

THE LAND ACT (CAP. 113, 1999)  
THE LAND REGISTRATION ACT  
(CAP 334)

**LEASE AGREEMENT**

**BETWEEN**

**FIVE STAR INVESTMENTS LIMITED**

**AND**

**5 ELEMENTS ENTERPRISES LIMITED**



**LEASE OF WH3**

**LOCATED ON PLOT 3, LOT 20, NYERERE ROAD, DAR ES  
SALAAM**

# LEASE AGREEMENT

This Lease Agreement made this ..... Day of .....

**BETWEEN**

**FIVE STAR INVESTMENTS LIMITED** of P.O. Box 4504, Dar es Salaam, Tanzania (hereinafter called "**The Lessor**") which expression shall, where the context so admits include its successors and assigns) of the one part.

**AND**

**5 ELEMENTS ENTERPRISES LIMITED** of P.O. Box 12762 with 135-530-948, Dar Es Salaam, Tanzania hereinafter called "**The Lessee**") of the other part enter into this lease agreement for commercial property, located at **Plot 3 Lot 20, Nyerere Road** size of **930 Square meters**

**AND WHEREAS** the lessor is desirous of leasing 'Warehouse 3' of the premises to the lessee on the terms and conditions as shown herein below.

- a. The lessor shall grant the lessee and the lessee shall accept a lease of the demised premises for a term of (5) years commencing on the 1<sup>st</sup> of January, 2021 and ending on the 31<sup>st</sup> of December, 2025 with lessee's option to renew the same for a further period at a negotiable rent.
- b. The tenant shall pay rental whose details are as follows: -
  - i. The monthly rent for the period Jan 2021 to June 2021 for the demised premises of WH3 shall be USD 3.5 (Exclusive VAT) per square meter per month for the total rentable space of 930sqm of the demised premises totaling USD 3,255 (Us Dollars Three Thousand Two Hundred Fifty Five Only) (Exclusive VAT).
  - ii. The monthly rent from July 2021 onwards for the demised premises of WH3 shall be USD 4.00 (Exclusive VAT) per square meter per month for the total rentable space of 930sqm of the demised premises totaling USD 3,720 (Us Dollars Three Thousand Seven Hundred Twenty Only).
    - i. The monthly rent will be payable 3 months in advance.
    - ii. There shall be monthly service fees of USD 50.00 for collection of waste and repairs and maintenance of warehouse which will be payable 6 months in advance.

**1. HEREWITH THE LESSEE AGREES AS FOLLOWS:**

- (a) To pay the rent on time and in the manner aforesaid.
- (b) To pay all charges for electricity which may be incurred during the period of tenancy. The charge will be payable in advance to the lessor. (lessee shall be provided with meter readers by the lessor which will monitor the lessee's monthly power usage, the reader will also monitor the generator power usage).
- (c) To pay all other utility charges including water which may be incurred during the tenancy period.
- (d) At all times to keep the said premises including electrical appliances, fittings, paint work, fixtures, doors, electrical wires and all other conveniences belonging thereto in good working condition throughout the said term, and to replace any of the above mentioned items should they become beyond repair.
- (e) To report immediately in writing to the lessor any structural defect or other problem which may develop on/in the premises.
- (f) Not to do or allow to be done on the premises any act or thing, which may be illegal or cause, damages, annoyance, and/or injury to the neighbors, lessor or other lessees and visitors.
- (g) To permit the lessor to enter the premises upon appointment and at all reasonable hours in the day time for the purposes of viewing the condition thereof and in the case of emergencies.
- (h) At the end of the contract or sooner termination of the tenancy to hand over the said premises to the lessor complete with all locks and keys and in good condition, fair wear and tear being accepted.
- (i) To use the premises for commercial purposes only.

**2. HEREWITH THE LESSOR AGREES AS FOLLOWS:**

- (a) To keep common parts and common installations and facilities including common passage and walk ways in proper state of repair.
- (b) The lessor shall hand over to the lessee the property, its fixtures and fittings, equipment (if any), in good, clean and usable condition at the commencement of the term.

