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REPUBLIC OF MARSHALL ISLANDS

**IN THE HIGH COURT
OF THE
REPUBLIC OF THE MARSHALL ISLANDS**

**EIGIGU HOLDINGS
CORPORATION**

Plaintiff

v.

**LEANDER LEANDER and
LIJUN LEANDER**

Defendants.

Civil Action No.: 2014- 061

**VERIFIED COMPLAINT
FOR
DECLARATION OF
TERMINATED and INVALID
SUB-LEASE and EVICTION**

COMES NOW the plaintiff, Eigigu Holdings Corporation (“EHC”), by and through counsel, Gordon C. Benjamin, and files this Complaint against defendants, Leander Leander and Lijun Leander (the “Defendants”), and in support thereof would show unto the Court the following matters and facts:

1. EHC is a Nauru government-owned entity, and effective June 27, 1996, became successor to interests in property owned by the Nauru Local Government Council (“NLGC”), as evidenced in the July 16, 1996 document from EHC to Mr. Rubin Tsitsi, a copy of which is attached hereto as “Exhibit P-1”.

2. EHC was NLGC’s successor in interest to a 1990 lease between NLGC and landowners of the Eastern Gateway Hotel premises in certain parts of Remjon and Wotje wetos of Delap, Majuro Atoll (the “Premises”). Such lease was terminated by the landowners and such termination was filed and recorded at the Republic of the Marshall

Islands' ("RMI") Land Registration Authority ("LRA") on May 08, 2012 as Instrument No. 4429.

3. Plaintiff and the landowners have now entered into a new lease of the Premises, such lease last signed in late December 2013.

4. Defendants are adult residents of Majuro, Marshall Islands, are husband and wife, and citizens of the RMI.

5. On or around April 14, 2001, Defendants entered into a "sub-lease" with the "Nauru Local Government Council" defined as the "Lessor" with Mr. Rubin Tsitsi signing for "Nauru Council" and registered on November 23, 2009 in the LRA as Instrument 2345 (the "2001 'sub-lease'"), a copy of which is attached hereto as "Exhibit P-2".

6. The 2001 'sub-lease', as registered in the LRA, Section 1 ("Demise, Description, and Use of Property") refers to "*Descriptions of the Premises set forth in Exhibit "A"*", however there is no "Exhibit A" attached to the 2001 'sub-lease'.

7. The 2001 'sub-lease', whether or not a valid sub-lease, expired after a ten-year term, on April 30, 2011.

8. On or around September 25, 2002, Defendants entered into a "Agreement for Extension and Revision of a Portion [of] Eastern Gateway Hotel Building & Portion of Remjon Weto, Majuro Atoll, Republic of the Marshall Islands" with the "Nauru Council" and with Mr. Rubin Tsitsi signing for "Nauru Council" (the "2002 'sub-lease'") regarding some undefined property on the Eastern Gateway Hotel premises.

9. The 2002 'sub-lease' does not define the property under the 2002 'sub-lease', but under Section 1. states "*A survey and description of the premises is attached*

hereto as Exhibit A, Exhibit B and incorporated by reference herein. (see those Map in those lease in 2001)”.

10. There are no “Exhibit A” or “Exhibit B” attached to the 2002 ‘sub-lease’ and the language “see those Map in those lease in 2001” is vague as to what lease in 2001 is referred to, but definitely there is no “Map” attached to the 2001 ‘sub-lease’. A copy of the 2002 ‘sub-lease’ is attached hereto as “Exhibit P-3”.

11. In the 2002 ‘sub-lease’, Mr. Rubin Tsitsi signed for “Nauru Council” however such entity is not the lessee of the Premises, and such entity does not have the authority to enter into any lease or sub-lease on the Premises.

12. The 2002 ‘sub-lease’ was for a total term of 33 years, ending September 24, 2035.

13. At or around the time of the signing of the 2002 ‘sub-lease’, in September 2002, Defendants paid Mr. Rubin Tsitsi \$200,000.00 in advance for full payment for thirty-three years, for an average of \$6,060.00 per year.

