**Lease Contract for Business Premises**

In Tallinn, on \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the “Lessor”, registry code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, location \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

and

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, hereinafter referred to as the “Lessee”, registry code \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, location \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

both hereinafter separately referred to as a “Party” and together as the “Parties”,

enter into this lease contract, hereinafter referred to as the “Contract”, on the following terms and conditions:

1. Object of the Contract

1.1. By this Contract the Lessor grants the Lessee the use of the business premises located in Tallinn at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, on floor \_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) of the Business Premises, total area \_\_\_\_\_\_\_ square metres (m2), hereinafter referred to as the “Business Premises”. The precise location of the Business Premises in the Business Premises is outlined in red on the plan which forms Annex 1 to the Contract.

1.2. The Business Premises shall be delivered to the Lessee to be used as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(purpose).*

1.3. In respect of the delivery of the Business Premises to the Lessee, the Parties shall prepare a bilaterally signed delivery and acceptance report specifying the condition of the Business Premises as well as any other necessary requirements upon a Party’s request. Upon signing the delivery and acceptance report by the Parties, it shall form Annex 2 to the Contract.

1.4. The Lessee's representative shall certify by signing the Contract that the Lessee has thoroughly inspected the Business Premises, is aware of its condition and confirms that it corresponds to the condition of the use of the Business Premises under the Contract.

2. Rent and additional expenses. Security deposit

2.1. The rent payable by the Lessee to the Lessor for the use of the Business Premises from the day of delivery of possession thereof to the Lessee is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_\_\_\_\_\_) Euro per month plus the current VAT. The rent fixed in this clause includes only the fee for the use of the Business Premises.

2.2. In addition to the rent as specified in clause 2.1 of the Contract, the Lessee shall pay the Lessor for the additional expenses such as water, drainage, electricity, heating, cleaning, waste management and phone, hereinafter referred to as utility service or utility services. The Lessee shall pay to the Lessor for the utility services on the basis of meter readings or tariffs set by the service provider, unless the services are paid for directly to the service provider upon agreement with the Lessor on the basis of a separate contract concluded with the Lessor.

2.3. In case the Lessor shall provide and the Lessee shall use any utility service which was not listed in clause 2.2 of the Contract, the Parties shall proceed from clause 2.2 of the Contract upon fixing the term of payment.

2.4. Within \_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_) banking days upon signing the Contract, the Lessee shall pay the Lessor a deposit of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_\_\_) Euro in the amount of monthly rent, i.e. \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Euro, for securing the claims arising from the Contract. The deposit specified in the previous sentence shall secure the settlement of any principal and collateral claims arising from the Contract within the term thereof and within \_\_\_\_\_\_ (\_\_\_\_) months upon expiry of the Contract. Interest rate shall not be calculated on the deposit. If the deposit is delayed for more than ten (10) calendar days, the Lessor has the right to withdraw from the Contract by notifying the Lessee in writing.

2.5. The deposit specified in clause 2.4 of the Contract shall be returned to the Lessee who has duly performed the Contract within \_\_\_\_\_\_ (\_\_\_\_\_) months upon expiry of the Contract, provided that the Lessor has no financial claims against the Lessee and/or there is no basis for the occurrence of such claims. From the deposit, the Lessee’s debts under the Contract in respect of the payments due and/or any damage caused to the Lessor’s property may be deducted. In the event of a delay in returning the deposit to the Lessee, the Lessee has the right to demand from the Lessor an interest of \_\_\_\_\_\_\_\_\_ percent (\_\_\_%) of the amount of the deposit for each calendar day delayed.

2.6. The Lessee shall pay the rent by the \_\_\_\_\_\_\_\_ (\_\_\_) day of the calendar month for which the rent is paid to the bank account specified in the invoice issued by the Lessor, whereas the Lessor shall issue the invoice serving as the basis for the rent payment at least \_\_\_\_\_\_\_ (\_\_\_) calendar days prior to the due date of payment. The Lessee shall pay the rent on the calendar day of delivering the possession of Business Premises pro rata to the number of days of the actual use thereof in the first calendar month of the lease period within \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_) days upon issue of the invoice.

