

15 FAM 530 PROCEDURES FOR DISPOSAL OF REAL PROPERTY

*(CT:OBO-22; 12-23-2011)
(Office of Origin: OBO)*

15 FAM 531 APPLICABILITY

(CT:OBO-22; 12-23-2011)

For State Department properties, the disposal procedure for Real Property is the responsibility of post and the Office of Building Acquisitions and Sales of the Directorate of Planning and Real Estate of the Bureau of Overseas Buildings Operations (OBO/PRE/BAS). In the case of USAID properties, the Overseas Management Division, Office of Management Services, Bureau for Management, USAID/Washington (USAID/W-M/MS/OMD) are responsible for disposal. Before taking any action relating to disposal of a property, a post must obtain approval from OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. OBO/PRE/BAS for State Department properties, or, USAID/W-M/MS/OMD for USAID properties, will determine the disposal method that will produce the best return to the U.S. Government.

15 FAM 532 SALES

15 FAM 532.1 General and Broker

*(CT:OBO-22; 12-23-2011)
(Uniform State/USAID/Commerce/Agriculture/DIA)*

In general, a real estate broker is engaged for sales by OBO for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. However, with the prior approval of OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, post may conduct a sale without a broker if that is the most efficient method of disposal and likely to yield the highest proceeds. The role of the real estate broker is to market the property and find potential buyers. OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, selects the broker through its own

competitive process, or, the broker is selected through a competitive process at post with the approval of OBO/PRE/BAS or USAID/W-M/MS/OMD respectively. The post then requests an allotment of funds from OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, for the broker commission and fees. The selection and fees of brokers are governed by 15 FAM 420.

15 FAM 532.2 Local Legal Counsel

(CT:OBO-22; 12-23-2011)

Local legal counsel (fluent in written and spoken English) must be retained, with selection and fees subject to 15 FAM 420. Once retained, local counsel is tasked to analyze the issues of ownership, title, government approvals, local tradition, and other factors affecting the marketing and sale of the property. The post requests an allotment of funds through OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, for the counsel fees.

15 FAM 532.3 Appraisals

(CT:OBO-22; 12-23-2011)

- a. Generally, two independent appraisals of the property by qualified appraisers are obtained with selection and fees subject to 15 FAM 420. In general, appraisers are selected by the Office of Master Planning and Evaluations of the Directorate of Planning and Real Estate of the Bureau of Overseas Buildings Operations (OBO/PRE/MPE) for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. OBO/PRE/MPE may, however, request post to obtain the appraisals, in which case post requests an allotment of funds from them for the appraisal fees. Upon receipt of the appraisals, OBO/PRE/MPE for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, develops a reconciled estimate of value (REV).
- b. For State Department properties, this appraisal requirement may be waived by OBO/PRE/MPE if the cost of the appraisal appears high relative to the amount at stake, if only a single credible appraisal can be obtained, if local conditions and experience indicate no credible appraisals can be obtained, or if it is in the best interests of the government based on the facts and circumstances.

15 FAM 532.4 Marketing

(CT:OBO-22; 12-23-2011)

The broker develops a marketing plan, market analysis, and asking price for the property, all subject to approval by OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 532.5 Offers

(CT:OBO-22; 12-23-2011)

All offers must be in writing, in English, and all must be forwarded to OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD for review. Offers usually include an earnest money deposit, preferably 10 percent of the sales price.

15 FAM 532.6 Negotiations

(CT:OBO-22; 12-23-2011)

Negotiations can be conducted by post directly, through the broker, or by a realty specialist at the option of OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 532.7 Contract

(CT:OBO-22; 12-23-2011)

OBO/PRE/BAS and L/BA for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD and the regional legal adviser (RLA) must review and approve the contract prior to its execution by the buyer. Post must receive OBO/PRE/BAS authority for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, authority by cable to execute the sales contract.

15 FAM 532.8 Pre-Settlement

(CT:OBO-22; 12-23-2011)

Before settlement, post must receive all needed host-government approvals. Post receives a cable with instructions for the settlement process and sale from OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 532.9 Settlement

(CT:OBO-22; 12-23-2011)

With local legal counsel, post conducts the settlement, receives the proceeds, and deposits them with the U.S. disbursing officer. The U.S. Government does not warranty title, unless local law specifically requires warranty by the seller. Post must process the sale proceeds in accordance with 15 FAM 522 and cable OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, for instructions.