14. Defendants advance payments made to Mr. Rubin Tsitsi, were in violation of 24 MIRC, Ch. 4, Section 438 of the Republic of the Marshall Islands laws. Specifically, the law states that “no rent payable under a lease shall be paid more than one year in advance of the due date.” Therefore, any lease payments made to Mr. Tsitsi that were paid in advance for more than one year are void as to satisfaction of lease payments due for years after that first year.

15. Plaintiff has no record of receiving notice of the 2002 ‘sub-lease’ signed between the Defendants and Mr. Rubin Tsitsi.

16. Plaintiff has no record of receiving any of the proceeds of the advance payment for the 2002 'sub-lease' made by Defendants to Mr. Rubin Tsitsi.

17. Defendants appear to have sub-leased to other sub-lessees the following areas on the Premises: "Z-Brothers" or similar who appear to operate a wholesale business and control the southern half of the Eastern Gateway Hotel building, including the first, second, and third floors; "M&K" Store; Laundromat at the roadside; Carnation restaurant; a Car garage; and other unknown sub-lessees, collectively referred to as "Leander's sub-lessees".

18. The July 8, 2011 Marshall Islands Journal reported that on Saturday July 2, 2011, the RMI and MALGov local police raided the portion of the Premises occupied by Leander's sub-lessees because of suspected gambling and other illegal activities, and made thirty arrests.

19. Plaintiff's numerous attempts to inspect the premises have been refused by Leander's sub-lessees, thus breaching the 2002 'sub-lease' Section 9 (Control and Inspection) and Section 20(b) (Right of Access to Premises by Lessor).

20. As a matter of law, Defendant's 2002 'sub-lease', even if it were a valid sub-lease, terminated when the underlying lease between the Plaintiffs and the landowners of the Premises was terminated by the landowners and such termination was filed and recorded at the RMI LRA on May 08, 2012 as Instrument No. 4429.

WHEREFORE, plaintiff prays that, after a hearing, this Court issue an Order:

1. declaring that the 2002 'sub-lease' terminated when the underlying lease between Plaintiffs and the landowners of the Premises was terminated, and similarly any

sub-leases Defendants entered into as sub-lessors on the Premises are also terminated, or in the alternate,

2. declaring the 2002 'sub-lease' between Mr. Rubin Tsitsi and the Defendants as invalid, and thus similarly declaring any sub-leases Defendants entered into as sub-lessors on the Premises as invalid,

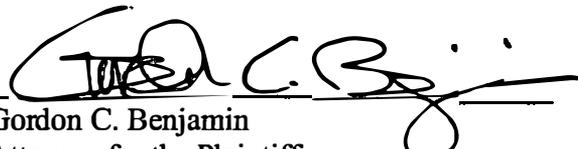
3. declaring that any advance payments Defendants made under the 2002 'sub-lease' that were paid in advance for more than one year are void as to satisfaction of lease payments due for years after that first year,

4. evicting Defendants from the Premises, and consequently evicting Defendants' sub-lessees from the Premises,

5. awarding reasonable attorneys fees and costs to Plaintiffs attorney(s),

6. any other remedy that the Court determines as just and proper.

Dated this 7th day of April, 2014



Gordon C. Benjamin
Attorney for the Plaintiff

Verification of Complaint

I, Vyko Adeang, a Board Member of the Eigigu Holdings Corporation, having been sworn, affirm under oath that I have read this "Verified Complaint for Declaration of Terminated and Invalid Sub-Lease and Eviction", and that its contents are true and correct. Done this 7th day of ~~March~~
April, 2014.



Signed before me on the 7th day of April, 2014



Signature of notary official

Asst. Clerk of Courts

Title or rank



My commission expires on: N/A

EIGIGU HOLDINGS CORPORATION

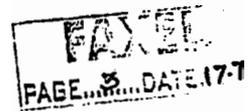
(Owned by Republic of Nauru)

**(Incorporated under the
Nauru Corporation Act 1972)**

Ref No : EHC/fx/1
Date : 16th July, 1996

Room No. 161
Menen Hotel,
Nauru.

