

This document has been prepared for the purposes of the **PPP IN INFRASTRUCTURE RESOURCE CENTER FOR CONTRACTS, LAWS AND REGULATIONS (PPIRC)** website. It is a sample document FOR REFERENCE PURPOSES ONLY and SHOULD NOT BE used as a "model". The inclusion of any legal materials on the PPIRC website does not mean that they are in any way approved, endorsed or recommended by the World Bank Group or its affiliates. Legal advice should be sought to determine whether a particular legal document is appropriate for any given project, and how the specific terms of the document should be adapted to fit the circumstances of that project

Land Lease Agreement

2003

Lease of Government Owned Land

LAND LEASE AGREEMENT
(Name of Site)

This Land Lease Agreement ("**Lease Agreement**") is executed this _____ day of _____, 200_, by and between:

Lessor: [], with principal place of business at [LOCATION], ("**Lessor**"); and

Lessee: _____, a limited liability company incorporated under the laws of [] and having its principal place of business at [LOCATION] ("**Lessee**").

WHEREAS Lessor has entered into a Power Purchase Agreement on _____ (the "**PPA**") with Lessee whereby Lessor grants to Lessee the right to build and operate a power plant on the date specified in the term of the PPA, and a copy of which is attached hereto as Annex A;

WHEREAS the Certificate of Title for the land covered by the Lease is attached as Annex B (the particular plot of land and production office is referred to in this Agreement as the "**Site**"); and

WHEREAS Lessor and Lessee wish to enter into this Lease Agreement for the lease of the Site for use by Lessee to build and operate a power plant and related activities pursuant to the PPA.

Lessor and Lessee hereby agree as follows:

1. **Site.** Lessor hereby agrees to lease to Lessee the Site upon the terms and conditions set forth in this Lease Agreement and the PPA.
2. **Purpose and Use.** Lessee is permitted to build operate and maintain a power plant in accordance with the PPA on the Site. Lessee is not permitted to utilize the Site for any other purpose.
3. **Term of Lease.** This Lease Agreement shall be for the same term as the PPA (the "**Initial Term**") or any extension thereof (the "**Additional Term**") agreed between the parties. This Lease Agreement shall terminate...
4. **Rent Payment.** Lessee agrees to pay Lessor, at Lessor's address set out above or at such other place as Lessor may designate in writing, rent for the Initial Term in the amount of [US\$] _____ (_____ [United States Dollars]) per month, payable monthly in advance. Rental for the Additional Term, if any, shall be

[US\$] _____ (_____ [United States Dollars]) per month, payable monthly in advance.

5. **Delivery of Exclusive Possession.** Lessor shall deliver exclusive and lawful possession of the entire Site to Lessee on or before the effective date of the PPA (“**Delivery Date**”).
6. **Conditions Precedent.** Prior to the Date of Delivery, Lessor shall satisfy the following conditions:
 - 6.1. The Ministry of Economy and Finance has provided any approval as set forth in the PPA or as required under applicable [country] law.
 - 6.2. Lessor has registered the Lease Agreement with the relevant land office as required under applicable [country] law.
 - 6.3. Lessor has confirmed by writing to the Lessee that the Site has been cleared of any occupants.
7. **Lessor's Warranties and Representations.**
 - 7.1. Lessor undertakes that Lessee shall lawfully, peacefully and freely hold, occupy, use, operate, and enjoy the Site in order to fulfill its obligations and exercise its rights under the PPA during the Initial Term and the Additional Term without disturbance, nuisance, or interference by Lessor, successors, assigns, agents, or creditors.

Lessor undertakes that no third party shall have a right or claim to the Site during the Initial Term and the Additional Term of the Lease Agreement.
 - 7.2. Lessor warrants and represents that it has obtained all approvals from the [government], the provincial/municipal authorities and all other applicable government agencies or bodies, needed for Lessee to lawfully enter into this Lease Agreement and to use the Site for the purposes described in Article 2 at all times during the Initial Term and the Additional Term.
 - 7.3. Lessor warrants and represents that it is the lawful and sole owner during the Initial Term and the Additional Term and that there are no encumbrances, mortgages, liens or security interests on the Site other than those created pursuant to this Agreement.
 - 7.4. Lessor warrants and represents that the Site will be free from any occupants as at the Delivery Date.
 - 7.5. Lessor warrants and represents that the Site is free from pollution, unexploded ordinances and environmental damage.
8. **Authorization to Build.** Lessee is hereby authorized by Lessor to carry out all construction works on the Site, in accordance with the PPA and [country] law. Lessee may renovate the leased structures, demolish the buildings on the Site and reconstruct others in order to carry out its obligations and exercise its rights under the PPA.
9. **Signs.** Lessee shall have the right to erect any sign related to its business on the condition that such signs comply with Cambodian law.

