

LEASE AGREEMENT

This Agreement is made on this 5th day of February 2019 to confer rights and impose duties to the parties thereto, in relation to matters of construction, and Operation of a **Semi Permanent Luxury Camp** at **Alchaniomelock** in the Ngorongoro Conservation Area, Tanzania.

BETWEEN

NGORONGORO CONSERVATION AREA AUTHORITY, a body corporate established by the Ngorongoro Conservation Area Act Cap 284 of the Laws of Tanzania, of Post Office Box Number 1, NGORONGORO CRATER, Arusha Region, Tanzania (hereinafter called "LESSOR" on the one part).

AND

ASILIA LODGES AND CAMPS a private limited company registered and established under companies Act [Cap 212 RE 2002] of the laws of Tanzania, Post office Box 1111, Arusha Tanzania together with its successor and assigns (hereinafter called the "LESSEE" on the other part).

1. WHEREAS: -

- A. The LESSOR is empowered in terms of section 22 of the Ngorongoro Conservation Area Act, to prohibit, restrict or control the construction or extension of buildings or works or restrict or control their sittings.
- B. The LESSOR is legally empowered to regulate the use of any piece of land in the Ngorongoro Conservation Area.
- C. The LESSEE has represented to the LESSOR his willingness and ability to establish, construct and operate **Semi Permanent Luxury Camp at Alchaniomelock** within the Ngorongoro Conservation Area.
- D. The LESSOR has approved the establishment of not more than 15 (fifteen) guest units, including family rooms at Alchaniomelock in the Ngorongoro Conservation Area

NOW THEREFORE:

It is hereby agreed by and between the parties hereto as follows:

- 1.1 The LESSOR will grant the LESSEE a lease of a portion of land of approximately acres in size, as per the attached map, agreed & signed by both parties to be utilized for the construction of the Semi Permanent Luxury Camp at Alchaniomelock within the Ngorongoro Conservation Area.
- 1.2 The Lease shall be for a term of 33 (thirty-three) years commencing from the date this agreement is signed by both parties.

The lease may be renewed for another term of 33 (thirty-three) years subject to the consent of the LESSOR, and further subject to the LESSEE giving the LESSOR 24 (twenty-four) months' notice of its intention to renew the lease before the expiry of the subsisting term/lease. The LESSOR shall not unreasonably withhold its consent for the renewal of the lease.

2. The LESSEE shall construct the camp in the form delineated on the approved and executed Architectural drawings submitted by the LESSEE and approved by the LESSOR annexed hereto as Appendix 1 and under other specific terms and conditions contained in the mutually approved and executed proposal submitted by the LESSEE to the LESSOR. Further;
 - 2.1 The LESSEE shall endeavour to ensure the design appearing on the architectural drawings is completed within 18 (eighteen) months from the date of obtaining the Environment Impact Assessment (EIA) Certificate as required by law.
 - 2.2 The LESSEE shall not commence construction on the site before conducting, at his own cost, an Environmental Impact Assessment study on terms of reference to be provided to the LESSEE by the LESSOR. The LESSOR shall not unduly delay to provide the said terms of reference.
 - 2.3 The LESSEE undertakes to secure all the required funds and resources to ensure that the Camp is constructed and profitably operated on agreed standards and plans. In any case the LESSEE shall ensure that the full Camp construction cost shall not be below One Million United States Dollars (USD \$1,500,000)
 - 2.4 The LESSEE shall ensure that the design and layouts of the Camp are as submitted in writing by the LESSEE to the LESSOR for scrutiny and subsequent approval before commencement of the rehabilitation and construction work.

