

Lease No: SOBB 210-02-J-0046(Steere)

8911

LEASE AGREEMENT

Between
GEORGE YEARWOOD
and
THE UNITED STATES OF AMERICA

ARTICLE ONE: PARTIES

This lease is entered into this 28th day of May, 2002, by George Yearwood, 9 Palm Avenue, Ft. George Heights, St. Michael, Barbados, hereinafter referred to as "the LANDLORD", and the United States of America, acting by Evan L. Press, Administrative Officer of the Embassy of the United States of America at Bridgetown, Barbados, hereinafter referred to as "the TENANT".

ARTICLE TWO: DESCRIPTION OF PREMISES

The LANDLORD hereby leases to the TENANT the following described Premises, together with their appurtenances. This property comprises 3 bedrooms, 3 bathrooms, living-dining room, family room, and kitchen, of approximately 1,425 net square feet located at #10 Upton Avenue, Ft. George Heights, St. Michael, Barbados. The property will be used as a diplomatic residence in Barbados. An inventory of any mechanical and electrical equipment on the premises, as well as condition reports of the premises, equipment, and furniture and furnishings provided by the LANDLORD, as they now exist, signed by both parties, is attached to and made part of this lease.

ARTICLE THREE: LEASE TERM

The term of this lease shall be for six (6) years beginning June 28, 2002 and ending June 27, 2008.

ARTICLE FOUR: LEASE RENEWAL

The lease is renewable by the TENANT under these same terms and conditions for a further period of 3 years, or until June 27, 2011, provided that written notice is given to the LANDLORD at least 90 days prior to the date this Lease or any extension of it would otherwise expire.

In the event the TENANT exercises its right to renew, the renewal rate shall be fair market rental, to be determined by the parties hereto. Within 90 days prior to the termination date of the present rental period, the LANDLORD shall give notice to the TENANT in writing of the proposed rental amount of the renewal period. Unless the TENANT objects to the proposed rent

within twenty-one days of the receipt of such notice, the rental charge will take effect in the next rental term.

ARTICLE FIVE: PAYMENT

The TENANT shall pay the LANDLORD for the premises rented and for other services provided at the following rate and terms: **BDSS\$6,700** per month for the initial three years and **BDSS\$7,150** for the remaining three years.

All financial obligations of the TENANT resulting from this Lease are subject to the availability of funds appropriated annually by the Congress of the United States of America. Payments are to be made quarterly in advance, except that the initial payment shall be for six months for the period of June 28 through December 27, 2002 (BDSS\$40,200) to the LANDLORD at 9 Palm Avenue, Ft. George Heights, St. Michael, Barbados.

ARTICLE SIX: WARRANTIES

The LANDLORD warrants that he is the sole and lawful owner of the premises and that he is duly authorized and able to enter into this Lease and perform its obligations. The LANDLORD also warrants that the TENANT shall and may peaceably enjoy possession of the premises for the Lease term (and any extensions thereof), without any interruption or disturbance from the LANDLORD, or any other person claiming by, from, through, or under the LANDLORD. The LANDLORD further warrants that he will hold the TENANT free and harmless from any and all demands, claims, actions or proceedings by others in regard to the leased Premises.

The LANDLORD will handle and settle or otherwise dispose of all demands, claims, actions, or proceedings by others in respect of TENANT's right of quiet possession. In the event, however, that the TENANT incurs expenses in defense of its right to quiet possession, the LANDLORD agrees to reimburse the TENANT cost for cost as soon as practicable after the TENANT's presentation of its claim for such expenses, provided the TENANT has, before incurring such expenses, notified the LANDLORD in writing of the demand, claim, action or proceeding, and the LANDLORD has failed to take timely action to handle, settle or otherwise dispose of such demand, claim, action or proceeding.

The TENANT warrants that the person executing this lease agreement on its behalf is a duly warranted contracting officer of the United States Government, possessing all requisite power and authority to enter into this lease agreement on behalf of the United States Government.

ARTICLE SEVEN: LANDLORD RIGHTS AND RESPONSIBILITIES

A. Right of Entry. For the purpose of maintaining the premises, the LANDLORD reserves the right to enter the premises to inspect and make any necessary repairs, so long as such entry is at prearranged times, with the consent of the TENANT (which consent shall not be unreasonably

withheld) and, at the TENANT's discretion, in the presence of a TENANT employee. The LANDLORD may not, however, gain access to sensitive or secured areas, as determined by the TENANT in its sole discretion.