**MR. RUBIN TSITSI
NAURU COUNCIL REPRESENTATIVE,
MAJURO
MARSHALL ISLANDS**



FAX NO : (692) 6253337

**Sub : Eastern Gateway Hotel Site clean - up - Agreement
Re : Your Fax dated 10th July, 1996**

Dear Sir,

EIGIGU HOLDINGS CORPORATION is a Holding Company Incorporated under Section 15(3) of the Nauru Corporation Act 1972 and under Cabinet Order No.1 dated 27th June, 1996 upon the incorporation of the Company the properties of the former NLGC stands transferred to Eigigu.

A copy of the Cabinet order alongwith certificate of incorporation is enclosed for your record.

Thanking You,

Yours faithfully,

A handwritten signature in black ink, appearing to be "K. Deenabandhu", written in a cursive style.

**K. DEENABANDHU
SECRETARY**

**Copy to : Hon. Chairman,
Eigigu Holdings Corporation.**

**AGREEMENT OF SUB LEASE FOR THE SECOND FLOOR
OF THE EASTERN GATEWAY HOTEL BUILDING,
MAJURO ATOLL, REPUBLIC OF THE MARSHALL
ISLANDS**

This AGREEMENT ("agreement") OF SUB-LEASE is made and entered into this 14th April, 2001, by and between Leander Leander & Lijun Leander (herein referred to as the "Lessee"), and the Nauru Local Government Council (herein referred to as the "Lessor").

RECITALS

In consideration of the covenants and mutual promises contained in this agreement, the parties hereto agree as follows

Section 1. Demise, Description, and Use of Property. The lessors transfer to lessee, and lessee hires from lessors all of lessors interests in the property, together with all right-of-ways, easements, more particularly described in the Descriptions of the Premises set forth in Exhibit "A". As used in this agreement, the term "premises" refers to the interior of the second floor & cocktail & bar area located in the middle of the left and right stairways, of the property commonly known as the Eastern Gateway Hotel Building constructed by and belonging to the Nauru Local Government Council.

The Tenant acknowledge that the premises thereon have been constructed by the Nauru Council and it belongs to the Nauru Council.

Section 2. Term

(a) The term of this agreement shall be for ten (10) years commencing on 1st May 2001, and ending on 30th April 2011.

Section 3. Payment

- (a) During the first (1st) 5 year of this lease, lessee agrees to pay lessor rent of six thousand seven hundred & twenty (US \$6,720.00) dollars per each calender year. Commencing on the sixth, seventh, eighth, ninth and tenth year of this lease the rent shall increase by two hundred (US\$200.00) dollars per each calender year i.e. 6 years @ \$6920; 7 years @ \$7,120; 8 years @ \$7,320; 9years @\$7,520; 10years @\$7,720.
- (b) The initial payment for the year being 1st May 2001, shall be paid upon the execution of this lease.

Section 4. Warranties of title and Quiet Possession.

- (a) Nauru Council warrant that the lessee shall be granted peaceable and quiet enjoyment of the premises free from eviction or interference by the Nauru Council, or other persons, if the Tenant



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pays the rent and other charges provided herein, and otherwise performs pursuant to the terms and conditions imposed upon it by this lease.

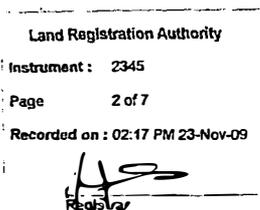
- (b) Nauru Council warrants that they claim full legal ownership of the premises and that there is no other party interest to the premises. Nauru Council further warrant that it shall indemnify the lessee against all expenses, liabilities, and claims of every kind, and hold the lessee harmless if any person claims to be the proper holder in interest, adverse to the claim of the Nauru Council.

Section 5. Alteration, Additions, and Improvements.