15 FAM 532.10 Documentation

(CT:OBO-22; 12-23-2011)

- a. Upon the settlement of a sale, post forwards documentation to the Office of Real Property Management (OBO/PRE/RPM) for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD with a copy to Departmental Allotment Accounting of Finance of the Office of Global Financial Services of the Bureau of Resource Management (RM/GFS/F/DAA). Required documentation includes:
 - (1) The sales contract, including an accurate English translation as outlined in 15 FAM 451, paragraph c;
 - (2) Other signed documentation confirming the date of sale, completion of the sale, and amount of money in dollars and local currency agreed upon, if not listed in the sales contract; and
 - (3) Signed Form OF-158, General Receipt, indicating the total amount and the exchange rate on the date of deposit.
- b. Post also enters the sales data into the OBO real property database and designates the property as "retired."

15 FAM 532.11 Broker Invoice

(CT:OBO-22; 12-23-2011)

After settlement, post forwards a draft invoice and supporting documents from the broker to OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, as required by OBO. After receipt of the Form OF-158, OBO/PRE/BAS informs the Office of Financial Management of the Directorate of Resource Management of the Bureau of Overseas Buildings Operations (OBO/RM/FM), and the broker, of the currency conversion rate. OBO/PRE/BAS for State Department properties,

or, in the case of USAID properties, USAID/W-M/MS/OMD, verifies that sufficient funds have been set aside to pay the invoice, and/or does a modification to add funds. The invoice is then paid. Broker fees are not paid at settlement in the traditional way, but through the after-settlement procedure, outlined above.

15 FAM 533 SALE THROUGH COMPETITIVE BIDS

15 FAM 533.1 General and Broker

(CT:OBO-22; 12-23-2011)

In general, a real estate broker is engaged to assist with sales through competitive bids. However, with the prior approval of OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, a post may conduct a sale through competitive bids without a broker if the post has previous experience in the method. The role of the real estate broker is to assist in developing the “invitation to bid,” and to find interested parties to receive it. Please refer to 15 FAM 532.1 for additional guidance.

15 FAM 533.2 Local Legal Counsel

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.2 for guidance on retaining local legal counsel.

15 FAM 533.3 Appraisals

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.3 for guidance on obtaining appraisals.

15 FAM 533.4 Advertising and Invitation to Bid

(CT:OBO-22; 12-23-2011)

The broker develops a marketing plan in English and the local language for contacting interested buyers and assists in developing the “invitation to bid,” which must contain the information specified in 15 FAM Exhibit 533. Upon approval by OBO/PRE/BAS for State Department properties, or, in the case

of USAID properties, USAID/W-M/MS/OMD, the invitation can be advertised and sent out.

15 FAM 533.5 Bids

(CT:OBO-22; 12-23-2011)

All bids must be in writing, in English, and forwarded to OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, for review. Each bid must be accompanied by earnest money in the form of a certified check payable to the Treasurer of the United States, in an amount not less than 5 percent of the bid, unless OBO for State Department properties, or, in the case of USAID properties, the regional legal adviser (RLA), approves an exception, which should be documented. Posts must provide a summary of legitimate bids to OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, with a recommendation as to which bid, if any, appears to be acceptable.

15 FAM 533.6 Acceptance of Bids

(CT:OBO-22; 12-23-2011)

There are no negotiations involved in the competitive bid method. No bid will be accepted until first approved by the Department of State; and the U.S. Government must reserve the right to reject any and all bids for any reason whatsoever. When OBO for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD accepts a bid, the post must notify all other bidders and return their earnest money deposits.

15 FAM 533.7 Contract

(CT:OBO-22; 12-23-2011)

The draft sales contract prior to the issuance of the invitation to bid must be reviewed and approved by OBO/PRE/BAS and L/BA for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD and the RLA. After U.S. Government acceptance of a bid, the contract must be executed by the buyer. Any modifications to the previously approved draft must be approved by OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD and L/BA. The post must receive authority by cable to execute the contract from OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 533.8 Pre-Settlement

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.8 for pre-settlement guidance.

15 FAM 533.9 Settlement

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.9 for settlement guidance.

15 FAM 533.10 Documentation

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.10 for guidance on documentation.

15 FAM 533.11 Broker Invoice

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.11 for guidance on broker invoicing.

