

**THE DECISION  
OF THE GOVERNMENT OF THE  
REPUBLIC OF ARMENIA**  
"On Approval of the Model Contract on Lease  
without the Right to Purchase the Property"

Arising from Sub-Item "b" of Article 19 as well as Item 6 of Article 38 of the Republic of Armenia's law "On Privatization and Denationalization of Properties of State Enterprises and Unfinished Constructions", the Government of the Republic of Armenia hereby resolves:  
*to approve the model contract on lease without the right to purchase the property (attached).*

**H. Bagratian**  
*Prime Minister of the Republic of Armenia*  
**A. Khachatryan**  
*Executive Director of the Republic of Armenia's Government*

*April 20, 1994, No. 181, City of Yerevan*

*Approved  
by the decision No. 181, dated April 20, 1994,  
of the Government of RA*

MODEL CONTRACT No. \_\_\_\_\_  
on Lease without the Right to Purchase the Property

City of Yerevan

" \_\_\_\_\_ " \_\_\_\_\_ , 199\_\_

I. General Provisions

\_\_\_\_\_  
(Title of ROA Ministry, Department, Local Body of State Government)  
which, hereinafter, will be named as Lessor, represented by

\_\_\_\_\_  
(Authorized Official's Full Name)

w h o a c t s o n t h e b a s i s o f

\_\_\_\_\_  
(Indicate the Document)

o n o n e s i d e , a n d

\_\_\_\_\_  
(Data about the Lessee)

\_\_\_\_\_  
which, hereinafter, will be named as Lessee, represented by

\_\_\_\_\_  
Person)

\_\_\_\_\_  
(Data about the Authorize

\_\_\_\_\_  
on the other side, have made the following contract.

II. The Subject of the Contract

1. The Lessor, on the conditions stated in this contract, confers, and th  
L e s s e e t a k e s o v e r t h e p r o p e r t y o

\_\_\_\_\_  
(Title and Address of the Object)

\_\_\_\_\_  
for \_\_\_\_\_ years, until " \_\_\_\_\_ " \_\_\_\_\_ , 199\_\_ .

2. The Lessee leases the property in accordance with the list of inventory and valuation statement hereby attached and considered as constituent part of this contract.

3. The lease amount of the object at the auction (bid) of "\_\_\_\_\_ , 199\_\_ , Minutes  
No. \_\_\_\_\_ , dated "\_\_\_" \_\_\_\_\_ , 199\_\_ , constitute  
\_\_\_\_\_ drams.

(In Numbers and Words)

### III. Payment Conditions

4. The Lessee pays the Lessor the rent in the following manner:

a) the rent payment is paid monthly according to the certificate given by the Lessor to

the Lessee, to account No. \_\_\_\_\_ i  
\_\_\_\_\_

(Title and Address of the

Bank)

b) payments are made taking into account the interest rate of the average bank deposit set at the moment of the periodic payment.

### IV. Lessee's and Lessor's Rights and Obligations

5. The Lessee shall be obligated:

a) to maintain, until "\_\_\_" \_\_\_\_\_ , 199\_\_ , the type of production (services) the enterprise is already engaged in;

b) not to alter, until "\_\_\_" \_\_\_\_\_ , 199\_\_ , the minimum number of employees working at the enterprise;

c) to maintain the custody of leased property during the lease period, taking into account its physical depreciation;

d) to perform and pay for the regular and on-going repairs of the leased property during the lease period;

e) not to execute any transactions related to the alienation or pledging of the leased property;

f) not to sublease, within a 12 month period from the date of signing this contract, the leased property; and

g) \* \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. The Lessee's rights:

- a) proceeds gained from the use of the leased property are the Lessee's own property;
- b) the Lessee has the right to re-equip and reconstruct the leased property, at his/her own expense. Moreover, the Lessee is the owner of the resources acquired as a result of his/her investments. This ownership shall be considered a physical asset if it is possible to detach it physically. Otherwise, the investor shall be entitled to the value of the additional resources invested.

c) \* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. The Lessor shall be obligated:

- a) to hand over to the Lessee, on the basis of the statement of acceptance and delivery, the property of the enterprise mentioned in Item 1 of Section II, above, no later than "\_\_\_\_\_" \_\_\_\_\_, 199\_\_
- b) perform and pay for capital repairs of the leased property;

c ) \* \_\_\_\_\_ 1  
\_\_\_\_\_  
\_\_\_\_\_

8. The Lessor's rights:

a) \*<sup>2</sup>  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**V. Parties' Responsibilities**

9. In case if the Lessee fails to pay within the period and the amount anticipated by the certificate given to the Lessee by the Lessor, the Lessee shall pay a penalty in the amount of 2 percent of the unpaid amount for each day late.

10. In case of refusal to pay the lease rent, the contract shall be recognized invalid in the manner established by law. A thirty (30) day delay of the regular payment of the lease rent shall also be considered as a refusal to pay.

11. The contract shall be recognized as invalid in case of infringement of obligations established by Items 5 and 7 of Section IV of this Contract. Compensation shall be made in a manner established by the legislation of the Republic of Armenia.

**VI. Concluding Provisions**

12. This Contract shall enter into effect from the moment of signing it by the parties.

13. Disputes arising between the parties shall be settled in the manner established by the legislation of the Republic of Armenia.

14. Two copies of the Contract shall be drawn up in Armenian, one of which shall be kept by the Lessor and the other one by the Lessee.

**THE LESSOR**

**THE LESSEE**

\_\_\_\_\_  
(Full Name)

\_\_\_\_\_  
(Full Name)

\_\_\_\_\_  
(Position)

\_\_\_\_\_  
(Passport Data)

\_\_\_\_\_  
(Address)

Official Seal

ACCOUNT NO.) " " \_\_\_\_\_ , 199\_\_

(Phone Number;

Official Seal  
" " \_\_\_\_\_ , 199\_\_

\* Other obligations are mentioned including the conditions of the bid when property is leased through competitive bidding including mutually agreed upon rights.

**ENGLISH TRANSLATION BY :**

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ICMA PRINTING DATE: May 15, 1994