B. LANDLORD-provided services. The LANDLORD shall furnish or otherwise provide to the TENANT during the lease term the following: gas, water, electricity, water heater, telephone connection and one telephone instrument. The TENANT shall assume full responsibility during the lease term for the consumption costs associated with the services outlined above.

C. Maintenance Responsibilities. The LANDLORD shall, at its own cost and expense, be responsible for all major maintenance, structural work, and major repair including, but not limited to, maintenance and repair of structural elements and systems such as walls, ceilings, roofs, floors, foundations, ventilating and air-conditioning, plumbing and related fixtures. The LANDLORD acknowledges that keeping the premises in good repair and tenantable condition is essential to make them appropriate for use by the Government of the United States of America.

The LANDLORD will be responsible for any damages caused by the breakdown of these systems or any failure to maintain the common areas discussed above. The LANDLORD shall not be responsible for interruptions in utilities, beyond LANDLORD's control, supplied by municipal sources. The TENANT, through its occupant, will be responsible for minor maintenance up to BDS \$150.00.

D. Emergency Repairs. The LANDLORD agrees to commence, carry out, and complete emergency repairs within 48 hours after receiving oral or written notice from the TENANT. For repairs which cannot be completed within 48 hours, the LANDLORD agrees to present a completion schedule for acceptance by the TENANT. For any emergency repairs which the LANDLORD does not handle in this manner, the TENANT may undertake the repair at the LANDLORD's expense. Any funds expended by the TENANT in this regard shall be deemed prepaid rent and a subsequent rental payment shall be reduced by this amount. (If all rental payments have been made, the LANDLORD will make a direct refund to the TENANT.)

E. Taxes, Fees, and Assessments. The LANDLORD accepts full and sole responsibility for the payment of all fees, taxes and other charges of a public nature which are or may be assessed against the Premises. All expenses, if any, incurred in connection with the execution or registration of this lease, including without limitation, notarial charges, registration charges, transaction taxes, stamp duties or other fiscal charges shall be paid by the LANDLORD.

F. Registration. If local law requires the LANDLORD to register this lease he warrants that he will do so and, if so required by the TENANT in writing, he will provide the TENANT proof of registration within a reasonable time following the execution of this LEASE or extensions thereof.

G. Claims. The LANDLORD accepts full and sole responsibility for any claims arising from the TENANT or from third parties for damage or injury sustained when the LANDLORD has failed to maintain or repair the Premises as required by this lease. The LANDLORD also accepts

responsibility for damage or injury sustained by TENANT or third parties and resulting from the negligence and/or willful acts of the LANDLORD, landlord's agents, and/or employees.

ARTICLE EIGHT: TENANT RIGHTS AND RESPONSIBILITIES

The TENANT shall have the right, during the existence of this lease, to attach fixtures, in or upon the premises leased including but not limited to alarm systems, kitchen and other appliances. Such fixtures, additions or structures placed in or upon or attached to the said premises shall be and remain the property of the TENANT and may be removed at the time of or within a reasonable time after the lease or any extension thereof expires or is terminated.

The TENANT, if required by the LANDLORD, shall restore the premises to the same condition as that existing at the time of entering upon the same under this lease, except for reasonable and ordinary wear and tear, damage by the elements, or by circumstances over which the TENANT has no control. However, if the LANDLORD requires such restoration, the LANDLORD shall give written notice thereof to the TENANT 30 days before the termination of the lease.

The TENANT shall, unless hereinafter specified to the contrary, maintain the said premises in good repair and tenantable condition during the continuance of this lease, except for reasonable and ordinary wear and tear, damage by the elements or circumstances over which the TENANT had no control. Any damage arising from the intentional acts or negligence of the LANDLORD, its agents or employees is similarly excepted.

ARTICLE NINE: ASSIGNMENT AND SUBLEASE

The TENANT may at any time assign its interest in the Premises or any portion thereof or sublet the Premises or any portion thereof to any party with the prior consent of the LANDLORD, under the same terms and conditions that exist under this agreement between the LANDLORD, TENANT (which consent shall not be unreasonably withheld). If the LANDLORD assigns its rights and responsibilities under the lease to a third party, the TENANT may, within 60 days of becoming aware of the identity of the third party, terminate the Lease.

