessor can take action regarding cancellation of the contract and a session will be held in presence of the fully authorized representatives of the parties and representative of the managing director of the organization and the following stages will be inserted in the minutes:

Absence of the lessee's representative doesn't cause to cancel the session or draw up the mites and the drawn up minutes will be binding for the parties.

1- Performing paragraphs 1 to 7 of executive stages of contract termination (Article 9) with exception of paragraph of note 4.

Note: In case of cancelation of the contract according to conditions inserted in article 10, value of the buildings and installations will be calculated to be 10% less than price of the official expert to the justice administration in execution of paragraph 4 of article 9 and determination of the lessee's share.

- 2- Determining grace period for estimation of damage incurred by committee comprising of representatives of the parties and representative of the organization's managing director.
- 3- Determining grace period for payment of the damages incurred to the lessor.
- 4- Determining time of bonds confiscation in case of failure to pay the damages.

Article 12: Supervisory System

Supervision on good performance bond of the lessee in the contract was delegated by the lessor to the following units and the lessee is obliged to comply with orders and guidelines of the supervisory system within the contract.

- A- Civil Engineering Unit for supervision on construction
- B- Financial & Administrative Unit supervising on manner of exploitation, execution of labor law, social security laws, work environment health guidelines, control and collection of lessor's income out of contract credit appropriation, registration of liable incomes and the other related cases
- C- Development & Research Unit supervising on implementation of software systems, computer network, statistics and the other related cases

Article 13: Key money and Business Fees

The exploiter acknowledged that he doesn't pay any fund as key money and business fees and or under any title and if the contract is canceled or terminated, he shall not have any claim such as key money, business fees, etc. about rental.

Article 14: Address of the Parties, Number of Copies and Appendices

- 1- Address of the parties is as follows:

A- Lessor :

Address:

Tel and fax:

B- Lessee :

Address:

Tel and fax:

- 2- Either party is obliged to notify another party of any change in the address in writing, otherwise, all correspondences and notices will be sent to the previous address and will be deemed to have been notified.

3- This contract includes 14 articles and 3 copies with the same validity and one copy will be held by the lessee and two copies will be held by the lessor.

4- Appendices of the contract include :

Appendix No. 1: Legal articles of association of the company with the latest changes

Appendix No. 2: Sketch of the transferred land with full specifications

Appendix No. 3: Technical and private conditions of the contract

Appendix No. 4: Technical plan of installations and constructions by mentioning amount of financing

Appendix No. 5: Minutes for delivery of land at the beginning of the contract by mentioning specifications of the installations

Appendix No. 6: Form of collateral calculation resulting from delay in payment by the lessee to the lessor.

Appendix No. 7: Rental table

All pages of this contract of which form has been approved with its appendices by the board of directors in meeting No. ... dated and sealed by the parties.

Representative of General Directorate of Ports and Shipment,
... Province

Representative of the Company