15 FAM 534 PROCEDURES FOR PROPERTY EXCHANGES

(CT:OBO-22; 12-23-2011)

15 FAM 534.1 General and Broker

(CT:OBO-22; 12-23-2011)

An exchange is the disposal of and the acquisition of one or more properties in a single transaction. Depending on the relative values of the properties, additional cash consideration is usually paid from one party to the other (known as “boot”). A real estate broker may be engaged for an exchange to work on the disposal, the acquisition, or both. However, with the prior approval of OBO/PRE for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, a post may conduct an exchange without a broker if that is the most efficient method. The role of the real estate broker normally is to coordinate the interests of the parties to the exchange and reach a mutually acceptable balance. Relative value disparity

between properties is normally negotiated and “boot” is paid by the party acquiring the property of lesser value in order to balance equities. Please refer to 15 FAM 532.1 for additional guidance.

15 FAM 534.2 Local Legal Counsel

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.2 for guidance on retaining local legal counsel.

15 FAM 534.3 Appraisals

(CT:OBO-22; 12-23-2011)

Appraisal requirements apply to each of the exchanged properties. Please refer to 15 FAM 532.3 for additional guidance on obtaining appraisals.

15 FAM 534.4 Marketing

(CT:OBO-22; 12-23-2011)

Typically an exchange is not planned but emerges as a viable alternative to a traditional sale. Should this occur, a broker may be engaged to develop a marketing plan, market analysis, and estimated value for the exchange property, all subject to prior approval by OBO/PRE for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 534.5 Offers

(CT:OBO-22; 12-23-2011)

Earnest money deposits pertain to the price of the disposal property. Please refer to 15 FAM 532.5 for additional guidance.

15 FAM 534.6 Negotiations

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.6 for guidance on negotiations.

15 FAM 534.7 Contract

(CT:OBO-22; 12-23-2011)

Please use guidance in 15 FAM 532.7 for exchange contracts.

15 FAM 534.8 Pre-Settlement

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.8 for pre-settlement guidance.

15 FAM 534.9 Settlement

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.9 for guidance on settlements.

15 FAM 534.10 Documentation

(CT:OBO-22; 12-23-2011)

- a. Upon the settlement of the exchange transaction, the post forwards documentation to the Office of Real Property Management of the Directorate of Planning and Real Estate of the Bureau of Overseas Buildings Operations (OBO/PRE/RPM) for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. A copy is sent to Departmental Allotment Accounting of Finance of the Office of Global Financial Services of the Bureau of Resource Management (RM/GFS/F/DAA). Required documentation for the disposal property includes:
 - (1) The exchange contract including an accurate English translation as outlined in 15 FAM 451, paragraph c;
 - (2) Other signed documentation confirming the date of exchange, completion of the exchange, and amount of money in dollars and local currency agreed upon, if not listed in the exchange contract; and
 - (3) Signed Form OF-158, General Receipt, indicating the total amount of the "boot" and the currency exchange rate on the date of deposit.
- b. Required documentation, and transmittal thereof, for the acquisition property is set forth in 15 FAM 451 and 15 FAM 452.
- c. Post also enters the exchange data into the OBO real property database and designates the disposed property as "retired." In the case of the acquired property refer to 15 FAM 400.

15 FAM 534.11 Broker Invoice

(CT:OBO-22; 12-23-2011)

Please refer to 15 FAM 532.11 for guidance on broker invoicing.

15 FAM 535 PROCEDURES FOR LEASE AND LICENSE AGREEMENTS TO PROSPECTIVE USERS

15 FAM 535.1 Definitions

(CT:OBO-22; 12-23-2011)

- a. A **lease** is a contract conveying the right to occupy and use property for a specific period of time in consideration of rent or other compensation. Leases must be created in accordance with Department of State requirements, local laws, and market conditions.
- b. A **license** is an agreement that sets terms to allow another party to occupy the property of another without becoming a trespasser. It creates no transferable rights for the licensee and can be revoked at any time by the licensor (owner).

15 FAM 535.2 Restrictions

(CT:OBO-22; 12-23-2011)

An employee occupying U.S. Government-held quarters may not enter into any arrangement that would provide compensation to the employee for use of the quarters. No non-U.S. Government individual or organization may occupy or otherwise use U.S. Government-owned/long-term leased (GO/LTL) property in the absence of a lease, sublease, or license established in accordance with these regulations. When subleasing, post must attempt to recover maintenance costs to the extent possible under the circumstances.

15 FAM 535.3 Interagency Transfers

(CT:OBO-22; 12-23-2011)

A memorandum of understanding (MOU) is required to temporarily transfer GO/LTL real property from one agency to another.

15 FAM 535.4 Broker

(CT:OBO-22; 12-23-2011)

(Uniform State/USAID/Commerce/Agriculture/DIA)

In general, a real estate broker is not engaged for leasing or licensing an LTL/GO property. However, post may engage a broker with the approval of OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. Please refer to 15 FAM 532.1 for additional guidance.

