

LEASE AGREEMENT

This LEASE AGREEMENT ("Lease" or "Lease Agreement") is entered into, by and between L & T GROUP OF COMPANIES, LTD. D/B/A _____, a Commonwealth of the Northern Mariana Islands, with postal address at PO Box 501280, Saipan MP 96950 ("Lessor") and _____ of Saipan, Northern Mariana Islands, with postal address at _____, Saipan MP 96950 ("Lessee").

The parties agree as follows:

1. Description of Premises: Lessor leased to Lessee, and Lessee leases from Lessor, Apartment Unit No. ____ of the _____ located at _____, Saipan, Northern Mariana Islands (the "Unit"). The Unit is leased as a furnished apartment with household furniture, fixtures, kitchen and other household items detailed in the inventory designated in Schedule A, annexed to and specifically made a part of this Lease Agreement.
2. Use: The Unit shall be exclusively used as a private single family residence to Lessee and Lessee's family. Neither the Unit nor any part thereof shall be used at any time during the term of this Lease by Lessee for the purpose of carrying on any business, profession, or trade of any kind, or for any purpose other than as private single family residence, without first obtaining Lessor's prior written consent to such use.
3. Term: The term of this Lease shall be for _____ (____) months/ years to commence on _____, and to terminate on _____, unless sooner terminated as provided in Section 4 below or renewed as provided in Section 27 below.
4. Termination: Lessee may opt to terminate this Lease prior to its expiry date in which case, it is Lessee's obligation to advise Lessor through written notice at least thirty (30) days prior to the date when the termination should take effect. If Lessee should terminate this Lease within the initial _____ months/ years stated in Section 3 above, the security deposit mentioned in Section 7 below shall be forfeited in favor of Lessor. Should Lessor exercise its right to termination, Lessor shall give thirty (30) days written notice to Lessee. Rent for the current month shall be pro-rated between the parties as of the date of termination and any prepaid rent and unused security deposits shall be refunded to Lessee subject to the conditions set forth in Section 7 below.
5. Rent: Lessee shall pay the sum of _____ (\$_____) per month to Lessor on the first (1st) day of each and every month, in advance and without notice or demand and without deduction or set-offs during the entire term of this lease.
6. Late Payment: Lessee shall make payment on the due date, unless the due date is a Sunday or Holiday, in such an event, the rent shall be due the next business day. If the rent, or any other amount due to Lessor is not paid within five (5) days of the due date, as provided in Section 5 above, Lessor may employ an attorney to collect the rent and Lessee shall pay reasonable attorney fees, charges and court cost. Lessee shall also pay interest at 1.5% per month on all sums due to Lessor until the amount due is paid in full.
7. Security Deposit: A security deposit of _____ (\$_____) is hereby paid by Lessee to secure the return of keys, payment of rent, adjustment for furnishings or appliances that are lost or damaged, damage to the Unit, cleaning, proper care and maintenance of the Unit. Said deposit shall be kept by Lessor without the accrual of interest and shall be returned to Lessee within 7 days of the termination of this Lease subject to deductions and forfeiture. Lessee agrees that said deposit shall be forfeited if Lessee is in default or violates any terms or conditions as set forth in this Lease. Under no circumstance shall the security deposit be applied by Lessee as the last month's rent or any portion of the rent.
8. Utilities and Other Fees: Electricity, gas, telephone service, cable, and other utilities are not furnished as a part of this Lease unless otherwise indicated in this Lease Agreement. Such expenses are the responsibility of and shall be obtained at the expense of Lessee. This rental agreement authorizes the Lessee to connect power and water from Commonwealth Utilities Corporation and he is responsible for the connection fee and monthly charges at Apartment No. _____ with meter number _____.

- a. Electricity - Based on actual billing
- b. Water - flat rate water of \$_____ to pay to Landlord
- c. Cable - Based on actual billing
- d. Garbage - Free
- e. Security Guard - Free

9. Furnishings: The Unit is leased as a furnished apartment with the items listed in Schedule A. No furnishings or other household items are furnished or leased with the Unit other than those listed in Schedule A. Lessee agrees to return all items listed in Schedule A to Lessor at the end of the term of this Lease in as good condition as when received, reasonable wear and tear excepted. By the execution of this Lease, Lessee accepts all the said items in good and serviceable condition. Lessee will be responsible for all breakage or other damage to the items. Chipped, cracked or burned items will be counted as breakage.

10. Joint Liability of Lessee: It is expressly understood that this Lease is between Lessor and each Lessee signatory individually and severally. In the event of default by any Lessee, then each and every remaining Lessee shall be wholly responsible entirely and wholly to pay the obligations of all the other Lessees.

11. Animals: Lessee shall keep no domestic or other animals in or about the Unit without the prior, express, and written consent of Lessor.

