

LEASE AGREEMENT



BETWEEN

LEELA HOLDINGS LIMITED

AND

SENDAN LIMITED

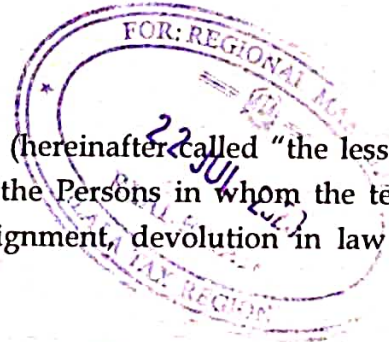
THIS LEASE AGREEMENT is made this 12th JULY, 2020

BETWEEN

Leela Holdings Limited of P.O. Box 22406 DSM, Tanzania (hereinafter called "the Lessor" which expression shall, where the context so admits include the Persons in whom the term hereby granted is from time to time vested whether by assignment, devolution in law or otherwise) of one the part.

AND

Sendan Limited of P.O. Box 38315 , Dar es Salaam, Tanzania (hereinafter called "the lessee" which expression shall, where the context so Admits include the Persons in whom the term hereby granted is from time to time vested whether by assignment, devolution in law or otherwise) of the other part.



WHERE AS:-

- (A) The Lessor is in lawful possession of the landed property situated at Plot No. 068 along Haile Selassie Rd road, Kinondoni District Dar es Salaam City.
- (B) The Lessee is willing and able to take over the tenancy of the above mentioned Property which is about 72 sq meter shop located and marked inside the Plot No. 068 along Haile Selassie Rd, Kinondoni District, Dar es Salaam City hereinafter to as "the demised premises" for the purpose of a SUBWAY Restaurant operated by Subway Franchisee The Lessee's use shall be defined as a restaurant for on and off premises consumption. The Lessor acknowledges that the Lessee's menu consists primarily of sandwiches wraps, salads and related items and that from time to time the Lessee may add test items to its menu. The Lessor further agrees that the Lessee may add, delete and/or change its menu without the prior consent of the Lessor provided that the Lessee complies with all local codes and ordinances, and that the Lessor has no pre-existing agreements prohibiting such menu additions. In no event shall the Lessee's menu be construed as limited to sandwiches and salads. The Lessor acknowledges that the normal operation of the Lessee's business will create certain aromas, including but not limited to, the aroma of baking bread
- (C) The Lessor agrees not to sell, Lease, let, use or permit to be used, any property owned or controlled by it within one (1) mile of the Premises now or at any time during the initial term of this Lease or any renewal thereof to any entity including, but not limited to, food trucks, kiosks and mobile food carts which sells or serves made to order food or pre-packaged sandwiches, including but not limited to convenience stores. Further, current tenants shall be prohibited from adding items to their menus which conflict with this exclusive right. The Lessor warrants that the Lessee shall not be in violation of any other exclusive rights when this Lease commences. Further, the Lessor shall indemnify, defend

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and hold the Lessee harmless from any third party claim or suit regarding any other exclusive right granted by the Lessor. The Lessor agrees to provide the Lessee with all current and future exclusivity agreements with other tenants

NOW THIS LEASE AGREEMENT WITNESSETH THAT IN CONSIDERATION of the rent hereinafter reserved and of covenants and conditions, agreements the Lessor BOTH HEREBY DEMISE unto the Lessee who takes the PREMISES situated at Kinondoni Municipality for a term of 3 years (THREE YEARS) commencing on the 1st October of 2020 and expiring on the 30th of September, 2023 (hereinafter referred to as the said Lease term) subject to nevertheless to determination as hereinafter provided that YIELDING AND PAYING therefore and there out during the said term a rent/rents of clear all deductions and VAT INCLUSIVE. The rent shall be paid in United States Dollars into an account that will be specified in writing by the Lessor, and payment to be made under the following arrangement and conditions as follows:

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1. The rent shall be USD1000.00 exclusive of VAT at Eighteen Percent (18%) per month for the first year 2020/21 payable annually in advance before the commencement of the year in question. The rent shall increase annually by 1% for the remaining two (2) years of the term.
2. To pay a service charge of Tsh 200,000 per month payable annually upfront for the common lighting, security, parking charges, cleaning of common areas, washrooms etc...

SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:-

1. The Lessee HEREBY COVENANTS with the Lessor as follows:-
 - (a) To pay the rent hereby agreed at the times and in the manner aforesaid. In the unlikely event of rent default without sufficient cause and negligently the unpaid rent shall attract an interest of Five Percent (5%) per month of the whole amount in arrears.

