

**LEASE ON**

**LAND TITLE No: 3725 SHY, L.O. No: 1004219, PLOT NO: - 268 BLOCK "A"**

**LOCATED AT**

**ZONGOMELA, KAHAMA TOWNSHIP**

**SHINYANGA REGION**

**BETWEEN**


**FRANCIS FIKIRI MIHAYO (LESSOR)**

**AND**

**CITY DISTILLERS (T) LIMITED (LESSEE)**

1 | LEASE OVER LAND / WAREHOUSE SITUATE

E.M. R. 

 Francis Fikiri Mihayo

LEASE

This Lease is made this 31<sup>st</sup> Day of April 2022

Between

**FRANCIS FIKIRI MIHAYO**, an individual person and Lawful Owner of the land situated on Plot No:-268 BLOCK "A" located at Zongomela Kahama Township, of P.O Box 429, Kahama, Shinyanga, Postcode 37306. Kahama (Hereinafter called (the "Lessor") which expression shall, where the context so admits, include his successors and assigns), of the one part,

And

**CITY DISTILLERS (T) LIMITED**, a limited liability company incorporated in Tanzania whose registered office is situate at PLOT NO:- 268 BLOCK 'A', Zongomela, Kahama, Shinyanga (Hereinafter called (the "Lessee") which expression shall, where the context so admits, include its successors and assigns), of the other part.

The Lessor and Lessee (each a "Party" and collectively (the "Parties") in consideration of mutual agreement contained in this Lease, and intending to be legally bound agree as follows:-

**1.0 PROPERTY, LEASE TERM, RENT TOGETHER WITH A GRACE PERIOD**

**1.1.0 Property:**

1.1.1 The Lease shall be over the land together with the warehouse situated on Plot No. 268 Block 'A' Zongomela, Kahama Township, Shinyanga (the "Property").

**1.1.2 Lease Term:**

1.1.3 The Term of the Lease shall be 10 (ten) years commencing on the 30<sup>th</sup> day of April, 2022, running through 30<sup>th</sup> April 2032, inclusive, subject to renewal upon mutual understanding between the Parties.

**1.2.0 RENT**

**1.2.1 Payment of Rent**

1.2.1 The Lessee shall pay to the Lessor monthly rent of Tanzania Shillings Five Hundred Thousand (Tshs. 500,000/=) only per month, inclusive of withholding tax.

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ZONGOMELA, KAHAMA TOWNSHIP, SHINYANGA

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- 1.2.2 Subject to the foregoing clause 1.2.1 above, the Lessor shall grant to the Lessee a rent free period of six (6) months, for the Lessee to set up and install its machinery. Rental payment shall commence on 01<sup>st</sup> November, 2022.
- 1.2.3 The Lessee shall pay to the Lessor Tanzania Shillings Twelve Million (Tshs 12,000,000) only Rent equal to Twenty Four (24) months at the execution of this Lease. The Lessee shall pay subsequent Rent annually in advance on 01<sup>st</sup> Day of November of each calendar year continuously during the Term. The Lessor acknowledges that the Lessee made part payment of the Rent equal to Tanzania Shillings Six Million (TShs. 6,000,000.00). At execution of this Lease, the Lessee shall pay the balance Rent of Tanzania Shillings Six Million (TShs. 6,000,000.00) and there shall be no arrears of Rent until 1<sup>st</sup> November 2024.
- 1.2.5 After expiration of two (2) years from the date of execution and compliance with terms and conditions in this Lease the Parties may review the Rent. In case it is agreed that Rent must increase or decrease due to various economic factors including inflation, prevailing at that time the increment or decrement shall not exceed 10% of the current Rent.

## 2.0 LESSEE'S COVENANTS

The Lessee hereby covenants with the Lessor as follows:-

### 2.1.0 Other Payments

- 2.1.1 To pay all charges pertinent to individual usage of electricity, water, security, telephone and business insurance, PROVIDED all charges/bills prior to execution of this Lease are cleared by the Lessor and proof thereof exhibited to the Lessee.