12. Waste, Nuisance, Unlawful Use or Noises, Children: Lessee agrees not to commit waste on the Unit and its premises, or maintain or permit to be maintained a nuisance on the Unit and its premises, or use or permit the Unit to be used in an unlawful manner. Lessee including Lessee's agents, employees, guests, and visitors shall not make or cause any improper noises on the Unit and its premises nor interfere in any way with the use and enjoyment by other tenants of their respective premises. Lessee shall not have a waterbed on the Unit without the express prior written consent of Lessor. Children shall not play in the common hallways, stairways and parking area. Lessee and their guests shall at all times be responsible for their children while in or about the Unit including its common areas.

13. House Rules: Lessee agrees to abide by any and all house rules, whether promulgated before or after the execution of this Lease, including but not limited to rules with respect to noise, odors, disposal or refuse, animals, parking and use of common areas.

14. Condition of Unit: Lessee stipulate that at the time it takes possession it will have examined the Unit, including the grounds and buildings and improvements and that they are, at the time of delivery of the Unit, in good order, repair and in safe, clean and tenantable condition. Lessee shall be considered to have taken possession of the Unit on the effective date of the Lease and the key to the Unit is delivered to Lessee.

15. Maintenance, Repairs, Improvements and Alterations: Lessee accepts the Unit in their "as-is" condition and acknowledges that the Unit including the items listed in Schedule A are in good order and repair, unless otherwise indicated therein. Lessee specifically waives any right to make repairs of the Unit at the expense of Lessor or to compel Lessor to make repairs. In case Lessor and Lessee do not agree on certain conditions regarding repairs and improvements on the Unit and if Lessor deems that Lessee is making unreasonable demands on Lessor regarding repairs, then Lessor shall have the right to terminate this Lease. Lessee shall, at its own expense, and at all times, maintain the Unit in a clean and sanitary manner including all the items in Schedule A and shall surrender the same, at termination in as good condition as received, normal wear and tear expected. Lessee shall be responsible for all damages caused by his negligence and his family or invitees and guests. Lessee agrees to pay for any expenses, damage or repair occasioned by the stopping or overflow of waste, pipes, bathtubs, water closets, wash basins, disposal, washing machines, dishwasher or sinks. Lessee shall not paint, paper or otherwise redecorate or make alterations to the Unit without the express prior written consent of Lessor. Lessee shall not install built-in appliances, cabinetry, electrical or any wiring and any similar additions without the express prior written consent of Lessor. If Lessee shall make such alteration or improvement without Lessor's consent, Lessor may, at its option: (a) cause the same to be removed and the Unit restored to its former condition and Lessee shall pay the cost of such removal and restoration, or (b) Lessor may consider the making of such alteration or improvement to be default under Section 24 below and have all the remedies provided therein.

16. Minor Repairs: Lessee shall be responsible for minor repairs of leaking faucets, plugged up toilets and drains, loose hinges and knobs, replacement of light bulbs, repair of air conditioning, appliance or any of the items listed in Schedule A.

Before making such repairs, Lessee shall explain to Lessor the method that will be used to make the repair and will obtain Lessor' written consent to make the repair.

17. Compliance with Laws, Ordinance and Statutes: Lessee shall not use or permit the use of the Unit for any unlawful, improper, or offensive purpose as shall be determined by Lessor. Lessee shall not commit waste upon the Unit, or any nuisance or act which may disturb the quiet enjoyment of any lessee or tenant in the building. Lessee shall comply with all statutes, ordinances, and requirements of all CNMI and federal authorities in force, or which may hereafter be enforced, pertaining to the use of the Unit.

18. Insurance: Lessor shall bear the cost of insurance on the building and items belonging to Lessor. Insurance on personal property belonging to Lessee shall be obtained and paid by Lessee to cover all kinds of liabilities. Lessee shall not do anything on the Unit, or any part of the Unit, or bring or permit anything to be brought on or to be kept in the Unit, nor permit the use of the Unit for any business or purpose that would increase in the rate of any insurance on the building.

19. Assignment and Subleasing: Lessee shall not assign, let or sublet, or grant any concession or license to use the Unit or any part thereof, or in any way transfer or hypothecate any part of his interest in this Lease Agreement or in the Unit without first obtaining the written consent of Lessor. Lessor's consent shall be conditioned on Lessor's approval of the economic viability of the proposed assignee or sublessee, Lessor's determination that the proposed use of the Unit by assignee or sublessee is consistent with the tenant mix and uses in the building in which the Unit is located, and such other conditions as Lessor deems appropriate. Lessee agrees that any assignment, subletting or grant of concession without Lessor's written consent shall be void and shall at Lessor's option, be a ground to terminate this Lease.