- 2.5 The LESSEE shall ensure that the Camp is constructed such as to be aesthetically appropriate – using a combination of canvas, wood & glass over a removable steel structure. It is anticipated the roof will be pressed metal prefabricated sheeting covered with either wood shingles, fitou, living grass or a long life makuti effect compound material and will as much as possible blend with the surroundings.
- 2.6 In the cause of construction of the building and/or structures, the LESSEE shall observe the following further condition:
 - 2.6.1 Construction work shall be carried out only between 6:00 hours to 18:00 hours.
 - 2.6.2 The ferrying of building materials from one place to another in the Conservation Area shall be done only during day time.
 - 2.6.3 The LESSEE or its agent shall be directed by the LESSOR to the sites from which to collect building materials such as stones, gravel etc. and who may put conditions on how to collect the same. Unless authorized by the LESSOR, the LESSEE shall not have the right to collect any building materials at any place within Ngorongoro Conservation Area.
- 2.7 The LESSEE shall exercise a high degree of conscientious and imaginative care in the construction including the use of suitable blending construction material.
- 2.8 The LESSEE shall liaise with the LESSOR to select a site for erecting temporary bachelor quarters only for the Contractor's personnel and for the landing of building materials during progress of the Construction work.
3. Upon completion of construction of the Semi Permanent Luxury Tented Camp and commencing operations of it, the LESSEE shall pay to the LESSOR a fixed rate concession fee of United State Dollars Fifty (USD \$ 50.00) per night per adult tourist.
4. The LESSEE shall employ high quality Management personnel to ensure the provision of a high level of service, commensurate with the expectation of a high quality semi permanent Luxury Tented Camp.
 - 4.1 The LESSOR shall be consulted on the best methods to employ in providing social services and other requirements to the employee of the LESSEE, including their Security, requirements and security shall be the responsibility of the LESSEE.



5. The LESSEE shall agree with the LESSOR the availability of adequate and suitable drinking water before construction work begins in order to ensure that the Lodge is constantly supplied with water upon completion. PROVIDED that water for the Camp shall not be drawn from natural springs unless the LESSEE after consultation with the LESSOR is satisfied that human residents, livestock and wildlife are left with constant supply of drinking water.
6. In order to avoid defacing of the surroundings and minimize accidents to wildlife and livestock, no overhead electric cable or fences will be permitted. All sewage systems will be laid underground and no allowance for leakage will be expected. Environmentally appropriate waste disposal and treatment facilities as per EIA shall be installed shall be installed by the LESSEE.

The LESSOR shall demarcate boundaries of the area of the Camp to the satisfaction of the LESSOR by using pins. The camp coordinates are as follows: -

7. The LESSEE shall lay water pipes and renew and maintain pipes and ensure supplies of water drainage, sewerage and such other facilities in the Camp Area.
8. After completion of the building(s) and structures aforementioned, the parties hereto agree to be bound by the following terms:-
 - 8.1 The LESSEE shall have the right to carry on or procure to be carried on in the Semi Permanent Camp Area the business of Hoteliers, Camping, photography, creating a cultural centre, cultural education, information on culture and traditions, deal with curios, artifacts, memorabilia and all other related activities that are permitted in the Ngorongoro Conservation Area.
 - 8.2 The LESSEE, its employees, servants, agents and licensees shall have the right of way over and along all roads within the Conservation Area subject to compliance with the provisions of the Ngorongoro Conservation Area Act and Rules and Orders made thereunder.
 - 8.3 Through LESSOR'S authorization, the LESSEE shall have the right to maintain a specific number of vehicles in the Camp Area necessary for the LESSEE'S performance of his day to day administrative functions.

- 8.4 The LESSEE shall not operate within the Conservation Area vehicles whose weight and/or capacity is in excess of that approved by the LESSOR.
- 8.5 It is further agreed that the LESSEE shall: -
- 8.5.1 Not carry on the said Area, any business other than those specified in Clause (9.1) of this agreement without written permission from the LESSOR.
 - 8.5.2 Keep the Camp area, all buildings and structures thereon in good state of repair and restore any damage thereto.
 - 8.5.3 Keep and pay the Camp's electricity bills, sanitary and conservancy charges in connection with the demised area if the utilities are supplied by the LESSOR.
 - 8.5.4 Issue passes to all its employees in such form as may be approved by the LESSOR and to instruct its employees to carry such passes at all times.
 - 8.5.5 Use its best endeavours to ensure that visitors and employees do not leave the Area otherwise than in motor vehicles except as it may be necessary to LESSEE's employees, servants and others in the performance of their normal duties.
 - 8.5.6 Provide accommodation to visitors to the Conservation Area in the order in which bona fide bookings are received by the LESSEE.
 - 8.5.7 Make available for inspection to the LESSOR or persons authorized by him, at all reasonable times all registers of booking and books of accounts.
 - 8.5.8 Not to carry in the Area any business involving by-products of flora and/or fauna.
 - 8.5.9 Not permit camping activities within the Ngorongoro Conservation Area without prior approval of the LESSOR.