If the LANDLORD sells the Premises, or defaults under any mortgage, trust deed or trust indenture related to the Premises, and if a purchaser or mortgagee duly enters into possession of the Premises, the LANDLORD shall give to the TENANT written notice of the identity of such third party prior to the sale, transfer or assignment. The TENANT agrees to become the tenant of the purchaser or mortgagee, unless the purchaser or mortgagee is a person or entity from whom TENANT may not lease under applicable laws of the United States or for essential security or foreign policy reasons. If the purchaser or mortgagee is unacceptable to the TENANT for any of the foregoing reasons, the TENANT may, within 60 days of the receipt of the LANDLORD's notice, terminate this Lease by giving at least 60 days' prior written notice of termination.

ARTICLE TEN: INSURANCE

The LANDLORD shall bear responsibility for all risk of loss of or damage to the premises, for the entire term of this Lease, arising from any causes whatsoever with or without fault of the LANDLORD, including but not limited to fire; lightning; storm; tempest; explosion; riot; civil commotion; bursting or overflowing of water tanks, apparatus or pipes; boiler or machinery; flood; labor disturbance; earthquake; malicious damage or any other casualty or Act of God. The LANDLORD shall adequately insure the property, as available, against fire and all other risks enumerated above and normally insured under standard coverage; the LANDLORD shall also carry adequate personal injury and liability insurance on all areas of the property to cover all risks for which he is responsible. Each party, respectively, shall be liable for damages to the leased premises caused by its own fault or negligence, or that of its agents and/or employees. Evidence of the LANDLORD's insurance coverage shall be furnished to the TENANT within 45 days after the parties sign the Lease agreement, and the TENANT reserves the right to ask in intervals thereafter for proof that the policy remains in force.

ARTICLE ELEVEN: LANDLORD's DEFAULT

In the event the LANDLORD fails to fulfill any of its obligations under this lease, and where this lease specifically provides no other remedy for such failure, the TENANT is entitled either to terminate this lease, or, at its option, to take any measures which it deems necessary to establish the conditions contemplated by this agreement at the entire expense of the LANDLORD. The TENANT will notify the LANDLORD in writing of its intention to take action in accordance with this Article prior to taking such action.

ARTICLE TWELVE: DESTRUCTION OF PREMISES

Whenever the leased premises or any essential part thereof shall be destroyed or rendered unfit for further tenancy through fire, vandalism, earthquake, flood, storm, war, civil disturbance, or other similar casualty, this lease shall, at the option of the TENANT, immediately terminate. In case of partial destruction or damage, this lease may be terminated in whole or in part at the TENANT's option. Should the TENANT exercise its option, it shall provide at least twenty days' written notice to the LANDLORD, and no rent shall accrue to the LANDLORD after such termination. If the lease is terminated in whole or in part, the LANDLORD shall within 45 days of termination refund any advance rental payments in excess of rental liabilities accrued to the date of termination. Should the TENANT elect to remain in premises rendered partially untenable, a proportion-ate rebate or reduction of prevailing rental payments will be allowed and will be reflected in an amendment to this Lease to be signed within two months after the damage occurs.

ARTICLE THIRTEEN: TERMINATION

The TENANT may, for its convenience, terminate this Lease in whole or in part at any time, if it determines that such termination is in the best interests of the TENANT, by giving written notice to the LANDLORD 90 days in advance. If the TENANT terminates this lease in accordance with this clause, the TENANT shall not be liable for any charges additional to those normally incurred up to the date the lease is terminated.

If the TENANT decides to remove its establishment from Barbados, or change the grade thereof, or acquires its own property in Barbados, or substantially reduces its personnel from the present level, (or if the employee assigned this housing is transferred), it shall be at liberty to terminate this lease upon giving the LANDLORD 60 days' written notice without the LANDLORD having right to any payment other than rental to the date the TENANT removes its belongings and surrenders the premises.

The LANDLORD further agrees to make a pro rata refund of any rent payments made for periods beyond the date the TENANT surrenders the premises in pursuance of any of the TENANT's termination rights as contained in this lease.