2.7. The Lessee shall pay for the utility services by the \_\_\_\_\_\_\_\_ (\_\_\_) day of the following calendar month to the bank account specified in the invoice issued by the Lessor, whereas the Lessor shall issue the invoice serving as the basis for the utility services payment at least \_\_\_\_\_\_\_ (\_\_\_) calendar days prior to the due date of payment. If the Lessee shall pay for the utility services directly to the service provider upon agreement with the Lessor, the Lessee shall pay for the respective utility service on the basis of the invoice submitted by the service provider by the due date indicated on the invoice.

2.8. The Lessor is entitled to unilaterally increase the rent amount after each twelve (12) calendar months. For the first time, the rent amount may be adjusted on \_\_\_\_\_. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_. Thereafter the rent shall be adjusted without any additional agreements of the Parties after each twelve (12) calendar months from the day of the last adjustment of the rent amount. The annual rate of adjusting the rent amount shall be up to \_\_\_\_\_\_\_\_\_ percent (\_\_%) of the rent amount in effect during the previous period.

The Lessee's refusal to pay the adjusted rent on the grounds and pursuant to the procedure fixed in the Contract shall entitle the Lessor to cancel the Contract with one (1) month notice.

2.9. In case of failure to pay the rent and any other amounts payable under the Contract in a timely manner, the Lessee shall pay an interest of \_\_\_\_\_\_\_\_\_ percent (\_\_) % of the overdue amount for each day of delay.

3. Rights and obligations of the Parties

3.1. The Lessee shall:

3.1.1. use the Business Premises prudently and pursuant to the intended purpose, i.e. as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_;

3.1.2. timely settle the payments stipulated in the Contract;

3.1.3. provide free access to the Lessor’s representatives to Business Premises for inspecting the condition of the Business Premises and public utilities lines provided, that this will not hinder normal business operations of the Lessee, also if the examination of the Business Premises is necessary for the transfer or lease it to any other person;

3.1.4. tolerate work performed in respect of the Business Premises and also other effects on the Business Premises which are necessary in order to preserve the Business Premises, remove defects, prevent danger or eliminate the consequences thereof;

3.1.5. perform any necessary maintenance and current repairs at its own expense for the preservation of the Business Premises;

3.1.6. during the term of the Contract, perform major repairs of the Business Premises at its own expense if such need occurs due to the Lessee’s fault;

3.1.7. at its own expense, equip the Business Premises with fire-extinguishing appliances;

3.1.8. promptly notify the Lessor of any danger to the Business Premises, if measures have to be taken to protect against such danger, including of any accident, fire, etc., immediately taking measures for the elimination of any consequences thereof;

3.1.9. upon division, merger or transformation of the Lessee, if accompanied by any change of the contracting party, notify the Lessor thereof in writing at least 1(one) month in advance; upon initiating bankruptcy proceedings against the Lessee the latter shall notify the Lessor thereof immediately;

3.1.10. before installing any advertisement, coordinate with the Lessor the placing of advertisement on the Business Premises’s facade in Tallinn, at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, while remaining responsible for such advertising pursuant to the current legislation. Also, the Lessee shall pay the advertising tax if such obligation arises from legislation;

3.1.11. refrain from using any equipment and technology, which cause more vibration or noise, radio and TV interference than permitted by the universal standards, dust, toxic gases, hazardous radiation damaging the surroundings and environment, sewer damage and overloading of the power system;

3.1.12. ensure public order in the Business Premises and its surrounding areas pursuant to the current legislation, also ensure that the Lessee’s clients shall follow the applicable requirements for public order;

3.1.13. follow the established sanitary, work safety, fire safety rules, and regulations for the operation of the Business Premises;