- 8.5.10 Not transfer or assign the Lease created by this Agreement to any other investor without prior consent from the LESSOR and any transfer made before obtaining such consent shall be null and void.
- 8.5.11 Charge special but fair rates for the accommodation of LESSOR's Board Members, Senior Officers and Conservation Area Officials whenever they are at the Camp on official duties, subject to availability.
- 8.5.12 Immediately deposit with the Ngorongoro Police Station for safe custody any firearm or weapon declared at the LESSEE's reception by a transient visitor until such time as the visitor departs from the Conservation Area.
- 8.5.13 Inform the LESSEE's employees that they are not required to pay entrance fees nor camping fees, whether or not they are living in the Camp area, however, any servants accompanying visitors shall be liable to pay entrance fees. Relatives of staff living in the Lodge area will be required to acquire free entry permits within 48 hours of the entry into the Conservation Area, failure or which they will be liable for payment of the normal entry fee.
- 8.5.14 Take such insurance policies as are necessary against claims under public liability, employees liability and other hazards as is customary among operators of similar businesses under comparable circumstance.
- 8.5.15 Ensure the provision of social facilities for employees of the Camp.
- 8.5.16 Not to use fuelwood for purpose of cooking and heating in the Camp, except for campfires on written approval by the LESSOR.
- 8.5.17 Maintain firebreaks around the Lodge as may be approved by the LESSOR and ensure proper installation and maintenance of fire extinguishers and other fire fighting equipment.

8.5.18 Permit the LESSOR or his duly authorized agents at all reasonable times and after notice in that respect to enter upon the Camp area for the purpose of ensuring compliance with Rules and Orders made from time to time under the Ngorongoro Conservation Area Act as well as the conditions of this Agreement and for scrutinizing the Camp books of accounts to verify the correctness of the list of guests for purposes of ascertaining number of visitors in the Camp for purpose of payment of concession fee.

8.5.19 Do all it can within its power through its employees and by provision of the necessary material resources both independently and at the request of the LESSOR to prevent or suppress fire within the Conservation Area and to assist and use its best endeavours in rescue operations and such emergencies as may arise at any place within the Conservation Area.

8.6 To maintain all established feeder roads to the Camp and improve such roads as far as possible to such standards as shall appear reasonable with regards to the promotion of the Tourist Industry and as far as financial resources of the LESSOR permit. Provided that should the LESSEE rehabilitate any existing road at such costs before prior approval by the LESSOR to do so, the LESSOR shall not be liable to pay for the costs.

9. **PROVIDED always and it is hereby agreed:**

9.1 That the building and structures to be erected by the LESSEE shall remain the property of the 'LESSEE' during the term of the lease hereby created and for such period of renewal as may be extended and after expiry of the contract period and of extension thereto, the buildings and structures shall revert to the LESSOR.

9.2 That upon termination of this Agreement by the LESSOR for reasons other than those referred to in the next Clause, the LESSEE shall be entitled to full and fair compensation for all unexhausted improvements on the Camp areas.

9.3 Notices and declarations under the Lease Agreement shall be in writing and sent by registered or certified mail, return receipt requested, postage paid as shown above.

No waiver or modification of any of the provisions of this Agreement or any of the rights or remedies of the Parties hereto shall be valid unless such change is in writing, signed by the Party to be charged therewith. No waiver of any of the provisions of this Agreement shall be deemed a waiver of any other provision.