### 2.2.0 User Clauses and Alteration of the demised property

- 2.2.1 The Lessee shall use the demised premises for purposes of distillery processing, packaging, storage, distribution of alcoholic spirits, wine, soft drinks, construction of office premises, vehicles' parking yard and such other purposes directly and reasonably related to the above usage PROVIDED that the Lessee possesses the required Government Permits.



- 2.2.2 The Lessee shall not alter the main structure without prior written consent of the Lessor and such consent shall not be unreasonably withheld.

### 2.3.0 Vacant Possession

- 2.3.1 The Lessee shall, upon expiry of this Lease deliver up vacant possession of the demised premises to the Lessor, except for removable furnishings, assets and

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machineries which belong to the Lessee in accordance to the agreed terms and conditions herein.

**3.0 LESSOR'S COVENANTS:**

Subject to the Lessee paying Rent to the Lessor and all other charges payable under this Lease and complying with the covenants and other terms herein the Lessor covenants with the Lessee to use all reasonable endeavours and:

- 3.2 Pay statutory taxes attached to the land/demised premises, such as property tax and land rent, to the relevant authorities as whenever required to do so in compliance with the relevant Laws of the Land.
- 3.3 Ensure the leased Property has functioning clean water system and operational wastewater drainage system throughout the Term.
- 3.4 Permit the Lessee to install a heavy-duty generator set to back-up power supply for the smooth operation of business.
- 3.5 **Ensure quiet possession:** The Lessor shall permit the Lessee peacefully and quietly to hold and enjoy the demised premises without any interruption or disturbance from or by the Lessor or any person claiming under or in trust for the Lessor as long as the latter pays rent and fulfills obligations as per Lease Agreement.


**4.0 CONDITION PRECEDENT**

- 4.1 The Lessor shall ensure the rectification of the use group from 'M' and use class from (a) as is now indicated on the current above cited Land Title of the demised premises to the appropriate group and class to enable the lessee to use the same premises for purposes of distillery processing, packaging, storage, distribution of alcoholic spirits, wine, soft drinks and such other purposes directly and reasonably related to the above usage PROVIDED the Lessee has Government Permits.

**5.0 GENERAL TERMS:**

- 5.1 "Force Majeure": In the event of a fire, vandalism, earthquake, flood, storm, war, civil disturbance, government action or other similar causality or event beyond the Lessor's control under which the property cannot be reinstated or restored within three months. both the Lessee and the Lessor shall have the option of terminating the lease. The Rent in relation to the unusable part of the property, as a result of the occurrence of a fire, vandalism, earthquake, flood, storm, war, civil disturbance,

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government action or other similar causality shall be suspended until such time as the restoration of the whole or part of the property, as the case may be, is complete and put to use again. The Rent that shall be suspended under such circumstances shall be proportionate to and its assessment depends upon the damage caused to the property by the occurrence of that event.

- 5.2 For security of tenure, tenancy and investment, both PARTIES shall undertake the following:
- i. The Lessor takes all necessary measures to register the CAVEAT and the Lease using the Certificate of Title 3725 SHY, L.O. No. 1004219 Plot No: 268 BLOCK 'A', Zongomela, Kahama Township not to render the premises encumbered to any other business or financial commitment besides this LEASE for the forthcoming 10 (ten) years. Evidence of which shall be submitted to the Lessee for her record.

5.3 **Arbitration Clause:** Consonant to clause 7.1 below, in the event of a dispute arising as a result of implementation or interpretation of this Lease Agreement, it shall first be referred to an Arbitrator guided by The Arbitration Act (Cap 15) R.E 2002, and any other relevant Laws in force in Tanzania.

5.4 The Lessee shall abide and bear responsibility to the Environmental Management and Protection Laws of Tanzania in particular section 110 of The Environmental Management Act No: 20 of 2004 and its accompanying Regulations (The Environmental Impact Assessment and Audit Regulations of 2005.) made under Section 82 and 230 of the Main Act.