20. Damages to Unit: If the Unit or building to which it is located is so damaged by fire or from any other cause as to render them untenable, then either party has the right to terminate this Lease as of the date when such damage occurred, through written notice to the other party; provided however, that if the damage or destruction occur as a result of the abuse or negligence of Lessee, or its family or invitees and guests, then Lessor shall have the right to terminate this Lease. Any damage to the Unit and the items in Schedule A due to negligence or intentional or malicious act of Lessee, his guests, agents or any member of his family shall be repaired or replaced at Lessee's expense. Lessee shall be liable for any damage or injury to property and to persons on or about the Unit and the premises due to the negligence or intentional or malicious acts or omissions of the Lessee, his guests, agents, or any member of his family in connection with the use of the Unit or otherwise and shall indemnify and hold Lessor harmless for any claim for damages made upon Lessor as a result thereof.

21. Sanitary Maintenance: Lessee shall at his/her/its sole expense, keep and maintain the Unit and appurtenances in good and sanitary condition and repair during the term of this Lease or any renewal or extension of term. Nothing shall be thrown by Lessee or any of its agents, guests or members of his family out of the windows or doors nor anything shall be placed on the outer edges and sills of windows, walls, aisles, stairways, and hallways.

22. Entry and Inspection: Lessor or Lessor's agents or employees shall have the right to enter the Unit and perform any acts necessary to protect the Unit or any person in any of the following events:

- (a) in case of emergency;
- (b) to make necessary or agreed repairs, decorations, alterations, improvements, supply necessary or agreed services, exhibit the Unit to prospective or actual purchasers, mortgagees, tenants, or contractors; or
- (c) when Lessee has abandoned or surrendered the Unit.

23. Possession: If Lessor is unable to deliver possession of the Unit at the commencement date, Lessor shall not be liable for any damage caused, nor shall this Lease Agreement be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this Lease Agreement if possession is not delivered within fifteen (15) days of the commencement of the term hereof.

24. Default: The occurrence of any one or more of the following events shall constitute a material default in breach of this Lease Agreement by Lessee:

- (a) Vacation or abandonment of the Unit including, but not limited to, any absence of Lessee from the Unit for a period of thirty (30) days or longer and without payment of rent;

- (b) Failure by Lessee to make any payment required under this Lease Agreement as and when due, where such failure continue for a period of five (5) days after written notice from Lessor;
- (c) Failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease Agreement, other than the making of any payment, where such failure shall continue for a period of five (5) days after notice from Lessor or such additional period of time as is reasonably necessary to cure the failure.

In the event of any default by Lessee under this Lease Agreement, in addition to any other remedy, and with or without terminating, Lessor or his agent and employees, shall have the right to enter the Unit without further notice, and Lessee hereby explicitly waived any such notice requirements. In addition, Lessor may at its option perform any or all of the following:

- (a) re-enter and re-possess the Unit by force, and to dispossess and remove from the Unit all occupants and their effects, without being liable for any prosecution;
- (b) re-let or re-lease the Unit in whole or in part to any tenant or tenants that may be satisfactory to Lessor for any duration and for the best rent, terms and conditions as Lessor may obtain. The acceptance of any tenant or the making of any lease by Lessor shall be conclusive of the exercise of proper discretion by Lessor;
- (c) take immediate possession of any personal property in the Unit, to store the same, and to charge a reasonable fee for storage and trucking. At any time after fifteen (15) days from termination of this Lease or abandonment of the Unit, Lessor shall have the right to sell or otherwise reasonably dispose of any such personal property and retain the proceeds as liquidated damages for Lessee's default. These liquidated damages shall not reduce Lessee's other obligation to Lessor under this Lease Agreement;
- (d) after breach for abandonment of Unit, Lessor may declare a forfeiture of the Lease and/or sue for all rents owing under this Lease Agreement in one judgment. Judgment may be had for all rental owing. Any effort by Lessor to re-let or otherwise to act to mitigate the damages caused by Lessee's breach shall not constitute a waiver of Lessor's right to recover damages.

In the event Lessor enters the Unit and expels Lessee, or any occupant of the Unit, or take possession of any personal property in the Unit, Lessor shall not be liable for trespass, property damage, personal injury or be liable in any way whatsoever as a result of such entry, expulsion or possession. Lessor may employ a lawyer to collect any amount due and payable to Lessor and/or Lessor may resort to any legal or equitable remedy available to it. Lessee agrees to pay or reimburse Lessor for reasonable attorney's fees, cost of suit and interest at 12% on amount due. Lessor's remedies as provided in this section shall not limit Lessor's other right or remedies in law or equity.

