

LONG TERM LEASE AGREEMENT

BETWEEN

**TANZANIA – ZAMBIA RAILWAY AUTHORITY,
(TAZARA)
P. O BOX 2834,
DAR ES SALAAM, TANZANIA.**

AND

**BRAVO LOGISTICS TANZANIA LIMITED,
P. O. BOX 38387,
DAR ES SALAAM, TANZANIA.**

TAZARA
Head Office
P O Box 2834
Dar es Salaam

July 2021

LONG TERM LEASE AGREEMENT

This Land Lease Agreement (“**Lease Agreement**”) is executed this 2nd day of July, 2021;

BY AND BETWEEN

TANZANIA – ZAMBIA RAILWAYS AUTHORITY (“TAZARA”), a Statutory Body established under the Tanzania Zambia Railways Act CAP 143 R.E. 2009, whose address is TAZARA Head Office, Nyerere/Mandela Road, P.O. Box 2834, **Dar es Salaam, Tanzania** (hereinafter referred to as the “**Lessor**”) of the one part,

AND

BRAVO LOGISTICS (T) LIMITED, of **P.O BOX 38387**, Dar es Salaam incorporated in **TANZANIA** and having its registered office at **Plot No. K10, Kilwa Road, Mivinjeni Area**, (herein after called the “**LESSEE**”) on the other part.

Article 1 RECITALS

WHEREAS on 16 Sep 2019, the parties entered into a 03 years lease agreement No. 2019/1A to rent a closed goods shed—at the rental of US\$ 3,000.00 (United States Dollars three thousand) and US\$250.00 (United States Dollars two hundred and fifty) only per month for the goods shed and utility contribution fee respectively.

AND WHEREAS the Lessee, on 10th November 2020, wrote the Lessor requesting for an additional piece of land for extension of the existing warehouse leased under contract No. 2019/1A and merge of the Goods Shed lease into this new lease agreement hereafter agreed;

AND WHEREAS the Lessor, through its Management accepted the request by the Lessee to lease additional portion of land measuring 19,436 m² on a build, operate and transfer basis and merge with closed Goods Shed for a lease period of 20 years.

AND WHEREAS on 30th November 2020, the Parties met to deliberate on leasing the additional land and merging with the goods shed and to agree on how the parties will benefit from the new relationship;

AND WHEREAS the Lessor was, during the meeting; directed to prepare the Proposal to show how and to what extent productivity will increase along the Southern Corridor by attracting additional freight other than the current Clients;

AND WHEREAS based on the proposal presented, demonstrated that the relationship will attract more export and import cargo along the Southern Corridor;

AND WHEREAS Both the Lessor and Lessee wish to enter into this Lease Agreement for the lease

of the land for use by Lessee for commercial activities.

NOW THEREFORE THIS LEASE AGREEMENT WITNESSETH AS FOLLOWS:

Article 2
DEFINITIONS

- "Agreement" Means this Lease Agreement between the **Lessor** and the **Lessee** dated _____ day of 2021;
- "Effective Date" Means the date when the Lessor shall handover the Site to the Lessee;
- "Material Obligation" Means **either** payment of monthly rent by the Lessee **or** payment of compensation for breach of any terms of this Lease Agreement by either Party.
- "Parties" Mean the TAZARA & Bravo Logistics (T) Limited.
- "Lease Period" Means the period of the lease which is 20 years starting on effective date. Grace period exclusive;
- "Lease Merging" Means consolidation of Goods Shed with the adjacent two plots in the front (Plot A – 7,621m²) and rear (Plot B - 11,815m²) of the goods shed.
- "Grace Period" Means the period four (04) months from the date of signature of this Agreement where the Lessee has a moratorium of paying rents before the start of the business operations in the leased premises. Good shed not inclusive
- "\$" Means applicable currency to this Agreement which is the United States of America Dollars.
- "Rent" Means the monthly rent of \$ 3,000.00 and a Utility fee of \$ 250.00 per Month for the Goods shed AND \$ 0.60 per SQM per month for the additional 19,436 SQM as may be reviewed from time to time.