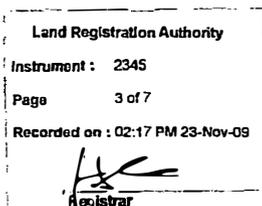
- (a) Lessee shall have the right, at its sole expense, to make such alterations, additions, add to, remodel, demolish or remove such alterations to the premises and other improvements that are on the premises. The parties recognize that the Nauru Council has already constructed the premises thereon and it belongs to the Nauru Council.
- (b) Lessee shall not have the right to fill or dredge the surrounding areas adjacent to or on the premises.
- (c) At the expiration or earlier termination of this lease, all alterations, additions, and improvements, appliances, fixtures, or other property remaining on the premises shall be the property of lessor, free and clear of any claims by or through lessee.

Section 6. Both parties stipulate that all moveable trade fixtures and all appurtenances furnished to the premises shall be in good working order and condition at the expiration of this lease.

7. **Utilities and Taxes.** Lessee may install any utility services on the premises that it desires. Lessee shall fully and promptly pay for all electricity, telephone service and other public utilities of every kind furnished to the premises throughout the term hereof, and all other costs and expenses, including taxes, which are due and owing by the lessee or in connection with the use, operation, and maintenance of the premises and all activities conducted thereon, and the Nauru Council shall have no responsibility of any kind for any thereof. Lessee shall have unrestricted use of all sources of water on the property. All current water facilities shall remain available to lessee for the duration of this lease, and any options thereon.



8. **Insurance.** During the term of this lease, lessee may obtain and maintain at its own expense any appropriate type and amount of insurance, including fire, casualty, and liability insurance. All such insurance provided by the lessee shall be carried in favor of the Nauru Council and the lessee as their respective interests may appear.
9. **Maintenance of Premises.** Lessee shall, at its sole expense, repair, replace, and maintain in a good, safe, and substantial condition, the premises and any improvements, additions, and alterations thereto, on or to the premises. Lessee shall use all reasonable precautions to prevent waste, damage, or injury to the premises.
10. **Nuisance, Unlawful, or Dangerous Activity.** Lessee shall not use or occupy the premises or any part thereof for any unlawful, disreputable, or ultrahazardous business purpose, nor operate or conduct its business in a manner constituting a nuisance of any kind.
11. **Indemnity.** Lessee shall indemnify the Nauru Council against all expenses, liabilities, and claims of every kind, including reasonable counsel fees, by or behalf of any person or entity arising out of either (i) a failure by the lessee to perform any of the terms or conditions of this lease, (ii) any injury or damage happening on or about the premises that was not the fault of the Nauru Council, (iii) failure of the lessee to comply with any laws of governmental authority, or (iv) any mechanic's lien or security interest filed against the premises or equipment, materials, or alterations of the premises or improvements thereon by virtue of an act or omission by the lessee (v) Lessee shall not be liable for any damages to or destruction of the external part of the building, nor required to restore, repair, or rebuild the same.
12. **Lessee's Option to Terminate.** At any time during the term of this lease, the lessee may elect, in its sole discretion and for any reason, to terminate this lease upon giving of ninety(90) days notice. Upon termination, lessee's liability hereunder shall cease and possession of the premises shall be restored to the Nauru Council as provided in paragraph 18.
13. **Condemnation.** The rights and duties of the parties in the event of condemnation are as follows:
 - (a) If only a portion of the premises is taken or condemned, this lease shall not terminate, but the rent payable shall be reduced in proportion to the decrease in measurement suffered by the lessee. If the taking or condemnation results in the lessee being unable to use a majority of the premises thereon, the lessee may terminate this lease at its sole option.



(b) In the event of any taking or condemnation in whole or in part, any resulting award of consequential damages shall be equitably divided between the Nauru Council and the lessee on the basis of their respective interests.

14. Easements, Agreements, Encumbrances. The parties shall be bound by all existing easements, agreements. Lessee shall not encumber by mortgage, or deed of trust or assignment, or other instrument its interests in the premises as security for any indebtedness of lessee.

15. Right of Access to Premises.

(a) *By Lessee.* Lessee and its invitees shall have the right of access to the premises at all times.

