

Template
Lease and Investment Contract
In Accordance with the Government Tenders and Procurement Law
Part I
Contract

Preamble

With the help of Allah, done at the city of on, corresponding to by and between:

- 1. (Ministry or Government Agency)**
Represented by in his capacity as hereinafter referred to as the lessor “First Party”.
- 2. The Second Party’s information is to be provided here (individual, institution, company, date and number of official power of attorney), hereinafter referred to as the lessee or investor “Second Party”.**

Whereas, the lessor wishes to lease/invest (full description of the leased property) which was offered at public auction; and accordingly, the lessee submitted an offer in said auction (if the property was offered at an open public auction, then it shall be mentioned that the lessee has made the highest bid in the minutes issued by the public auction committee), with his acknowledgement and review of the Terms of Reference and all relevant documents, as well as his knowledge of the location of the property and his thorough and complete understanding of the provisions and instructions of the Government Tenders and Procurement Law and its implementing regulations, and as the lessee’s offer was accepted by the lessor as mentioned in letter of award no. (.....) dated; both Parties hereby agree to the following:

Article (1):

The abovementioned Preamble shall be deemed an integral part of the Contract.

Article (2): Purpose of Contract:

(A full description of the purpose of the Contract shall be mentioned).

Article (3): Description of Leased Property:

(A full description of the leased property shall be mentioned including its location, area, and surrounding streets, as well as a statement of freedom from defects).

Article (4): Contract Documents; including:

1. Main contract document;
2. General conditions and obligations;
3. Terms of Reference;

4. Special conditions, if any;
5. Letter of offer; and
6. Letter of award.

Such documents form an integral unit. Each document shall be deemed a component of the Contract, as each document shall be crucial to the interpretation of the other documents and complementary to the same.

Article (5): Term of the Contract

(The term of the Contract shall be mentioned in figures and letters). The term of the Contract shall commence as of the hand-over date of the property to the lessee/investor free from any tenancies and obstacles as documented by a written report to be signed by the representatives of both Parties (Article 139 of the implementing regulations of the Government Tenders and Procurement Law shall be taken into consideration).

Article (6): Rent and Payment Method:

1. The rent for the entire term of the Contract (the total value of the Contract shall be mentioned in figures and letters) distributed over the term of the Contract. Annual rent shall be (annual rent shall be mentioned in figures and letters), and the same shall be paid in full within the first ten days of each contractual year. The hand-over date on which the property is received shall be deemed the beginning of the contractual year. The Parties may agree to the payment of the rent of all the years determined in the contract at once.
2. If the property is leased for the purpose of investment, the investor shall not be required to pay rent for a period that does not exceed 5% of the term of the contract commencing on the hand-over date.

Article (7): Governing Law:

This Contract shall be subject to the laws of the Kingdom of Saudi Arabia, particularly the Government Tenders and Procurement Law and its implementing regulations, and the instructions and interpretations of the Ministry of Finance.

Article (8): Settlement of Disputes:

Any dispute that may arise between the two Parties from the implementation of this Contract, and is not resolved by them, shall be settled by the administrative court, and the court's decision in this regard shall be final.

IN WITNESS WHEREOF, both Parties, the lessor and the lessee/investor, signed this document at the abovementioned location and date.

Allah is the Arbiter of Success,

Second Party (Lessee/Investor)

First Party (Lessor)

Name:

Position:

Signature:

Name:

Position:

Signature: