

Agreement is between 2 parties
Party 1= Rent kuraa meehun / operators
Party 2 = Owner (thithibe)

Handover kuraa iruge Condition: The property deliver kuran jeheny in a fully operational state.

Lease Duration & Renewal

5th March 2026 in feshigen 10 years ah
10 years hama veema ithuru 5 aharah extend kurevey gothah.

Rent & Deposit

1st Year, 2nd Year rent is USD 6k per month
3rd Year in feshigen USD 7k per month
Rent due before 15th of each month
Ekam rent hingan fashaanee 3 month ge grace period akah fahun. So 1st year ge furathama 3 mahuga rent eh nuhingaane.
Agreement ga agree vefa mi vaaa rent thakun dhen rent eh ithureh nukureveyne. (meegeen aslu inflation ehchehiga thithibe ah disadvantage othee) (agreement ga aslu include kureveyne beynumiyyaa dhafaraathun vaahaka dhahkaigen agreement ah islaaheh genessa rent ah badhalu geneveyne ey e irehga economic status onna gothakun)
Security deposit ge total akee USD18k. mi faisaa dheynee 2 stages ga.
1st stage- USD5k handover kuraa iru, 2nd stage- USD13k fully operation kuran ready veema.
Mi deposit refund kuran jehey agreement nimumakah annathaa 30 dhuvas therey. Mi deposit beynun kureveynee agreement nimumakah anna iru nudhahkaa huri bill thakashaa structure ah evves damage eh libifa vaa nama e pay kuran.

Mantanance

Explicitly state that the lessor is only responsible for structural plumbing failures *unless* the failure is caused by the negligence, act, or omission of the lessee or its guests.
Require the lessee to provide proof of annual professional plumbing inspections and maintenance as a condition for the lessor to honor their structural repair obligations.

Alterations

Remain lesee's property and removable at the end of lease
If retained by lessor, fair market compensation shall be paid

Sublease

Full property sublease requires lessor approval not unreasonably withheld.

1. **(Prior Written Consent:** Change the wording to state that the appointment of any management company or international brand requires the **Lessor's prior written consent**, which shall not be unreasonably withheld. This gives the Lessor the right to vet the company's track record.

2. **Compliance with Master Lease:** Add a sentence stating that any third party (management company or brand) must agree in writing to be bound by the terms of the Master Lease. This ensures they cannot claim they "didn't know" the rules of the building.
3. **No Structural Changes for Branding:** Explicitly state that while the Lessee can use a brand name, they cannot make **structural or permanent aesthetic changes** to the building for that brand without separate approval.
4. **The "Linchpin" Liability:** Ensure the agreement clarifies that even if a management company is hired, **Wish Hospitality Pvt Ltd remains 100% liable** for rent and any damage to the property. They cannot "blame" the management company to avoid responsibility.)

Subleasing rooms to tour operators is the "bread and butter" of the Maldives guesthouse and hotel industry. It is generally **fair** and necessary.

5. **The Purpose:** This allows the hotel to guarantee occupancy by selling room blocks to companies like Agoda, Booking.com, or European/Chinese tour agencies.
6. **The Limit:** This should be restricted to **guest rooms only**. The current wording "sublease rooms" is safe, but you must ensure it does not accidentally allow them to sublease the *entire* operation under this clause.
7. The Lessee could appoint a low-budget or poorly reviewed management company that damages the hotel's reputation on the island. If the brand is "budget" but the property is "luxury," the long-term value of the building decreases.
8. **The Risk:** The Lessor has no say in who is actually running their building

Termination

No termination in 3 years except for breach

After 3 years lessee may terminate with 6 months written notice

Lessor terminates without lessee breach, lessor must compensate with remaining investment value and additional 6 months rent as compensation

(If market rates for hotels in Hinmafushi double in five years, the Lessor cannot end this lease to find a higher-paying tenant. However, if the market crashes, the Lessee can simply walk away after 6 months.)

(Ensure the "Termination for Convenience" (without cause) is mutual. If the Lessee can leave with 6 months' notice, the Lessor should also be able to terminate with 6 months' notice.)

The "Investment Value" Trap

Requiring the Lessor to compensate for the "remaining investment value" is the most dangerous clause in this section.

- **The Risk:** This term is legally vague. Does it include the cost of furniture, marketing, staff training, or even "goodwill"? A Lessee could claim they spent \$100,000 on renovations and branding, and the Lessor would be forced to pay the undepreciated balance. This effectively "ransoms" the property—the Lessor cannot afford to take it back.
- **Lessor-Friendly Fix:** Limit compensation strictly to **pre-approved structural improvements** that stay with the building, and use a fixed **depreciation**

schedule (e.g., the value drops by 10% every year). Do not agree to compensate for "soft costs" like branding or furniture.

Business Disruption Compensation (Double Penalty)

In addition to paying for the investment, the Lessor is asked to pay **6 months of rent** as a penalty for "business disruption."

- **The Risk:** This is a "liquidated damages" clause that punishes the Lessor for exercising ownership rights. In a 10-year lease, circumstances change; the Lessor might need to sell the property or may face a family emergency requiring the asset's liquidation. Paying 6 months of rent (USD 42,000 in years 3–10) on top of the investment value is an extreme financial burden.
- **Lessor-Friendly Fix:** Remove this entirely. In commercial leases, if a notice period is given (like 6 months), that notice is the "compensation" because it gives the tenant time to relocate.

The 3-Year "Lock-In"

While a lock-in period provides guaranteed income, it can be a disadvantage if the tenant is problematic but hasn't technically "breached" the contract (e.g., they are difficult to work with or damaging the reputation of the building).

- **The Risk:** The Lessor is stuck for 3 years regardless of personal or financial changes.
- **Lessor-Friendly Fix:** Include a "Sale of Property" exception. If the Lessor sells the building, they should have the right to terminate the lease with 6–12 months' notice without paying heavy penalties, often referred to as a "Break Clause on Sale."

Buy out and right of first refusal

Lessor shall have first right of refusal and sale cannot terminate lease.

"To make this more Lessor-favorable, you could suggest changing the "Right of First Refusal" to a "Right of First Offer" (ROFO). A ROFO requires the owner to check with the tenant *before* going to market, but once the tenant says no, the owner is free to sell to anyone else without coming back to the tenant."

Taxes and Licenses

Lessor responsible for

Tourism Land Rent in Maldives is payable under the Second Amendment to the Maldives Tourism Act (Act No. 20/2010). Tourism land rent is based on the land area of islands and plots of land leased out for the purpose of developing and operating tourist establishments.

Registration

All tourist establishments that are required to pay land rent would be registered with the MIRA for land rent purposes once they sign the agreement with the Ministry of Tourism.

Insurance

Lessor insures building structure

Inspection

Lessor may inspect with 48 hr written notice

Emergency entry – urgent structural matters.

(Right to Show the Property: Add a clause allowing the Lessor to enter with notice to show the property to prospective buyers, investors, or lenders. Without this, the owner may find it difficult to sell the building while it is leased.)

Compliance Inspections: Explicitly state the Lessor's right to inspect the property to ensure the Lessee is complying with health, safety, and fire regulations. This protects the Lessor from being held liable for the operator's negligence.

Annual Structural Audit: Add a right for the Lessor to conduct one comprehensive structural and systems audit per year (with 7 days' notice) to ensure the building's core infrastructure is being maintained according to the agreement.

Key Retention: Ensure the agreement explicitly states that the Lessor shall retain a master set of keys for emergency access, provided they follow the notice protocols for non-emergencies.)

(By limiting emergency entry strictly to "structural matters," the Lessor is legally barred from entering for other critical emergencies. For example, if a pipe bursts and floods the lobby, or if there is a gas leak or an electrical fire risk, the Lessor technically has no right to enter immediately because those are "utility" or "safety" issues, not "structural" issues (which usually refers to the foundation or load-bearing walls).