(b) *By Nauru Council.* The Nauru Council or their agents may enter the premises upon 48 hours written notice (i) inspect the premises, or (ii) make repairs that the lessee neglects or refuses to make in accordance with the provisions of this lease, after reasonable notice as provided in paragraph 22 of this lease.

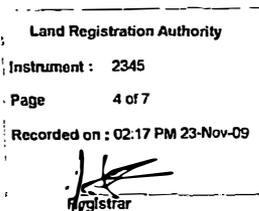
16. Liability of Nauru Council. Lessee shall be in exclusive control and possession of the premises, and the Nauru Council shall not be liable for any injury or damages to any property or person on the premises, nor for any injury or damage to any property of the lessee and its invitees except for acts of the Nauru Council or their successors in interest or of any person acting under their direction or control.

17. Sublease. Lessee may sublease all or a portion of the premises in whole or in part for a period not exceeding one (1) year. Upon two (2) days written notice by lessor, lessee shall provide copies of any sub-lease agreements by tenants occupying the premises.

18. Surrender of the Premises. At the expiration of the lease term, or on earlier termination or forfeiture of this lease, the lessee shall peacefully and quietly surrender and deliver the premises to the Nauru Council, including additions, and other improvements constructed or placed thereon by the lessee, including moveable trade fixtures and other appurtenances furnished to the premises.

19. Default. Each of the following events shall constitute a default of this lease by the lessee.

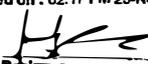
(a) Lessee fails to pay the Nauru Council rent when due and fails to make the payment within seven (7) days thereafter; or



- (b) Lessee fails to perform or comply with any conditions of this lease, and (i) the nonperformance continues for a period of fifteen (15) days after notice thereof by the Nauru Council to the lessee, or (ii) lessee cannot reasonably complete performance within the fifteen (15) day period and fails to make a good-faith effort to commence performance within the fifteen (15) day period or fails to proceed diligently to complete his performance, or (iii) lessee vacates or abandons the premises.

20. Effect of Default.

- (a) *Cancellation Rights.* Upon default of the lessee as described in paragraph 19, the Nauru Council may cancel and terminate this lease, as well as the right, title, and interest of the lessee in this lease, by giving the lessee fifteen (15) days notice of the cancellation and termination. On expiration of the time fixed in the notice, this lease and the right, title, and interest of the lessee under this lease, shall terminate in the same manner and with the same force and effect, except as to the lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term of this lease.
- (b) *Right to Make Payments.* Upon termination pursuant to paragraph 20(a), Nauru Council may elect, at its sole discretion, to make any payment required of the lessee pursuant to this lease or comply with any agreement, term, or condition required by this lease to be performed by the lessee. Nauru Council shall also have the right to enter the premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected, but any expenditure for the correction by the Nauru Council shall not be deemed to waive or release the default of the lessee or the right of the Nauru Council to take any action permissible under this lease in case of default.
- (c) *Right of Re-entry.* Upon termination pursuant to paragraph 20(a), and five (5) days additional notice in writing, unless the notice of cancellation and termination contains an express notice of intent to re-enter, the Nauru Council may re-enter the premises and remove the personal property and personnel of the lessee, and the Nauru Council may store the personal property at a place selected by the Nauru Council at the expense of the lessee. Without notice re-entry will not terminate the lease. On termination, the Nauru Council may recover from the lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the amount by which the rent due under this lease exceeds the actual current fair rental value of the premises for the remainder of

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the lease term or two (2) months from the date of default, whichever period is shorter, which sum shall be immediately due to the Nauru Council from the lessee.

(d) Right to Re-let. After re-entry, the Nauru Council may re-let the premises or any part thereof for any term without terminating the lease, at the rent and on such terms as the Nauru Council may choose. Nauru Council may make alterations and repairs to the premises.