2.1 References to the singular include when the context so admits, references to the plural and vice versa and references to Clauses and Annexes are references to Clauses of and Annexes to this Agreement.

2.2 Words importing the masculine gender shall include the feminine gender and vice-versa and words importing persons shall include companies.

2.3 The headings as used in this Agreement are for convenience of reference only and shall not affect the construction of any of the terms and provisions hereof.

2.4 If any one or more of the provisions contained in this Agreement shall for any reason be held

to be invalid, illegal or not enforceable in any respect, such invalidity, illegality or non-enforceable provision shall be deemed never to have been contained herein. In the event of such invalidity, illegality or non-enforceability, the parties shall use their best efforts to achieve the purpose of the relevant provisions by amending the provisions in this Agreement and adding a new legally valid and enforceable provision.

Article 3
SITE.

The Lessor hereby agrees to lease to the Lessee the Site upon the terms and conditions set forth in this Lease Agreement.

Article 4
PURPOSE AND USE.

- 4.1. Lessee is permitted to extend the existing Warehouse under Lease No. 2019/1A by adding the fields of 7,621 SQM in the front and 11,815 SQM in the rear, by building additional warehouses, operate and maintain a Container Freight Station (CFS) and to carry on any other related business activities as the Lessee may deem fit; and
- 4.2. The Lessee shall contract the Lessor to transport the Lessee's containers and other related freight belonging to the Lessee going on the routes or areas where the Lessor operates, subject to the Lessor's compliance / conformance to the parties entering into a transport Service Level Agreement. However, the Lessee shall be at liberty to use other transporters or means of transport for freight and containers destined to areas even where the Lessor does operate in case the Lessor's capacity cannot attend all the freight and that has so confirmed in writing.

Article 5
TERM AND DURATION OF LEASE.

- 5.1. The Lessee shall extend the existing Warehouse under Lease No. 2019/1A by adding the green fields of 7621 SQM in the front and 11,815 SQM in the rear, build, lease, operate and transfer it with good and habitable condition;
- 5.2. The duration of the existing Agreement is hereby extended to 20 years and shall run together with this new Lease Agreement. However other terms and conditions of the existing Lease Agreement remains unchanged; and
- 5.3. This Lease Agreement shall be for a period of 20 years (the "**Initial Term**") or any extension thereof (the "**Additional Term**") as may mutually be agreed between the parties.

Article 6
RENT PAYMENT.

- 6.1. Lessee agrees to pay Lessor, at Lessor's address set out above or at such other place as Lessor

may designate in writing, rent for the Initial Term in the amount of 0.60 United States Dollars only per square meter (m²) per month for the green field of 19,436 SQM added in this new Lease agreement;

- 6.2 Lessee shall continue to pay for the Goods Shed under the Lease No. 2019/1A as per the terms agreed therein and for a period of 20 years as agreed in this Lease Agreement; and
- 6.3. The Parties shall review the rent after every 5 years at the rate to be agreed at the time of review as per the business environment prevailing at the time of review. The increase should be not more than 2% of the monthly rate per m² depending on the prevailing inflation rate gazzetted by Bank of Tanzania (BOT)
- 6.4. All payments shall be done by cheque through TAZARA Bank Account details indicated below:

TAZARA bank account detail:

Account Name	:	TAZARA
Country	:	TANZANIA
Bank	:	STANDARD CHARTERED BANK
Branch	:	NIC HOUSE
Account no	:	8704005454700

Article 7

DELIVERY OF EXCLUSIVE POSSESSION.

Lessor shall deliver exclusive and lawful possession of the entire Site (19,436 m²) to Lessee within seven working days from the date of signing of this Agreement.

Article 8

CONDITIONS PRECEDENT.

Prior to the date of delivery, Lessor shall confirm in writing to the Lessee that the Site is free from any encumbrances.

Article 9

LESSOR'S WARRANTIES AND REPRESENTATIONS.

- 9.1 Lessor undertakes that Lessee shall lawfully, peacefully and freely hold, occupy, use, operate, and enjoy the Site in order to fulfill its obligations and exercise its rights under this Agreement during the Initial Term and the Additional Term (if any) without disturbance, nuisance, or interference by Lessor, successors, assigns, agents, or creditors;
- 9.2 The Lessor shall extend and consolidate the existing Lease Agreement No. 2019/1A to be read as part of this lease agreement without affecting the agreed rent amount and any other conditions related therein serve the duration which shall be extended to 20 year from the commencement date of this Lease Agreement;

- 9.3 The Lessor has agreed to transfer all obligations embodied in the Lease Agreement No. 2019/1A to this Lease Agreement, to which the Lessor shall make reference on lease No. 2019/1A when need arise.
- 9.4 The Lessor has agreed to understand that this lease agreement shall be regarded as Build, Lease, Operate and Transfer
- 9.5 Lessor undertakes that no third party shall have a right or claim to the Site during the Initial Term and the Additional Term of the Lease Agreement if any;
- 9.6 The Lessor undertakes to provide the Lessee, all the relevant information and details related to the land under this agreement, for the purpose of registration of this Lease Agreement, as required by the Law.
- 9.7 Lessor warrants and represents that he is the lawful and exclusive owner of the land under this agreement and further warrants that the leased land under this agreement is free from any encumbrances, mortgages, liens or security interests other than those created pursuant to this Agreement.
- 9.8 Lessor warrants and represents that the Site will be free from any occupants as on the delivery date.
- 9.9 Lessor warrants and represents that the Site is free from pollution, unexploded ordinances and environmental damage.

Article 10

AUTHORIZATION TO BUILD.

- 10.1. Except the Good shed, Lessee is hereby authorized by Lessor to carry out all construction works on the Site, in accordance with its drawings or as it may deem necessary in order to carry out its business on the Site. Lessee may renovate structures and reconstruct others in order to carry out its obligations and exercise its rights under this Agreement;
- 10.2. The Lessee shall submit Master Layout Drawing to the Lessor for approval prior to commencement of construction works. Where approval is not done within 7 business days without notification, the Lessee impliedly shall consider it approved and proceed with construction work.

Article 11

SIGNS.

Lessee shall have the right to erect any sign related to its business on the condition that such signs comply with Tanzania laws.

Article 12

LESSEE COMPLIANCE WITH TANZANIA LAWS.

Without limiting the general requirements under Tanzania law, Lessee while using the Site shall ensure during the Initial Term and the Additional Term (if any) the following:

- 12.1 Compliance with the laws and regulations on hygiene. *R*

- 12.2 Compliance with the laws and regulations on environmental protection and security.
- 12.3 Compliance with the laws and regulations on fire, explosion prevention and fire extinguishment.

Article 13

LESSEE UNDERTAKINGS

- 13.1 Lessee undertakes to maintain the Site in good condition at Lessee's own risks and expense and to keep all Lessee's belongings inside the Site at all time during the Initial Term and the Additional Term (if any) of this Lease.
- 13.2 Lessee undertakes to procure and maintain insurance covering any damages occurring within the Site to third parties and its personal property from fire and other risks, or as required under applicable Laws of Tanzania.
- 13.3 Lessee undertakes that there will be no illegal or prohibited matters, objects, substances materials, products and/or the like allowed to operate, manufacture or held inside the Site.
- 13.4 Lessee shall return the Site to Lessor upon expiry / termination of the Agreement.
- 13.5 In the event of termination of the Lease under Article 18 and 19 hereof, Lessee shall within sixty (60) business days following the termination date with which to remove all movable property belonging to Lessee from the Site.

Article 14

TAXES.

Lessor agrees to be responsible for payment of any and all taxes or fees levied by applicable laws, or any organ or agency of the Tanzania Government, arising from the lease of the Site, including Income Tax, Property tax, and or any other Municipal taxes levied on the Site. Should Lessor fail to pay the said taxes and the Government holds Lessee responsible for paying such tax, Lessee shall have the right to deduct the amount of the tax from the next lease payment or payments. Lessee shall provide written notice to Lessor prior to making such deduction. Lessee agrees to be responsible for payment of any and all taxes arising from Lessee's operation of the business on the Site, such as sales or turnover tax etc.