15 FAM 535.5 Local Legal Counsel

(CT:OBO-22; 12-23-2011)

Local counsel is tasked to analyze the issues affecting the leasing or licensing of the property, and to draft an agreement. Please refer to 15 FAM 532.2 for additional guidance.

15 FAM 535.6 Lease and License Proposals

(CT:OBO-22; 12-23-2011)

Before proceeding with a lease or license, post must obtain approval from OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, and submit the following:

- (1) Identification of the property and site, including property identification numbers;
- (2) Names of prospective tenant(s) and their financial offer(s);
- (3) Comparisons of proposed rate with prevailing local rates;
- (4) A recommendation as to which offer, if any, the U.S. Government should accept;
- (5) The reasons for leasing, if the post recommends a lease instead of a license; and
- (6) Information as to whether local law, in any way, expands the rights of the occupant beyond those granted by the terms of the proposed agreement.

15 FAM 535.7 Negotiations

(CT:OBO-22; 12-23-2011)

Negotiations can be conducted by post directly, through the broker, or by an OBO/PRE/BAS realty specialist for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. Post must consult local legal counsel prior to entering into negotiations to determine whether local laws grant the tenant rights beyond those that the U.S. Government is willing to grant, as stated in the model lease or license (see 15 FAM Exhibit 534(1) and 15 FAM Exhibit 534(2)). If such additional rights exist under local law, post must provide an explanation to OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, with suggested solutions to protect the U.S. Government's equities. If there are no such additional rights, post may proceed with negotiations after OBO/PRE/BAS approval for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, approval.

15 FAM 535.8 Agreement

(CT:OBO-22; 12-23-2011)

Prior to execution by the tenant/licensee of the lease/license agreement, it must be reviewed and approved by OBO/PRE/BAS and L/BA for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD and the RLA. If U.S. Government-owned (GO) furniture, furnishings, appliances and equipment (FFA&E) are included, the agreement must include an inventory that reflects the condition of each item as good, fair, or poor. The post must receive OBO/PRE/BAS authority for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, authority by cable to execute the lease or license agreement.

15 FAM 535.9 Deposit

(CT:OBO-22; 12-23-2011)

If possible, the post obtains a deposit of 2 months' rent and holds it in escrow against possible tenant damage to the property. Escrow deposits are accounted for in a local deposit account.

15 FAM 535.10 Execution

(CT:OBO-22; 12-23-2011)

When executing a lease or license, a post must comply with the host government's requirements, including registration.

15 FAM 535.11 Renewals

(CT:OBO-22; 12-23-2011)

The model lease (15 FAM Exhibit 534(1)) purposefully excludes language on lease renewals. A lease renewal, if approved by OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD, must be accomplished by an amendment.

15 FAM 535.12 Documentation

(CT:OBO-22; 12-23-2011)

- a. Upon execution of a lease, license, renewal, or termination, the post sends one signed and/or certified counterpart of the agreement to OBO/PRE/RPM for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. The agreement must include an accurate English translation as outlined in 15 FAM 451, paragraph c, to OBO/PRE/RPM or USAID/W-M/MS/OMD, respectively. Post must retain one signed counterpart. A termination notification must bear the number of the license or lease, and it or a subsequent document must report that all sums owed have been paid (see 15 FAM 450).
- b. The RPA database is to be updated by post to reflect the change of use.

15 FAM 535.13 Broker Invoice

(CT:OBO-22; 12-23-2011)

Contrary to the other forms of disposal, in the instance of a lease or license transaction and after execution of the agreement, the post may pay the leasing broker's invoice following approval by OBO/PRE/BAS for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD.

15 FAM 536 THROUGH 539 UNASSIGNED

15 FAM EXHIBIT 533 INVITATION TO BID

(CT:OBO-22; 12-23-2011)

The following are requirements of an invitation to bid on U.S. Government-owned (GO) real property abroad:

- (1) A brief, legally accurate description of the property is required;
- (2) Bids must be made in writing;
- (3) A settlement date for the submission of bids is required;
- (4) All bids will continue irrevocably in force for 35 days from the settlement date for such bids;
- (5) Each bid must be accompanied by earnest money in the form of a certified check payable to the Treasurer of the United States in an amount not less than five percent of the bid, unless OBO for State Department properties, or, in the case of USAID properties, the Overseas Management Division, Office of Management Services, Bureau for Management, USAID/Washington (USAID/W-M/MS/OMD), approves a documented exception;
- (6) No bid will be accepted until first approved by the Department of State or USAID (RLA and M/MS/OMD); the U.S. Government reserves the right to reject any and all bids for any reason whatsoever;
- (7) After U.S. Government approval of the bid, a sales agreement must be signed by the purchaser.