- (c) General maintenance of the common area of the building including car park, gardening, cleanliness and supply of bore hole water.
- (d) The lessee shall be allowed to park their motor vehicles within the warehouse compound. With 2 dedicated parking slots near to the warehouse.
- (e) The lessor shall provide 24 hours security of the overall premises, which will include electrical fencing, guarding of the main gate and the common areas however security of the warehouse, the onus will be on the lessee.
- (f) To permit the lessee so long as he pays the rents hereinbefore reserving, performing and observing the several covenants and conditions contained or implied in this agreement and on its part to be performed and observed, to peaceably and quietly enjoy the leased premises during the term hereby granted without any interruption or disturbances from or by the lessor or any person or persons lawfully claiming under or in trust of the lessor.
- (g) The lessor should also make available a standby generator with capacity to run all equipments in the demised premises for the whole duration of the lease agreement.
- (h) To be responsible for the electrical wiring, and electrical apparatus comprised in and forming part of the electrical circuits of the premises and to make good promptly any defects or defaults discovered with the same.
- (i) The lessor shall pay all outstanding bills regarding the demised premises as of before the lessee takes possession.
- (j) The lessor will keep the main structure of the property in good order, repair and condition.
- (k) The lessor undertakes to deliver to the lessee on the commencement date the property free of any encumbrance and in compliance with all local or municipal or commercial by-law, ordinances, permits and regulations as necessary and applicable.
- (l) The lessor shall pay the council land rates and government of Tanzania land rent where applicable.
- (m) The lessee shall, at its own cost and expense, insure its own equipment kept on the property or shall accept the risk of loss of such equipment.

- (n) The lessor shall attend to defects in and damage to the property for which the lessor is responsible in terms of this agreement, within fourteen (14) days after becoming aware of such defect or damage.
- (o) The lessor shall promptly repair, at his own expense, any structural damage to the property.
- (p) In case the lessor fails to carry out the required repair works within fourteen (14) days after the notification from the lessee, the lessee shall be entitled to carry out or to cause the works to be carried out by other party(s) on the account of the lessor provided that such costs do not exceed an amount equivalent to one (1) month's rent. The lessor shall be notified of the costs prior to the commencement of the repairs and the vendor to carry out the repairs. If the lessor consents to such costs and expenses then the costs and expenses shall be reimbursed to the lessee within fourteen (14) calendar days upon the date of such request by the lessee in writing.
- (q) The landlord is entitled to the demised premises and all the rights, title and interests in the demised premises vests absolutely with the landlord and the landlord is entitled to give the demised premises on lease hereunder without any hindrance whatsoever.
- (r) There is no court case pending in any court in Tanzania so as to prejudicially affect the lease granted to the lessee for the term.
- (s) All electrical, plumbing and ventilation systems serving the demised premises are in good working order and repair and in compliance with all laws and regulations applicable thereto as of the commencement date.
- (t) The landlord shall not hold the lessee responsible or liable for any damage to the demised premises resulting from fire (unless the fire has occurred due to the negligence of the lessee), flood, riot, earthquake, storm, war, civil disturbances, acts of God and other conditions over which the lessee shall have no control and the landlord shall at their own cost and expenses take up reasonable insurance in that behalf.
- (u) Lessee shall have the right to conduct its offices/business in the said demised premise.
- (v) Landlord represents that there are no environmental conditions, including releases of any contaminants into the soils, surface waters, or ground water, which could adversely impact public health or the environment.
- (w) The landlord undertakes to sign any document where his signatures as the owner of the demised premises is an essential requirement for submission by the lessee's

to various authorities to obtain regulatory or other clearances for the setting up its offices/business..

- (x) The lessee is responsible to repair minor damages which normally occur on the demised premises and caused by tenant. While substantial damages relating to construction shall be the responsibility of the landlord.

### 3. TERMINATION

- a) Notwithstanding the fixed rental period of 5 years, the lessor or the lessee may terminate this lease agreement by giving adequate 60 days' notice and in any one or several of the following cases:
- i. Immediately, subject to notice, if the property is destroyed or damaged or have structural defects and can no longer be habitable.
  - ii. If the property are burnt down and totally destroyed. Where the property is only partly damaged and the repair works would take more than thirty (30) calendar days, the lessee shall have the option to either postpone this lease agreement until the property are ready for occupation, or to terminate this lease agreement. Where the lessee elects not to terminate the lease, the rental which has been paid for the ongoing semester shall be reimbursed by the lessor to the lessee. Alternatively, at the option of the lessee, the lessor shall accept that the lessee will automatically be entitled to occupy the property for an extended period in lieu on the same terms and conditions, without paying rent for such extended period.
  - iii. By the lessor in writing, in the event there is a failure by the lessee, despite a thirty (30) day notice in writing, to timely pay the monthly rental and other charges as described in this agreement.
  - iv. By the lessor or the lessee, in writing, in the event the lessee or the lessor fails to remedy a material breach of the terms of this lease agreement, despite thirty (30) days' notice by the lessor or the lessee.
  - v. Immediately, by the lessee where the lessor's property are seized following an order of the court or other relevant authority under applicable legislation as amended.
  - vi. In the event the court or other relevant authority, by order seize the lessor's property, the court or other relevant authority shall have no right to also seize lessee's goods and equipment that are stored in the property.
  - vii. By either the lessor or lessee for any reason provided a ninety days (90) notice in writing is given to the other party.

- viii. In terms of Article ....., Force Majeure. The unused rental amount (if any) shall be refunded to the lessee in all cases subject to compliance by the lessee of the lessee's covenants.

#### 4. FORCE MAJEURE

Neither the lessor nor the lessee shall be liable for damage to the property or the furniture arising from:

- (i) War, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, riot or civil commotion or looting or pillage in connection therewith or confiscation or requisition or destruction or damage to the fabric by order of any government or public authority.
- (ii) An act of God  
If at any time during the course of this agreement it shall be impossible for any of the parties hereto to perform any of its obligations by reason of a force majeure, that party shall promptly notify the other in writing of the existence of such force majeure whereupon the party giving notice shall be relieved from such obligations as long as such force majeure exists, or if such events or circumstances render performance of this lease agreement impossible for more than thirty (30) days, then either party may give notice to the other to terminate this lease agreement and shall accept the termination of this lease agreement with no further rights, obligations, and liabilities imposed to either the lessor and lessee, nevertheless such termination shall not eliminate the outstanding rights, obligations and liabilities of either the lessor and the lessee during the term of the lease.

#### 5. DECLARATION OF THE LESSOR AND LESSEE

**PROVIDED ALWAYS** and it is hereby expressly agreed and declared that:-

- (a) If either party shall be desirous of extending the lease terms after the expiration of the term hereby granted shall, three (3) month prior to the expiry of the term to signify such desire by written notice to the other party and upon mutual agreement between the lessor and lessee the terms hereby created shall be extended and renewed on the same terms and conditions to be agreed upon.
- (b) Notwithstanding anything to the contrary herein contained the provisions of this agreement may be modified by an addendum setting out the modifications mutually agreed between the parties hereto which shall be duly signed by the parties herein and such addendum shall be construed as part of this agreement.
- (c) If any dispute, differences or question shall at any time hereafter arise between the parties hereto or their respective representatives or assigns in respect of the construction of this lease or concerning anything herein contained or arising out

of this lease or as to the rights, liabilities, or duties of the said parties hereunder, the same shall be referred to the arbitration of three arbitrators, one to be appointed by each of the parties hereto or by its representatives or assigns and a third one be appointed by the two appointed arbitrators in accordance with the subject to provisions of the Arbitration Ordinance Cap. 15 of the Laws of Tanzania.

- (d) This lease shall be governed and constructed in accordance with the laws of Tanzania.

**IN WITNESS WHEREOF** the parties hereto have executed these presents on the day and in the year and in the manner hereinafter appearing.

**SIGNED and SEALED** at Dar es Salaam by )

the *Common Seal* of **Five Star Investments Ltd** )

**P.O. Box 4504, Dar Es Salaam, Tanzania** )

**SEAL**

at Dar es Salaam on this ..... day of .....,2020. )

Name: .....

Signature: .....

Postal Address: .....

Qualification: .....

Name: .....

Signature: .....

Postal Address: .....

Qualification: .....

**Witness by:**

Full Name: .....

Signature: .....

Designation: .....

**SIGNED and SEALED** at Dar es Salaam by )  
the *Common Seal of 5Elements Enterprises Limited* )  
**P.O. Box12762, Dar Es Salaam, Tanzania** )  
at Dar es Salaam on this...day of ... .....2020. )

Name: .....

Signature: .....

Postal Address: .....

Qualification: .....

Name: .....

Signature: .....

Postal Address: .....

Qualification: .....

**Witness by:**

Full Name: DAMIAN VICTUS

Signature: [Handwritten Signature]

Designation: ADVOCATE