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- (b) To pay all charges in respect of electricity, water and sanitation bills, telephones, gas, security services etc supplied to the said demised Premises and will enter into all necessary agreements for that purpose with TANESCO as shall from time to time be charged by the Authority.
- (c) To have all the necessary government regulations like OSHA, Fire Insurance, and Environmental Clearance where ever applicable.
- (d) The Lessee can construct and modify the structure after the written consent from the Lessor, The Lessor hereby gives its consent to the Lessee to construct the interior and exterior of Premises in accordance with standard Subway®/decor and to erect standard Subway® signs/awnings on the building utilizing the Franchisor's standard logo and colors. The Lessee's signs shall measure at least 36" high and extend the length of the fascia. The phrase "standard Subway® signs" shall be deemed to include existing pole signs, monument signs and awnings. Additionally, the Lessee may use standard Subway® window advertising including but not limited to LED "open" signs and static cling(s). The Lessee agrees that any signage installed by The Lessee shall conform to local codes and ordinances.
- (e) To do all general maintenance and keep the rented place and nearby areas tidy and clean
- (f) The Lessee will be liable for all the security aspect of their goods and property, though a general security will be provided by the Lessor
- (g) The Lessee shall provide all the legal document like the TIN, business license and certificate of incorporation to the Lessor upon signing of this agreement.
- (h) The Lessee can build or alter or renovate the said premises after receiving a written consent by the Lessor.
- (i) The Lessee shall not Lease or sublease the part of the rented area.
- (j) The Lessee to comply with all bylaws, rules and regulations of Government or local authority affecting the business of the Lessee and to obtain or cause to be obtained all requisite approvals in the name of the lessee or a legal entity owned by them including all licenses and authorization to carry on business at the premises in accordance with prevailing laws and regulations of Tanzania and to pay any charges and or fee levied by the city council and or local authority in connection with any signboard, hoarding advertisement erected on the demised premises by the Lessee.

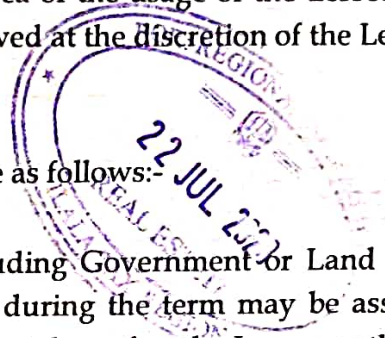
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- (k) That the building shall be vacant and free from all incumbencies like unpaid utility bills of dawasco, tanesco, taxes etc.
- (l) To use and maintain the demised premises for the intended commercial purpose according to Tanzania laws only and not to use or suffer or permit the same to be used for any unlawfully or immoral purpose
- (m) That a clear marking shall be done of the area of the usage of the Lessee and any other usage of the land or building shall be allowed at the discretion of the Lessor

2. The Lessor HEREBY CONVENANT with the Lessee as follows:-

- (a) To pay all rates, assessments, imposition, including Government or Land rent and Municipal rates which now are or at any time during the term may be assessed or imposed on the said demised premises or any part thereof or the Lessee or the Lessor in respect thereof by the Government or Municipal local or other Authority.
- (b) Lessor also agrees non-compete clause, or covenant not to compete to enter into or start similar trade in the building premises
- (c) The demised premises shall be handed over by the Lessee at Lessee's own cost back to the Lessor in good habitable conditions upon the expiry of the rental term or period. Failure to handover the demised premises in good habitable condition by the Lessee to the Lessor, the cost of repair and replacement of materials and goods including VAT, overheads and profits shall be paid by the Lessee to the Lessor within two (2) weeks from the submission of the invoice by the Lessor to the Lessee. Further, the Lessee shall be permitted, within ten (10) days after the expiration or sooner termination of this Lease, to remove any additions or improvements made by it, provided, however, that it repairs any damage to the Premises caused by such removal or pays for any damages caused by such removal. Any such addition or improvement not removed within ten (10) days shall be deemed abandoned and shall, thereupon, become the property of the Lessor without compensation to the Lessee. If the Lessee has made improvements to the Premises which, if removed, would cause significant damage to the Premises, then the Lessee may, at its option, choose to leave these improvements in place without incurring any liability for their removal by the Lessor or a third party. The Lessee's trade fixtures and all of the Lessee's equipment shall not be considered fixtures and shall remain the property of the Lessee. As such, they may be removed by the Lessee at any time, subject to the foregoing paragraph. On or before the expiration or earlier termination of this Lease, the Lessee shall surrender to the Lessor the Leased premises and all of the Lessee's alterations and fixtures broom clean, in good order and condition, excepting reasonable wear and