3.1.14. approve all changes and improvements to the Business Premises in writing in advance with the Lessor, including the repair works as specified in clause 3.1.5 of the Contract;

3.1.15. notify the Lessor in writing in advance of the partial or full subletting of the Business Premises or any other means of transferring use of the Business Premises to third parties;

3.1.16. upon expiry of the Contract, transfer possession of the Business Premises to the Lessor on the last day of the Contract. In the event of a delay in the transfer of possession, the Lessee undertakes to pay the Lessor a contractual penalty of \_\_\_\_\_\_\_\_\_\_\_\_ percent (\_\_%) of the one month rental amount for each calendar day delayed in the performance of the obligation. Upon returning possession of the Business Premises to the Lessor, the Business Premises must be in the condition specified in the delivery and acceptance report prepared upon delivery to the Lessee, considering the normal wear of the Business Premises according to the Contract or the better condition due to improvements or changes made by the Lessee with the Lessor's consent. Upon the transfer of possession of the Business Premises to the Lessor, a delivery and acceptance report shall be prepared and signed by both parties;

3.1.17. compensate in full for any damage arising from the destruction of and damage to the Business Premises, which occurs at the time when the Business Premises were in the possession of the Lessee, unless the latter proves that the destruction or damage occurred under circumstances beyond its control. The Lessee shall not be liable for the natural wear, deterioration of the condition or changes of the Business Premises accompanying the contractual use thereof.

3.2. The Lessor shall:

3.2.1. deliver the Business Premises together with its accessories to the Lessee in the condition appropriate for the contractual use on \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_ at the latest. If the Lessor intentionally delays the transfer of the Business Premises to the use of the Lessee, upon request of the Lessee the Lessor shall pay a penalty of \_\_\_\_\_\_\_\_\_\_\_\_\_ percent (\_\_\_%) of the monthly rent as specified in clause 2.1 of the Contract for each day the performance of the transfer obligation was overdue. In the case of a delay of more than 30 (thirty) days the Lessee has the right to withdraw from the Contract by notifying the Lessor in writing;

3.2.2. enable the Lessee to use the Business Premises in accordance with the Contract to the extent and in the manner necessary for the contractual possession and use of the Business Premises;

3.2.3. refrain from interfering with the economic activity of the Lessee in the performance of their rights and obligations;

3.2.4. notify the Lessee of any potential electric power, water of other supply disconnections or failures that the Lessor is aware of;

3.2.5. pay all taxes and duties related to the Business Premises;

3.2.6. refrain from refusing to grant consent for any improvements and alterations performed in the Business Premises by the Lessee, if the performance of such improvements and alterations is necessary for the use of the Business Premises or reasonable management thereof.

3.3. The Lessee has the right to:

3.3.1. unhindered use of the Business Premises and the public utilities, including electric power, water and drainage according to the needs of the Lessee and purpose of use of the Business Premises;

3.3.2. perform improvements and alterations in the Business Premises only upon the Lessor’s prior written consent;

3.3.3. at its own expense and upon approval by the Lessor, install outdoor and/or indoor advertising to the Business Premises located in Tallinn at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the form and content complying with the requirements of legislation and good morals, signs with the company’s business name and logo and any other insignia, remaining responsible for the above and paying all related taxes and expenses;

3.3.4. upon expiry of the Contract, remove an improvement or alteration performed in the Business Premises if possible without damaging the Business Premises.

3.4. The Lessor has the right to:

3.4.1. receive the rent and other amounts payable by the Lessee under the Contract;

3.4.2. inspect the purposeful use, maintenance and preservation of the Business Premises under the Contract and, if necessary, issue precepts to the Lessee for avoiding any deterioration of the technical condition of the Business Premises arising from non-performance of the Lessee’s obligations;

3.4.3. enter the Business Premises for preventing any failures or accidents or for repairing their consequences.

4. Duration and expiry of the Contract

4.1. The Contract shall enter into force upon signing by both Parties and shall remain in force for a specified period of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) years, i.e. until \_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 20\_\_\_.