Article 15

LESSOR'S ACCESS TO SITE.

- 15.1. Lessor, Lessor's agents and employees shall have right of entry into the Site upon providing notice of 7 days unless invited by the Lessee.
- 15.2. In case of suspicion that the Lessee's application of the site that may attract criminal measure against the Lessee, the Lessor shall have the right to enter the leased premises without notice.

Article 16

PROPERTY OF BUILDINGS ERECTED BY LESSEE.

Subject to the terms of this Agreement, the erected buildings and all works and developments carried out by Lessee or its legal successors will remain the property of Lessee to the extent permitted by law,

during the Initial Term, and during any extensions period only.

Article 17
ASSIGNMENT

- 17.1. Lessee may assign or transfer the Site in whole or in part with the Lessor's written consent which shall not be unreasonably withheld, PROVIDED THAT the assignee assumes in writing all of the Lessee's obligations and liabilities under this Lease Agreement;
- 17.2. Lessor may assign or conditionally assign its interest in this Lease Agreement PROVIDED THAT the assignee assumes in writing all of the Lessor's obligations and liabilities under this Lease Agreement.

Article 18
TERMINATION BY LESSEE.

- 18.1 Lessee has the right to terminate this Lease Agreement, upon written notice to Lessor, without penalty, when there is a breach by Lessor of any of its material obligations, representations under this Lease Agreement and Lessor has failed to take appropriate measures to rectify this breach within 60 days after receiving written notices of the breaches from Lessee.
- 18.2 In the event the Lessee intends to terminate this Agreement before the same expires due to a breach by Lessor of any of its material obligations, representations under this Lease Agreement, the Lessor shall compensate the Lessee for all unexhausted improvements on the Site at the fair market value as established by a Government Valuer and approved by Chief Valuer at the time of termination and the Lessee shall hand over the Site after payment of the said compensation.

Article 19
TERMINATION BY LESSOR.

- 19.0. Lessor shall have the right to terminate this Lease Agreement under the following circumstances:
- 19.1 Any breach by the Lessee of any of its material obligations, representations under this Lease Agreement and Lessee have failed to take appropriate measures to rectify this breach within 60 days after receiving written notices of the breaches from Lessor. The Lessee shall be required to pay compensation.
- 19.2 In the event the Lessor intends to terminate this Agreement before the same expires, the Lessor shall compensate the Lessee for all unexhausted improvements on the Site at the fair market value as established by a Government Valuer and approved by Chief Valuer at the time of termination and the Lessee shall only vacate the Site after payment of the said compensation. Compensation shall not apply if the reason for termination is the result of breach of Lessee's obligation;

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- 19.3. Should the Lessee leave personal property on the premises after the termination of the lease, the personal property will be deemed abandoned and the Lessor has the right to remove it after providing a 7 days' notice to the lessee and the costs incurred on this account may be borne by the Lessee.

Article 20

REGISTRATION OF THE LEASE.

The parties shall, to the extent required by law and practice, properly register this Lease Agreement with the relevant Land Registry Office, and any other relevant government office that may serve as a place for registering or recording leases. Any registration cost that may arise shall be paid by the Lessee.

Article 21

FORCE MAJEURE.

- 21.1 For the purpose of this Agreement, "Force Majeure" means an event which is beyond the reasonable control of a Party, and which makes a Party's performance of its obligations hereunder impossible or so impracticable as reasonably to be considered impossible in the circumstances, and includes, but is not limited to, war, riots, civil disorder, earthquake, fire, explosion, storm, flood or other adverse weather conditions, pandemics, strikes, lockouts or other industrial action (except where such strikes, lockouts or other industrial action are within the power of the Party invoking Force Majeure to prevent), confiscation by government agencies;
- 21.2 Force Majeure shall not include:
- 21.2.1. Any event which is caused by the negligence or intentional action of a Party or such Party's Sub consultants or agents or employees, or.
- 21.2.2. Any event which a diligent Party could reasonably have been expected to both:
- (A) Take into account that the time of the conclusion of this Agreement and
 - (B) Avoid or overcome in the carrying out of its obligations hereunder
- 21.3 Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

Article 22

PARTIAL INVALIDITY.