21. Waiver. The failure of the Nauru Council to insist on a strict performance of any of the terms and conditions of this lease shall be deemed a waiver of the right or remedies that the Nauru Council may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

22. Notice

(a) All notices to be given with respect to this lease including notices of changes of address, designation of agents, and notice of succession of parties, shall be given in writing to the other party to this lease, at the mailing or residence address set forth in paragraph 22(b), according to the party's reference. Every notice shall be deemed to have been given at the time it is delivered at the recipient's address, or within five (5) days after it is mailed, if a party has designated use of the mail as the form of notice.

(b) The following parties to this agreement elect to receive notice at the following mailing addresses:

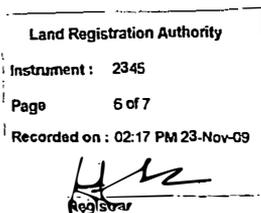
Nauru Council
Delap Village
Box 106
Majuro, MH 96960

Leander Leander & Lijun Leander
Delap Village
Box 1342
Majuro, MH 96960

23. Complete, Agreement, Amendment. This lease contains the entire agreement between the parties. It cannot be amended except by a written instrument subsequently executed by the parties.

24. Application of Lease to Successors. This lease, including all of its terms and conditions, shall apply to and is binding on the heirs, successors, assigns, and legal representatives of all parties.

25. Applicable Law. This lease shall be governed by and construed in accordance with the laws of the Republic of the Marshall Islands.



26. Severability. If any provision of this lease is held invalid, it shall not affect the other provisions of this lease and this lease shall remain in full force and effect without such provision.

27. Time is of the Essence. Time is of the essence in all provisions of this lease.

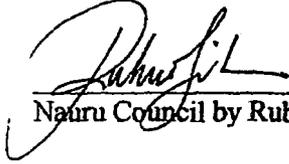
In witness whereof, the parties hereto have signed this **AGREEMENT OF SUB-LEASE** in 14th April, 2001, on the dates shown with respect to each of the signatures below.

Nauru Council:

Lessee:

Dated: 14th April, 2001.

Dated: 14th April, 2001.


Nauru Council by Rubin Tsitsi


Leander Leander & Lijun Leander

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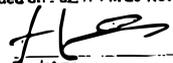
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Clerk of Courts Office

Original Retained by Leander Leander & Lijun Leander

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**AGREEMENT FOR EXTENSION AND REVISION OF A
PORTION EASTERN GATEWAY HOTEL BUILDING &
PORTION OF REMJON WETO, MAJURO ATOLL,
REPUBLIC OF THE MARSHALL ISLANDS**

This **AGREEMENT FOR EXTENSION AND REVISION OF LEASE** is made and entered into in September 25th, 2002, by and between the Nauru Council (herein referred to as the “lessor”), and Leander Leander and Li- Jun Leander (herein referred to as the “lessee”).

RECITALS

The parties recite and acknowledge that:

A. The parties desire to extend the lease and to revise its terms. The parties have executed this **AGREEMENT FOR EXTENSION AND REVISION OF LEASE** to continue the lease without interruption and supersedes the lease agreements entered in 2001, also those old lease in 2001 and this new lease from 2002 to 2035 have been paid in full with the US \$ 200,000.00 dollars.

IN CONSIDERATION of the covenants and mutual promises contained in this lease, the parties agree as follows:

1. **Grant of Interests.** The lessor hereby lease to the lessee and the lessee hereby leases from the lessor, a portion of Eastern Gateway Hotel building and a portion of Remjon Weto, Delap Village, Majuro Atoll, Marshall Islands, more particularly described as follows:

As used in this lease, the term premises refers to the real property and to any improvements located on the real property from time to time during the term of this lease. A survey and description of the premises is attached hereto as Exhibit A, Exhibit B and incorporated by reference herein. (see those Map in those lease in 2001)

2. **Term.** The term of this lease shall be for 25 years, commencing as of the 25th day of September, 2002, and ending on the 24th day of September, 2027, and it will continue for another term of eight years, without any notice. form 24th day of September 2027 and will end on 24th day September 2035 at midnight, the two parties are agree.
3. **Rent.** The lessee shall pay the lessor the amount of US\$200,000.00 dollars. payment in full of this lease terms, and shall be paid at the office of Nauru

Council upon the execution of this lease. Also those payments at those old lease agreement will include with this full payment of US \$ 200,000.00 dollars. Both parties agree that the lessee shall not be responsible for any form of payments to the landowners, Chief (Iroj) and Nauru Council, after the full payment of US \$ 200,000.00, dollaes at any times throughtout this lease. Also both parties agree that the lessor responsible for any payments to Chief and Landowners throughtout this lease.