NOTE: This contract must be drawn by a qualified local attorney in conjunction with appropriate representatives from post, OBO for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD. Post must employ a local legal expert to ensure adequate protection of U.S. interests under and in compliance with local law. Post may request allotment of funds for attorney's fees from OBO for State Department properties, or, in the case of USAID properties, USAID/W-M/MS/OMD;

- (8) All transaction taxes, registration, and legal fees must be the responsibility of the purchaser, unless local law provides otherwise;

- (9) Unless local law requires otherwise, the U.S. Government will transfer title by means of a quit claim deed (a deed without continuing U.S. Government warranty of title); and
- (10) Upon payment in full of the purchase price, the U.S. Government will deliver to the purchaser the necessary title documents, without warranty of title, unless local law specifically requires warranty by the seller.

**15 FAM EXHIBIT 534(1)
MODEL LEASE FOR U.S. GOVERNMENT-
OWNED PROPERTY**

(CT:OBO-22; 12-23-2011)

**LEASE
between
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
and**

1. This lease made and entered into this ____ day of _____ in the year _____, by and between the Government of the United States of America, acting by ____ [Name] _____, ____ [Title] _____, hereinafter called the Lessor, and ____ [Name] _____, ____ [Title] _____, hereinafter called the Lessee:

WITNESSETH: The parties hereto, for the considerations hereinafter mentioned, agree as follows:

2. The Lessor, the owner of certain property in the city of _____ in the country of _____, described as ____ [Enter a complete description of the property] _____, hereinafter referred to as "the property," which is not currently needed for the current operations of the Lessor, does hereby lease to the said Lessee the above-described property, to have and to hold for the term beginning _____ and ending _____.

3. It is understood and agreed that, after __ [State time period] ____ of this lease, either party shall be at liberty to terminate this lease upon giving notice in writing to the other party sixty days in advance of the termination date, without the Lessor having right to any payment other than for rental (or also for damages owing under other terms of this lease) to the date the Lessee surrenders the premises. Further, in the event the Lessee fails to fulfill any of the conditions of this lease, and where this lease specifically provides no other remedy for such failure, the Lessor is entitled either to terminate this lease without previous notice or at its option, to take any measures that it may deem necessary to establish the conditions contemplated by this agreement and at the entire expense of the Lessee.

4. The Lessee shall pay the Lessor for the premises rented at the rate of [State sum for each time period in U.S. dollars], payable in [the local currency equivalent] at the prevailing rate of exchange on the day on which each payment is made. The first payment being due _____, and subsequent payments at the following times: _____.

5. The Lessee is prohibited from making any alterations to the property without the express prior written consent of the Lessor.

6. All maintenance and nonstructural repairs shall be made at the expense of the Lessee and, in the case of substituted materials or equipment of a different type or make, with the consent of the Lessor.

7. The Lessee (Lessor) undertakes to furnish heat to the property. (**NOTE:** This undertaking would vary depending on heating facilities in the U.S. Government-owned premises. If heat is supplied by the Lessor, the consideration to be set forth in Article 4 should be adjusted accordingly.)

8. The Lessee shall bear the cost of all water, electricity, gas and other utilities served to the property.

9. The Lessee shall return the property in the same good condition in which it was received, usual wear-and-tear and damages beyond the Lessee's control excepted.

10. The Lessee agrees that the property shall not be used for any illegal or immoral purpose, nor for gambling, nor for the sale of alcoholic beverages. The Lessee further agrees to take into account in this connection the fact that the Government of the United States of America owns the property.

11. The Lessee undertakes to keep the property in a clean and tidy state, including upkeep of lawns and shrubs, and to maintain those sidewalks and approaches peculiarly within the Lessee's control in proper condition and free of debris, snow and ice, and to accept all responsibility in connection therewith, as well as to maintain properly all halls and stairways or other conveniences intended for the sole use of the Lessee, (its, his, her, their) agents and employees, and the public; the Lessee accepts full and sole responsibility for any claim arising in connection with damage sustained through the use of such halls, approaches, stairways, and conveniences.