4.2. The Contract shall end:
4.2.1. upon expiry of the term;
4.2.2. upon destruction or rendering the Business Premises unusable or in the event of expropriation of the Business Premises;
4.2.3. upon termination of the Contract on another basis specified by law or the Contract, including if a Party withdraws from or cancels the Contract.

4.3. The Lessee has the right to extraordinary premature cancellation of the Contract by giving the Lessor at least 1 (one) month advance notice in writing, if the Lessor has materially breached the terms and conditions of the Contract.

4.4. The Lessor has the right to extraordinary premature cancellation of the Contract by giving the Lessee at least 1 (one) month advance notice in writing, if the Lessee has materially breached the terms and conditions of the Contract. A material breach includes, but is not limited to:

4.4.1. the Lessee uses the Business Premises in contradiction with the intended purpose specified in the Contract;

4.4.2. the activity of the Lessee deteriorates the condition of the Business Premises;

4.4.3. the activity of the Lessee obstructs the normal operation of the Business Premises or prevents the Lessor from fulfilling its contractual obligations;

4.4.4. the Lessee makes reconstructions, improvements or alterations in the Business Premises without the written consent of the Lessor;

4.4.5. notwithstanding the prior warnings of the Lessor, the Lessee fails to repair the Business Premises in the cases when this is the Lessee’s obligation pursuant to the Contract;

4.4.6. the Lessee has subleased or fully leased the Business Premises to third parties without the written consent of the Lessor.

4.5. The Lessor has the right to extraordinary premature cancellation of the Contract if:

4.3.1. the Lessee is on two consecutive due dates in delay with the payment of rent, additional expenses, maintenance and improvement costs of the building, or a substantial part thereof;

4.3.2. the overdue rent or deposit exceeds the rent payable for two months; or

4.3.3. the overdue additional expenses or maintenance and improvement costs of the building exceed the respective costs payable for two months.

4.6. The Lessor has the right to extraordinary cancellation of the Contract if the Lessor has given an additional term of at least 14 days to the Lessee in a format which can be reproduced in writing, stating a warning that the Contract shall be cancelled upon failure to pay the debt within the specified term.

4.7. The Parties have the right to cancel the Contract at any time, regardless of the reason, by notifying the other Party in writing at least \_\_\_\_\_\_\_\_\_\_ (\_\_\_) months in advance.

5. Final provisions

5.1. In matters not regulated by this Contract the Parties shall be governed by the legislation of the Republic of Estonia.

5.2. Any amendments and modifications to the Contract shall be formulated in writing and signed by the both Parties.

5.3. Any Party shall deliver any notices related to the Contract to the address of the other Party indicated in the Contract. Any Party shall immediately notify the other Party of any change in its address.

5.4. Notices shall be delivered by phone, e-mail or fax, unless a written form of notification is prescribed in the Contract. Written notices shall be delivered to the other Party by registered mail or handed over to the other Party against signature. A written notice shall be considered as delivered to the other Party after five (5) calendar days from posting.

5.5. Any claim of a Party arising from the breach of the Contract by the other Party shall be submitted in writing.

5.6. A Party shall not be liable for the performance of the obligations assumed under the Contract if proving that it has failed to perform its obligation or performed it inadequately due to force majeure.

5.7. Any disputes and disagreements arising from the Contract shall be settled by negotiation between the Parties. If agreement cannot be reached, the disputes shall be resolved in court on the bases and in compliance with the procedure provided for in the legislation of the Republic of Estonia.

5.8. The Contract has been prepared and signed in two identical copies of equal legal force, one copy remaining to the Lessor and the other to the Lessee.

5.9. Contact details of the Parties:

Lessor: Lessee:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ *(contact person)*

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5.10. The Contract has an integral annex: Annex 1 – Layout of Business Premises

Signatures of representatives:

Lessor: Lessee:

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