- 9.4 The various provisions of this Agreement are severable from each other and from the other provisions of the Agreement. If any provision(s) of this Agreement shall be determined by arbitrators or any Court of competent jurisdiction, to be invalid, illegal or unenforceable, the remainder of this Agreement shall be fully effective, operative, enforceable and shall continue in full force and effect as though such invalidity, illegality or unenforceability provision(s) was not originally a part hereof.
- 9.5 This Agreement shall be governed by and construed in all respects in accordance with the laws of the United Republic of Tanzania.
- 9.6 That the LESSOR may, subject to clause number 9.8 below, terminate this Agreement and the LESSEE shall not be entitled to compensation in the event of a material breach of any condition relating to the period of construction and/or design and layout of the Camp.
- 9.7 The LESSOR shall not terminate this Agreement under Clause 9.3 above.
- 9.7.1 Unless the breach shall have been brought to the attention of the LESSEE in writing and the LESSEE shall have refused or neglected to remedy the same within a period of six months from acknowledged receipt of said letter.
- 9.7.2 If the LESSOR is the cause or one of the causes for the breach relating to the period of construction aforesaid or.
- 9.7.3 If cause or one of the causes of the breach is beyond the reasonable control of the LESSEE and this has been notified in writing by the LESSEE to the LESSOR.
- 9.7.4 That the LESSEE shall employ reasonable diligence to ensure his own compliance as well as the compliance by its agents, employees and other persons who may lawfully come under his control with the provisions of the Ngorongoro Conservation Area Act and Rules and Orders made thereunder as amended from time to time.



- 9.7.5 Any amendments to this agreement shall be in writing and executed in the same manner as provided for in this Agreement.
- 9.7.6 Should any dispute or difference arise between the Parties to or in connection with the Lease Agreement (or its construction, operation or termination) or other arrangements between them connected with its implementation, which the Parties have been unable to settle amicably, then that dispute or difference shall, upon agreement by both Parties, be referred to Mediation. Either Party may deliver a notice in writing to the other Party regarding the failure to reach an amicable settlement of a dispute and decision to refer the dispute to Mediation. The Mediator shall be jointly chosen by the Parties within Fourteen (14) days of receipt of the Mediation Notice. The Mediator shall mediate the dispute within Fourteen (14) days of his appointment.
- 9.7.7 If the dispute has failed to be resolved by Mediation; including failure to agree on a Mediator, the dispute shall be referred to Arbitration by the Parties within Thirty (30) days of such failure. Further, each Party shall appoint one arbitrator within Fourteen (14) days of the dispute being referred to Arbitration and the two appointed arbitrators shall appoint an umpire within 7 days who together shall form a Panel of Arbitration and the Panel shall arbitrate the matter to its finality and their decision shall be final and conclusive within Forty Five (45) days. The Arbitration proceedings shall be held in the United Republic of Tanzania at a place chosen by the Panel of Arbitrators and shall be construed in accordance with the Arbitration Act, Cap. 15 of the Laws of Tanzania R.E. 2006.
- 9.7.8 To the extent permissible by the law, the determination of the Arbitrator shall be final and binding upon the parties.
- 9.7.9 Service of process and notice of arbitration may be made by either Certified or Registered Mail, return receipt requested, addressed to any party at the address listed in this Agreement.



IN WITNESS whereof, the parties hereto have executed these presents in the manner hereinafter appearing:-

SEALED with the COMMON SEAL of Ngorongoro Conservation Area Authority and delivered in our presence this 05th day of February 2019

SEAL

1. Name: FREDO NIANONGI
Signature: [Signature]
Address: BOX 4 NGORONGORO
Qualification: **SECRETARY TO THE BOARD**

2. Name: Egidius M. Mweyunge
Signature: [Signature]
Address: Box 1 Ngorongoro
Qualification: **MANAGER LEGAL SERVICES**

SIGNED with the Common Seal of the LESSEE and delivered in our presence this 05th day of February 2019

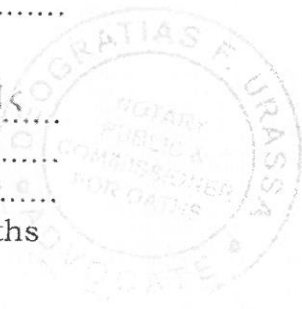
SEAL OF THE LESSEE

1. Name: [Signature]
Signature: [Signature]
Address: P.O. Box 1111
Qualification: DIRECTOR

2. Name: COSMAS KISELA
Signature: [Signature]
Address: P.O. Box 1111 ARUSHA
Qualification: DIRECTOR

BEFORE ME

Name: [Signature]
Signature: [Signature]
Address: Box 1475 Arusha
Qualification: **Notary/Commissioner for Oaths**



DRAWN BY

Egidius M. Mweyunge
(Advocate)
Ag. Manager Legal Services – NCAA
P.O. Box 1,
NGORONGORO.
ARUSHA.

[Handwritten mark]