4. Use of Premises. The parties agree that the lessee may use the premises for commercial purposes without restriction or limit.
5. Warranties of Title and Quiet Possession. The lessor covenant that, with respect to the weto for which it is executing this lease, lessor represent all persons having an interest in said weto under the laws of the Marshall Islands, and that lessor have the right to make this lease. Further, the lessor covenant that on paying the rent and performing the covenants herein, lessee shall have quiet and peaceful possession of the real property during the term of this lease.
6. Compliance with Laws. Both parties shall comply with all national and local government statutes, ordinances, and regulations affecting the premises, the improvements thereon or any activity or condition on or in the premises.
7. Waste and Nuisance Prohibited. Lessee shall not commit, or suffer to be committed, any unlawful, disreputable, or ultrahazardous business purpose, nor operate or conduct its business in a manner constituting a nuisance of any kind.
8. Abandonment of Premises. Two parties shall not vacate or abandon the premises at any time during the term of this lease.
9. Control and Inspection. Lessee shall have exclusive and unrestricted control of the premises, subject to the right of lessor to enter the premises upon reason notice to the lessee.
10. Encumbrance of lessee's leasehold Interest. Lessee shall not encumber by mortgage or deed of trust, or other instrument its leasehold interest in the premises without the express written consent of lessor.
11. Subletting and Assignment.
 - (a) Subletting. Lessee may sublet the premises in whole or in part without lessor's consent.
 - (b) Assignment. Lessee shall not assign or transfer this lease, or any interest herein, without the prior written consent of lessor.
12. Taxes and Utilities. Lessee shall pay as they become due all charges incurred for utility services supplied to the premises, including charges for water, electricity, sewer and telephone service.
13. Alterations, Additions, and Improvements. Lessee shall, have the right to make such alterations, improvements, and additions to any building that are on the premises as lessee may deem necessary, Any buildings, structures, improvements, additions, appliances, fixtures, or other property remaining on the premises at the expiration of this lease shall be the property of lessor, free

and clear of any claims by or through lessee.

14. Insurance. During the term of this lease and for any further time that lessee shall hold the premises, lessee shall obtain and maintain at its own expense any appropriate type and amount of insurance, including fire, casualty, and liability insurance. Lessor shall have their own insurance for the premises also.
15. Maintenance of Premises. Lessee shall, at its sole expense, repair, replace, and maintain in a good, safe, and substantial condition, all buildings and any improvements, additions and alterations thereto, on the premises. Lessee shall use all reasonable precautions to prevent waste, damage of the premises.
16. Indemnity. Both parties shall indemnify the against all expenses, liabilities, and claims of every kind, including reasonable counsel fees, by or on behalf of any person or entity arising out of either (i) a failure by both parties to perform any of the terms or conditions of this lease. (ii) any injury or damage happening on or about the premises. (iii) failure of both parties to comply with any laws of governmental authority, or (iv) any mechanic's lien or security interest filed against the premises or equipment, materials, or alterations of buildings or improvements thereon by virtue of an act or omission by the both parties.
17. Lessee's option to Terminate. At any time during the term of this lease, the lessee may elect, in its sole discretion and for any reason, to terminate this lease upon the giving of two (2) year's notice. Upon termination, lessee's liability hereunder shall cease and possession of the premises shall be restored to the lessor as provided in paragraph 22.
18. Condemnation. The right and duties of the parties in the event of condemnation are as follows:
 - (a) If only a portion of the premises is taken or condemned, this lease shall not terminate.
 - (b) If the portion of the premises is taken or condemned lessor shall pay all lessee cost and include the US \$ 200,000.00 dollars.
19. Easements, Agreements, Encumbrances. The parties shall be bound by all existing easements, agreements, and encumbrances of record relating to the premises.
20. Right of Access to Premises.
 - (a) *By Lessee.* Lessee and its invitees shall have the right of access to the premises at all times.
 - (b) *By Lessor.* The lessor or their agents may enter the premises at reasonable hours to inspect the premises.
21. Liability of lessor. Lessee shall be in exclusive control and possession of the premises, and the lessor shall not be liable for any injury or damages to any property on the premises, nor for any injury or damages to any property of the lessee except for acts of the lessor or their successors in interest or of any person acting under their direction or control.
22. Surrender of the Premises. At the expiration of the lease term of this lease, the