ARTICLE FOURTEEN: DISPUTES RESOLUTION

In the event that any disputes arise concerning the text of this lease, the English version controls. Any disputes arising between the parties hereto concerning this lease which cannot be resolved in negotiations between the LANDLORD and TENANT shall be settled in accordance with the dispute settlement provisions which follow:

1. Contract Disputes Act.

(A) This lease agreement is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613).

(B) "Claim," as used in this clause, means a written demand or written assertion by the LANDLORD or TENANT seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of the lease terms, or other relief arising under or relating to this lease. A "claim arising under the lease," unlike a claim relating to the lease, is a claim that can be resolved under an article of this lease agreement that provides for the relief sought by the claimant. However, a written demand or written assertion by the LANDLORD seeking the payment of money exceeding US \$50,000 is not a claim until certified as required by subparagraph (C) (2) below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim.

The submission may be converted to a claim under the Act, by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon within a reasonable time.

(C) (1) A claim by the LANDLORD shall be made in writing and submitted to the TENANT's Contracting Officer for a written decision. A claim by the TENANT against the LANDLORD shall be subject to a written decision by the TENANT's Contracting Officer.

(2) For LANDLORD claims exceeding US \$50,000, the LANDLORD shall submit with the claim a certification that

(i) The claim is made in good faith;

(ii) Supporting data are accurate and complete to the best of the LANDLORD's knowledge and belief; and

(iii) The amount requested accurately reflects the lease agreement adjustment for which the LANDLORD believes the TENANT is liable.

(3) (i) If the LANDLORD is an individual, the certification shall be executed by that individual.

(ii) If the LANDLORD is not an individual, the certification shall be executed by an official or general partner of the LANDLORD having overall responsibility for the conduct of the LANDLORD's affairs.

(D) For LANDLORD claims of U.S. \$50,000 or less, the TENANT's Contracting Officer must, if requested in writing by the LANDLORD, render a decision within 60 days of the request. For LANDLORD-certified claims over U.S. \$50,000, the TENANT's Contracting Officer must, within 60 days, decide the claim or notify the LANDLORD of the date by which the decision will be made.

(E) The TENANT shall pay interest on the amount found due and unpaid from:

(1) The date the TENANT's Contracting Officer receives the claim (properly certified if required), or

(2) The date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on claims shall be paid at the rate, fixed by the U.S. Secretary of the Treasury as provided in the Act, which is applicable to the period during which the TENANT's Contracting Officer receives the claim, and then at the rate applicable for each 6-month period as fixed by the U.S. Treasury Secretary during the pendency of the claim.

(F) The LANDLORD shall proceed diligently with performance of this lease, pending final resolution of any request for relief, claim, appeal, or action arising under or relating to the lease, and comply with any decision from the TENANT's Contracting Officer.

In the event that both Parties have complied fully with all these provisions, but one of the Parties is dissatisfied with the final decision, the aggrieved Party may, at its option, either appeal the decision to the U.S. Armed Services Board of Contract Appeals, or file a suit in the U.S. Court of Claims.

ARTICLE FIFTEEN: CHOICE OF LAW

The terms of this lease shall be construed in accordance with the local laws governing the situs of the premises leased hereunder.

ARTICLE SIXTEEN: SCOPE OF AGREEMENT/LEGAL CONSTRUCTION

This lease cancels all other agreements which the parties may have previously entered into which relate in any way to the leased premises, and this written agreement constitutes the entire understanding of the parties. Oral discussions and representations made during negotiation of this lease shall not be construed to be terms of this lease. Any changes, variations or modifications of the terms of this lease shall not be valid unless made in writing and signed by both parties hereto. For the purposes of this Paragraph, only the signature of a Contracting Officer at the U.S. Embassy in Bridgetown, Barbados, shall be deemed valid and binding as

MEMORANDUM OF AGREEMENT
(attached to the lease)

BETWEEN

GEORGE YEARWOOD AND THE UNITED STATES OF AMERICA

The Landlord and the US Embassy (acting for the US Government) hereby agree that before the occupant of the residence at #10 Upton Avenue, Ft. George Heights, St. Michael can have pets on the property, or in the residence, this matter will be discussed and agreed upon by the parties to this lease.

AGREED:

George C. Yearwood 28/5/02
George Yearwood date

[Signature] 5/31/02
US Embassy date