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tear. The Lessee may, but shall not be required to remove those alterations or improvements to the Leased premises which are installed by the Lessee and which are trade fixtures which may be removed without material damage to the Lease premises and which are in the nature of furniture, movable refrigeration, movable cooking equipment, storage and display cases, counter shelves and racks. All other alterations and fixtures including, without limitation, those in the nature of ventilating, air conditioning, unmovable refrigeration, unmovable cooking equipment, plumbing, sprinkling systems, outlets, partitions, doors, vaults, paneling, molding or flooring shall be surrendered with the Leased premises and the Lessee need not remove them. Upon the termination of this Lease, whether in accordance with this section or otherwise, the Lessee shall be permitted access to the Premises to remove any and all logo or trademark items. Such items shall include, but shall not be limited to, signage and murals.

3. PROVIDED ALWAYS AND IT IS HEREBY DECLARED AS FOLLOWS:

(a) If the Lessee at the expiry of the initial term of Three (3) years be desirous of obtaining a further lease of the station, and if the Lessor so desires to continue leasing the property, it shall signify such desire by notice in writing delivered to the Lessor (3) months at least before the expiration of the term hereby granted and if the Lessee shall have duly performed and observed all the covenants and conditions herein contained or implied and on its part to be performed and observed then the Lessor will on or before the expiration of the term grant to it a lease of the demised premises for a further term and conditions to be agreed at the time to commence at the expiration of the term hereby granted between the parties. . The rent shall increase annually by 1% for any and all renewal options granted to the Lessee.

4. The Lessee shall be free to make such alteration additions and improvements to the demised premises as it shall think fit from time to time at his own cost and permits required by the law with prior written approval from the Lessor.

5. The right to terminate the lease agreement lies with EITHER PARTY and three (3) month's notice of intention to TERMINATE lease shall be deemed sufficient notice. The notice can be given upon the political or government policy changes or any other circumstances beyond both parties control.

6. PROVIDED ALWAYS THAT AND IT IS HEREBY AGREED THAT

If the rent reserved or any charges thereof shall be unpaid twenty one day (21) after becoming payable it shall be lawful for the Lessor at any time thereafter, to re-enter upon

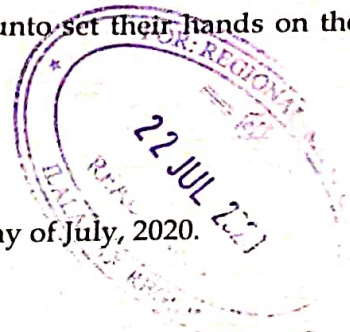
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the demised premises and thereupon the term hereby created and this lease shall absolutely cease and forthwith determine but without prejudice to the right or action by the Lessor in respect of any breach of the Lessee's covenant herein contained.

7. IN WITNESS WHEREOF the Lessor and Lessee have here unto set their hands on the respective dates and year hereinafter appearing.

SEALED with the Common Seal of the

M/S Leela Holdings and DELIVERED in the presence of us this 1st day of July, 2020.



LEELA HOLDINGS LIMITED
P.O. Box 22
DAR ES SALAAM

1. Signed/stamped and delivered for and on behalf of Lessor

Name HAESA MAMBOSASA

Signature [Signature]

Designation MANAGER

Stamped

SEAL/
LEELA HOLDINGS LIMITED
P.O. Box 22406
DAR ES SALAAM

2. Signed Sealed/Stamped and Delivered for and on behalf of Lessee, Sendan Limited

Name SENDAN LIMITED SUJITHA RANGNATHAN

Signature [Signature]

Authorised Signatory

SENDAN LIMITED
P. O. Box 38315
DAR-ES-SALAAM

SEAL/ Stamped

Signature of Witness

Name EPAPHRAS CHARLES

Signature [Signature]

ADDRESS: P.O Box 763, DAR ES SALAAM

QUALIFICATION: ADVOCATE



710-135-38-223

*Exch rate - 2305
Stamp - 276,600
W/Mx - 2,766,000 (12 months)
Copy - 1500*

Pay - 3,044,100
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Attne - 22/07/20

STAMP DUTY
Shs: 276,600 = Collected
Receipt No: 998420016500 Date: 24/07/2020
Regional Manager-Tax Regi.

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