lessee shall peacefully and quietly surrender and deliver the premises to the lessor, including all buildings, additions, and other improvements constructed or placed thereon by the lessee, including appliances, fixtures, or other property remaining on the premises, free and clear of any claims by or through lessee.

23. Default. Each of the following events shall constitute a default of this lease by lessee.

- a. Lessee fail to pay the lessor when due and fail to make payment within 7 days thereafter.
- b. Lessee fails to perform or comply any condition of this lease, and (i) the nonperformance condition for period of fifteen (15) days after notice thereof by lessor (ii) lessee can not reasonable complete performance within the fifteen (15) days period and fail to make a good faith effort to commence performance with in fifteen (15) period.

24. Effect of Default.

- (a) *Cancellation Rights.* Upon default of the lessee as the lessor can not cancel the lease without any reasons.
- (b) *Right to make payment.* Upon termination pursuant to lessor may elect, at its sole discretion, to make any payment required of the lessee pursuant to this lease, or comply with any agreement, term, or condition required by this lease to be performed by the lessee.
- (c) *Right of Re-enter.* Lessor may Re-Enter premises of any parts. without any terminating the lease.
- (d) *Right to Re-Let.* After re-entry, the lessor may re-let the premises or any part thereof for any term without terminating the lease, at the rent and on such terms as the lessor may choose. Lessor may make alterations and repairs to the premises.

25. Waiver. The failure of the lessor to insist on a strict performance of any of the terms and conditions of this lease shall be deemed a waiver of the rights or remedies that the lessor may have regarding that specific instance only, and shall not be deemed a waiver of any subsequent breach or default in any terms and conditions.

26. Notice

- (a) All notices to be given with respect to this lease including notices of changes of address, designation of agents, and notice of succession of parties, shall be given in writing to the other part to this lease, at the mailing or residence address set forth in paragraph 26(b), according to the parties reference. Every notice shall be deemed to have been received at the time it is delivered at the recipient's address, or within five (5) days after it is mailed, if a party has designated use of the mail as the form of notice.
- (b) The parties agree for those following address:

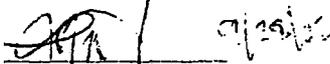
Nauru Council
Delap Village
Box 106
Majuro, MH 96960

Leander Leander & Lijun Leander
Delap Village
Box 1342
Majuro, MH 96960

27. Complete Agreement, Amendment. This lease contains the entire agreement between the parties. It cannot be amended except by a written instrument subsequently executed by the parties.
28. Application of lease to Successors. This lease, including all of its terms and conditions, shall apply to and is binding on the heirs, successors, assigns, and legal representatives of all parties.
29. Applicable Law. This lease shall be governed by and construed in accordance with the laws of the Republic of the Marshall Islands.
30. Survivability. If any provision of this lease is held invalid, it shall not affect the other provisions of this lease and this lease shall remain in full force and effect without such provision.
31. Time is of the Essence. Time is of the essence in all provisions of this lease.

In witness whereof, the parties hereto have signed this **AGREEMENT FOR EXTENSION AND REVISION OF LEASE** in September 25th, 2002, on the dates shown with respect to each of the signatures below.

Lessee:
Dated: September 28, 2002



Leander Leander



Lijun Leander

Lessor:
Dated: September 28, 2002

 9/28/02

Nauru Council by Rubin Tsitsi

... 28th September 02