25. **Attorney's Fees:** In the event that Lessor shall bring an action against Lessee or any other person dwelling on or frequently visiting the Unit for violation of any of the provisions of this Lease Agreement or for the recovery of rent or any other sum due thereunder or shall be sued by Lessee for any purpose under or in connection with this Lease Agreement or the Unit and Lessor shall wholly or partly prevail in any such action, then in that event, Lessee shall pay Lessor: reasonable attorney's, costs of suit, and fees to be fixed by the court after hearing such action.

26. **No Waiver of Default:** Lessor's failure to take advantage of any default or breach of covenant on the part of Lessee shall not be or be construed as waiver thereof nor shall any custom or practice which may develop between the parties in the course of administering this instrument be construed to waive or to lessen of any term, covenant, or condition hereof, or to exercise any rights given him on account of any such default. A waiver of a particular breach, or default, shall not be deemed to be a waiver of the same or any other subsequent breach or default. The acceptance of rent by Lessor shall not be construed as a waiver of any term, covenant, or condition of this Lease.

27. **Renewal and Month to Month Tenancy:** Lessee may renew the Lease Agreement by giving written notice to Lessor at least 30 days prior to its expiration date stated in Section 3 above subject to the same term and conditions and for the same term of _____ months/year as stated in Section 3 above (i.e. if 6 months, the term will automatically renew for 2 months, or if 1 year, the term will automatically renew for 1 year). On the failure of Lessee to give Lessor the 30-day written notice of renewal and Lessee elects to remain in possession of the Unit beyond the specified term, Lessee expressly agrees that the Lease term shall be on a month-to-month basis with all the other terms and conditions applicable for the duration of the extended month-to-month tenancy.

28. Surrender of Premises: Upon surrender of the Unit on the termination of this Agreement, Lessee shall make all repairs necessary (including cleaning the Unit) to return the Unit in a condition as of the date Lessee first took possession, less reasonable wear and tear excepted.

29. Indemnification of Lessor: Lessee shall defend, indemnify and hold Lessor harmless against the claims of any other persons or entities from all damages, causes of actions and liability arising or related to this Lease Agreement, or about the premises from any cause whatsoever.

30. Binding Effect: The provisions of this Lease shall benefit and bind Lessor, Lessee and their heirs, executors, administrator, administrators, successors and assigns.

31. Time: Time is of the essence of this Lease Agreement.

32. Subordination: This Agreement shall without further act on the part of Lessee be subject and subordinate to the lien of any mortgage and/or any deed of trust or other encumbrance which may hereafter be placed by Lessor upon the Unit or Items including the building and premises. Lessee covenants and agrees that it will execute any additional subordination agreements to such effect at anytime hereafter upon request of Lessor without compensation being made therefore.

33. Entire Agreement: The foregoing constitutes the entire agreement between the parties and this Lease Agreement may be modified only by writing signed by both parties.

34. Drafted by Both Parties: This Lease Agreement shall be deemed to have been drafted by both parties and shall not be construed in favor of one party over the other party.

35. Headings: The section headings used in this Lease Agreement are intended for convenience only and shall not be deemed to supersede or modify any provisions.

36. Notice: Any notice required or permitted under this Lease shall be in writing and shall be deemed given when delivered in person or when deposited in the mail to the address in the introductory paragraph of this Lease Agreement.

37. Choice of Law and Severability: This Lease shall be subject to the laws of the Commonwealth of the Northern Mariana Islands and if any provision of this Lease shall be invalid under the laws of the Commonwealth of the Northern Mariana Islands for any reason the same shall be deemed separable from the remainder thereof and shall no way impair the validity of the Lease and this Lease shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement on this _____ day of _____, 2_____, here at Saipan, Northern Mariana Islands.

LESSOR:

LESSEE:

L&T GROUP OF COMPANIES, LTD.

D/B/A

By: **EDGARDO S. MACARIO**

Its: General Manager

By:

Its: Tenant

SCHEDULE A

Date: _____

LIST OF APPLIANCES AND FURNITURE [] SINGLE [] DOUBLE BEDROOM UNIT

LIVING/DINING ROOM CONTAINS:

Dining Table

Dining Chairs

Center/Coffee Table

Side/ Corner Table

Three Seater Sofa/ Chair

One Seater Sofa/Chair

Split Type Air Conditioner

QUANTITY

KITCHEN CONTAINS:

Refrigerator

Electric Range w/ Range Hood

BEDROOM CONTAINS:

BED (Queen ____ / Single ____)

Split Type Air Conditioner

Window Type Air Conditioner

Night Stand

Night Lamp

Table

Table Ceiling Light

OTHERS

Curtain is provided to cover all windows

Water heater is provided

4 Ceiling Lights

2 Wall Lights.

REMARKS:

Acknowledged by:

(Lessee)