12. Whenever the property or any essential part thereof shall be destroyed by fire, flood, storm, earthquake, war, civil disturbance or other casualty, this lease shall, in case of total destruction or on being rendered unfit for further tenancy, immediately terminate, and, in case of partial destruction or injury, shall terminate at the option of either Lessor or Lessee upon giving notice in writing to the other party within twenty days after such casualty, and no rent shall accrue to the Lessor after such termination. Should the Lessee elect to remain in the premises rendered partially untenable, a proportionate rebate or reduction of prevailing rental payments will be allowed.

13. Any stamp duties required for this lease shall be paid by the Lessee and the English version of this lease is to be preferred for the interpretation thereof.

IN WITNESS WHEREOF, the parties hereunto have affixed their hands and seals as of the date written above.

_____ [Name, Title and Address] _____ LESSOR

The United States of America, Acting By:

_____ [Name, Title and Address] _____ LESSEE

**15 FAM EXHIBIT 534(2)
MODEL LICENSE FOR U.S. GOVERNMENT-
OWNED PROPERTY**

(CT:OBO-22; 12-23-2011)

**REVOCABLE LICENSE AGREEMENT
between
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
through**

_____ **and** _____

1. This license agreement made and entered into this _____ day of _____ in the year _____, by and between the United States of America, acting by _____ [Name] _____, _____ [Title] _____, hereinafter called the Licensor, and _____ [Name] _____, _____ [Title] _____, hereinafter called the Licensee:

WITNESSETH: The parties hereto, for the considerations hereinafter mentioned, agree as follows:

2. The Licensor, the owner of certain property in the city of _____ in the country of _____, described as _____ [Enter a complete description of the property] _____ hereinafter referred to as "the property," which is not currently needed for the current operations of the Licensor, does hereby license the said Licensee to use the property until advised by the Licensor that the property is needed by the Licensor by giving _____ days notice. Upon receipt of such notice, the Licensee shall vacate the property and remove all of (its, his, her, their) possessions therefrom within _____ days following receipt of notice to vacate.

3. In the event that the Licensee shall desire to discontinue the use of the property, the Licensee shall give the Licensor thirty days notice of such intention.

4. In payment for the use of the property, the Licensee shall pay the Licensor, so long as the Licensee shall use or occupy the property, [State sum for each time period in U.S. dollars], in advance, effective, _____ payable in _____ [Name of currency] _____, at the prevailing rate of exchange on the day on which each payment is made.

The first payment being due _____, and subsequent payments at the following times: _____. In the event the Licensee vacates the property before the expiration of a month for which advance payment has been made, pro rata proportion (or no portion) of the advance payment shall be returned to the Licensee.

5. The Licensee is prohibited from making any alterations to the property without the express prior written consent of the Licensor.

6. All maintenance and nonstructural repairs shall be made at the expense of the Licensee and, in the case of substituted materials or equipment of a different type or make, with the consent of the Licensor.

7. The Licensee (Licensor) undertakes to furnish heat to the property. (**NOTE:** This undertaking would vary depending on heating facilities in the U.S. Government-owned premises. If heat is supplied by the Licensor, the consideration to be set forth in Article 4 should be adjusted accordingly.)

8. The Licensee shall bear the cost of all water, electricity, gas and other utilities served to the property and shall pay all taxes and rates, and shall submit to the Licensor receipted bills for such taxes and rates.

9. The Licensee shall return the property in the same good condition in which it was received, usual wear and tear and damages beyond the Licensee's control excepted.

10. The Licensee agrees that the property shall not be used for any illegal or immoral purpose, nor for gambling, nor for the sale of alcoholic beverages. The Licensee further agrees to take into account in this connection the fact that the Government of the United States of America owns the property.

11. The Licensee undertakes to keep the property in a clean and tidy state, including upkeep of lawns and shrubs, and to maintain those sidewalks and approaches peculiarly within the Licensee's control in proper condition and free of debris, snow and ice, and to accept all responsibility in connection therewith, as well as to maintain properly all halls and stairways or other conveniences intended for the sole use of the Licensee, (its, his, her, their) agents and employees, and the public; the Licensee accepts full and sole responsibility for any claim arising in connection with damage sustained through the use of such halls, approaches, stairways, and conveniences.

12. Any stamp duties required for this license agreement shall be paid by the Licensee and the English version of this license agreement is to be preferred for the interpretation thereof.

IN WITNESS WHEREOF, the parties hereunto have affixed their hands and seals as of the date written above.

_____ [Name, Title and Address] _____ LICENSOR

The United States of America, Acting By:

_____ [Name, Title and Address] _____ LICENSEE