10. **Lessee Compliance with [country] Laws.** Without limiting the general requirements under [country] law, Lessee while using the Site shall ensure, during the Initial Term and the Additional Term the following:
 - 10.1. Compliance with the laws and regulations on hygiene.
 - 10.2. Compliance with the laws and regulations on environmental protection and security.
 - 10.3. Compliance with the laws and regulations on fire, explosion prevention and fire extinguishment.
11. **Lessee Undertakings**
 - 11.1. Lessee undertakes to maintain the Site in good condition at Lessee's own risks and expense and to keep all Lessee's belongings inside the Site at all time during the Initial Term and the Additional Term of this Lease.
 - 11.2. Lessee undertakes to procure and maintain insurance covering any damages occurring within the Site to third parties and its personal property from fire and other risks, or as required under applicable law or the PPA.
 - 11.3. Lessee undertakes that there will be no illegal or prohibited matters, objects, substances materials, products and/or the like allowed to operate, manufactured or held inside the Site.
 - 11.4. Lessee agrees that the rights under this Agreement shall not be transferred to any third party by any means without written approval from Lessor except as permitted under the PPA.
 - 11.5. Lessee shall return the Site to Lessor upon termination of the Agreement in good condition.
 - 11.6. In the event of termination of the Lease under Article 16 and 17 hereof, Lessee shall within **thirty (30) business days** following the termination date with which to remove all property and fixtures belonging to Lessee from the Site.
12. **Taxes.** Lessor agrees to be responsible for payment of any and all taxes or fees levied by applicable laws, or any organ or agency of the [government], arising from the lease of the Site, including the lease tax. Should Lessor fail to pay this lease tax and the Government holds Lessee responsible for paying such tax, Lessee shall have the right to deduct the amount of the tax from the next lease payment or payments. Lessee shall provide written notice to Lessor prior to making such deduction. Lessee agrees to be responsible for payment of any and all taxes arising from Lessee's operation of the power plant on the Site, such as sales or turnover tax.
13. **Lessor's Access to Site.** Lessor, Lessor's agents and employees shall have no right of entry onto the Site, except as provided by applicable laws or pursuant to the provision of the PPA, during the Initial Term and the Additional Term of the Lease Agreement Without prior written consent of Lessee.
14. **Property of Buildings Erected by Lessee.** Subject to the terms of the PPA, the erected buildings and all works and developments carried out by Lessee or its legal successors will remain the property of Lessee to the extent permitted by law, during the Initial Term, and during any extensions.

15. **Assignment.** Lessee shall have the right to conditionally assign or transfer the Site in whole or in part in accordance with the PPA without Lessor's consent. Lessor may assign or conditionally assign its interest in this Lease Agreement PROVIDED THAT the assignee assumes in writing all of Lessor's obligations and liabilities under this Lease Agreement. Lessee may inform Lessor of any assignment or transfer of the Site it enters into and may request from the Lessor an acknowledgement of such assignment or transfer.
16. **Termination by Lessee.** Lessee has the right to terminate this Lease Agreement, upon written notice to Lessor, without penalty, under the following circumstances:
 - 16.1. If the PPA is terminated or does not become effective.
 - 16.2. Any breach by Lessor of any of its material obligations, representations under this Lease Agreement or the PPA and Lessor has failed to take appropriate measures to rectify this breach within 60 days after receiving written notices of the breaches from Lessee.
 - 16.3. Lessor has exercised its right to terminate the PPA.
 - 16.4. Lessor shall return to Lessee any prepaid rental if Lessee terminates this Lease Agreement for reasons set forth in this Article 16.
17. **Termination by Lessor.** Lessor shall have the right to terminate this Lease Agreement under the following circumstances:
 - 17.1. Any breach by the Lessee of any of its material obligations, representations under this Lease Agreement or the PPA and Lessee has failed to take appropriate measures to rectify this breach within 60 days after receiving written notices of the breaches from Lessor.
 - 17.2. Failure of the Lessee to use or take possession of the Site for 90 continuous days.
18. **Registration of the Lease.** The parties shall, to the extent required by law and practice, properly register this Lease Agreement with the relevant Land Registry Office, and any other relevant government office that may serve as a place for registering or recording leases, within 45 days from the date that this Lease Agreement is executed.
19. **Force Majeure.** An Event of Force Majeure, as defined in the PPA, shall have the same effect in relation to this Lease Agreement as provided in the PPA.
20. **Partial Invalidity.** If any term of this Lease Agreement shall be invalid or unenforceable, the remainder shall be valid as written to the fullest extent permitted by law.
21. **Governing Law.** This Lease Agreement shall be interpreted and governed by the laws of [country].
22. **Entire Agreement.** This document contains the entire agreement of the parties and supersedes all previous communications, representations and agreements, whether oral or written, with respect to the Site. This Lease Agreement may not be modified except in writing signed and acknowledged by both parties.

23. **Heirs and Assignees.** This Lease Agreement shall be binding on the heirs, assignees and the successors in interest of the Lessor and Lessee.
24. **Language.** This Lease Agreement and any amendments to it shall be executed in 4 originals in the [English] language [and 4 originals in the [] language]. All notices required herein shall be written in the English language. [In the event of discrepancies or inconsistencies between the English and [] version, the English language version shall prevail.]
25. **Arbitration.** Any dispute arising out of or in connection with this Lease Agreement shall be resolved as provided in the dispute resolution provision of the PPA.

IN WITNESS WHEREOF, Lessor and Lessee hereby execute and agree to the terms and conditions of this Lease Agreement on the date first set out above.

Lessor:

Lessee:

Name:
Title:

Name:
Title:

Witness:

Witness:

Name:

Name:

Annex A

Power Purchase Agreement

(Attached)

ANNEX B

Certificate of Title for the Site (Attached)
Map of the Site