That in all cases the Lessee shall be answerable to National Environment Council (NEMC) on all matters related to environmental protection without involving the Lessor.

- 5.5 The following Attachments will form part of this Lease Agreement:
- i. Copy of Certificate of Title No. 3725 SHY in respect of the leased property situated on Plot No:- 268 Block "A", Zongomela, Kahama Township, Shinyanga
  - ii. Proof of payment/clearances for land rent, property tax, and any other government charges payable by the Lessor.
  - iii. Payment reference Numbers for the Electricity (LUKU) and Water Bills (indicating that Water bills have been cleared to date)

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## 6.0 NOTICES

All notices, claims, demands, and other communications between the parties shall be in writing.

- 6.1 All notices for any matter arising under this Lease shall be noted in the care of the following address for the Lessor:

**FRANCIS FIKIRI MIHAYO**

P. O BOX. 429.

Postcode 37306. Kahama, Shinyanga

Mobile No: +255755925811 and +255736925811,

Email Address: [jenganamimi@gmail.com](mailto:jenganamimi@gmail.com)

- 6.2 All notices for any matter arising under this Tenancy shall be noted in the care of the following address for the Lessee:

**CITY DISTILLERS (T) LIMITED**

Plot No: 268. BLOCK 'A'. Zongomela, Kahama, Shinyanga.

## 7.0 TERMINATION OF THE LEASE

- 7.1 Either party is at liberty to terminate the Lease PROVIDED:
- A six month's (180-days) written notice is given in advance or
  - Terminating Party shall compensate in cash the innocent party the equivalent of Six Months' rent.


## 8.0 APPLICABLE LAW

- 8.1 This Lease Agreement and the parties' rights and obligations under it shall be governed by the Laws of the United Republic of Tanzania.

## 9.0 ENTIRE AGREEMENT

- 9.1 Unless otherwise indicated, this Lease Agreement constitutes the entire agreement among the Parties with respect to the transactions contemplated herein and supersedes all prior agreements, proposals or representations, arrangements or understandings, written or oral,

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with respect thereto but incorporates any specific engagements that will be made under it and put into writing.

#### 10.0 SEVERABILITY

10.1.0 If any term, condition or provision of this Lease Agreement is held to be a violation of any applicable law, statute or regulation it shall be deemed to be deleted from this same Agreement and shall be of no force and effect and this Agreement shall remain in full force and effect as if that term, condition or provision had not originally been contained in this Agreement.


10.1.1 Notwithstanding the foregoing, in the event of any such deletion the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the provisions so deleted.

#### 11.0 SIGNATORIES

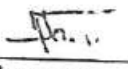
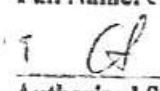

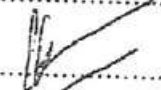

IN WITNESS WHEREOF the Parties have hereunder put their Hands and/or Stamp the date and year first above appearing and this Lease Agreement is made in three (3) originals;

SIGNED and DELIVERED by the said:

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<b>FRANCIS FIKIRI MIHAYO</b>	<b>CITY DISTILLERS (T) LIMITED</b>
"The Lessor"	"The Lessee"
Signature: 	Full Name: CHARLES SIERWADDA Signature: 
Witness	Authorized Signatory Designation: DIRECTOR Stamp:
Full Name: SAMSON NYAMGALLA	Stamp: 
Signature: 	Witness
Address: Box 3108 ONZA	Full Name: EDMUNDO MWEEMBEZI RUSHEVA
Designation: FARMER	Signature: 
	Address: Box 1035 BLUKOBA - KAGERA
	Designation: .....

Before me this 15<sup>th</sup> day of June 2022

Full Name : MERELUS B MUPFHOPE Designation: ADVOCATE

Signature : 

Address : Box 6006 DSM