The Fix: Expand the definition of an emergency. Use broader language such as: *"Emergency entry is permitted without notice in cases of fire, flood, utility failure, or any matter posing an immediate threat to life, safety, or the integrity of the property."*)

48 hrs – 24hrs (industry standard for commercial properties)

Default and cure period

14 day written notice

(Split the cure periods. Suggest **7 days** for "Monetary Breaches" (rent/utilities) and **14 days** for "Non-Monetary Breaches" (repairs/operational issues).)

(However, the current clause provides no "penalty" for a Lessee who stays in the building during a long court case.)

(Include a clause allowing the Lessor to apply for an **Interim Injunction** to prevent the Lessee from continuing a damaging activity (like unauthorized construction or loud parties) while the main eviction case is being heard.)

To protect the Lessor, you should add a section on "**Consequences of Termination.**" This should state that upon termination, the Lessee must immediately

hand over the keys, and for every day they fail to do so, they owe a "Daily Liquidated Damage"

To maximize protection for the Lessor while remaining legally defensible in the Maldives:

- **Standard Recommendation:** 150% of the daily rent for the first 14 days of holdover. And 200% for every day that exceeds that.

TO INCLUDE:

Under Section 6 of the Tourism Act, any lease for a tourist facility must contain specific "statutory provisions"

The agreement lacks a mandatory "Reversion" clause stating that upon the expiration or premature annulment of the lease, the property must be returned to the owner in the condition specified in the agreement.

The agreement should explicitly state that the property and its operations must comply with the "**Maldives Guesthouse Management Regulation**" (2010/R-12) and subsequent MOT technical standards.

There is no mention of the mandatory requirement for the operator to maintain a **Guest Registry** and submit **Monthly Occupancy Reports** to the Ministry of Tourism (MOT) by the 7th of each month.

While the agreement mentions insurance generally, it misses the specific types required by the MOT for a Guesthouse Operating License:

- **Public Liability Insurance:** Mandatory for all tourist establishments to cover guest injuries or accidents.
- **Disaster Management Plan:** A clause should mandate the creation and submission of a **Disaster Management Plan** to the National Disaster Management Authority and MOT, which is a prerequisite for licensing.

The current tax section uses terms that do not exist under Maldivian Law, which could lead to disputes with the Maldives Inland Revenue Authority (MIRA):

- **Green Tax Collection:** The agreement does not explicitly state the Lessee's statutory duty to collect and remit **Green Tax** (currently USD 6 per night for a 12-room guesthouse).
- **Incorrect Tax Terminology:** The document references "Land Tax" and "Property Tax." The Maldives does not have a general land or property tax; instead, it has **Tourism Land Rent** and **Income Tax on Rental Income**. These terms should be corrected to ensure the right party is paying the correct statutory fee.

16th Amendment (Dec 2025) Compliance

This recent legislation introduced new requirements that affect Hinmafushi (an inhabited island):

- **Council Revenue Allocation:** The law now mandates that revenue generated from guesthouses on inhabited islands be allocated to the local **Island Council**. The agreement should acknowledge the role of the Hinmafushi Council in registration and oversight.

Foreign Tour Operator Licensing: If the operator (Lessee) plans to work with foreign agents, they must now ensure those agents hold a **Foreign Tour Operator License** and have a written affiliation agreement.

The agreement misses a clause setting a deadline for **Registration of the Lease** with the Hinmafushi Island Council and the MOT. Under the Land Act, a commercial lease is not fully enforceable against third parties until it is registered.

The agreement should include a "Warranty of Standards" to ensure it meets the MOT's physical requirements for a license:

A clause requiring a separate permit for any restaurant operated on-site, which must seat at least 50% of the licensed bed capacity.

You are missing a clause requiring the Lessee to submit an **Annual Maintenance Plan** and maintain an **Operation & Maintenance (O&M) Manual**. It should also mandate a "Maintenance Reserve Fund" (Sinking Fund) where a percentage of revenue is set aside specifically for future structural or equipment replacements.

The current draft does not specify the condition of the hotel at Year 10. A "**Handback Clause**" is missing. It should require:

- A **Joint Inspection** 12 months before the lease ends.
- A **Retention Fund** (the Lessor holds back the last 3 months of rent) to ensure the Lessee completes all "exit repairs."