If any term of this Lease Agreement shall be invalid or unenforceable, the remainder shall be valid as written to the fullest extent permitted by law.

Article 23

GOVERNING LAW.

This Lease Agreement shall be interpreted and governed by the laws of United Republic of Tanzania.

Article 24
ENTIRE AGREEMENT.

This document contains the entire agreement of the parties and supersedes all previous communications, representations and agreements, whether oral or written, with respect to the Site. This Lease Agreement may not be modified except in writing signed and acknowledged by both parties.

Article 25
HEIRS AND ASSIGNEES.

This Lease Agreement shall be binding on the heirs, assignees and the successors in interest of the Lessor and Lessee.

Article 26
LANGUAGE.

This Lease Agreement and any amendments to it shall be executed in 4 originals in [English] language. All notices required herein shall be written in the English language.

Article 27
ADDRESSES FOR COMMUNICATION.

The Parties are hereby providing their addresses for communication purposes as hereunder:

1. TAZARA:

Name: Bruno T. Chingandu
Address: TAZARA Head Quarters,
PB No. 2834, Dar es Salaam, Tanzania.
Phone: +255 745503295
E Mail: Bruno.Chingandu@tazarasite.com

2. BRAVO LOGISTICS (T) LIMITED:

Name: Angelina Ngalula
Address: Bravo Logistics (T) Limited,
PB No. 38387, Dar es Salaam, Tanzania.
Phone: +255 784 783 255
E Mail: angelina@bravo.co.tz

Article 28
LIABILITY

Lessor shall not be liable for damage to Lessee's property or any other goods in his custody of any type for any reason or cause whatsoever, except where such is due to the Lessor's gross negligence. Lessee should consider obtaining tenant insurance and liability insurance. Lessee is liable for expense due to damage of water pipes, plumbing fixtures, appliances, furniture, and house structure due to Lessee's negligence.

Article 29
DISPUTE CLAUSE:

Any dispute arising from or in connection with this Agreement shall be settled amicably between the Parties, failing which the dispute shall be referred to arbitration in accordance to the Tanzania Arbitration Laws.

Article 30
CONFIDENTIALITY

Each of the parties hereto agrees that it shall not divulge any commercial, trade or technical secrets of each other to third parties.

Article 31
ADOPTION OF THE RECITALS.

The recitals set forth at the beginning of this Contract are adopted and incorporated herein by reference as if set forth in full and shall be effective as if repeated verbatim.

Article 32
AMENDMENTS

- 32.1. Subject to changed circumstance, the Parties reserve the right to vary the term and conditions contained in this Lease Agreement by giving not less than 30 days notice to the either party.
- 32.2. The Parties shall meet every calendar years to review the terms of this Agreement and amend where need arise.

Article 33
SUB-LETTING

The Lessee shall not sub-let the Leased Premises or any portion thereof nor cede or pledge this Lease or any of its rights hereunder without the Lessor's prior written consent which, in the case of sub-letting only, shall not be unreasonably withheld. The Lessee shall further not give up occupation or possession of the Leased Premises or any portion thereof to any person, whether as licensee, agent, occupier, custodian or otherwise, nor permit such person to enter into possession of the leased premises or any portion thereof for either a definite period or at all, without the Lessor's prior written consent.

Article 34
PERFORMANCE REVIEW

Parties shall hold annually meeting to review performance. The meeting shall be held on a date and at a place agreed to by both Parties.

Clause 36

CONTRACT ACCEPTABILITY AND SIGNATURE

IN WITNESS WHEREOF, Lessor and Lessee hereby execute and agree to the terms and conditions of this Lease Agreement on the date first set out above.

For and on behalf of **Tanzania Zambia Railway Authority:**

Name : **Eng. Bruno T Ching'andu**
Signature :
Title : **Managing Director**
Date : **02-07-2021**

Witnessed by:

Name : **Marco MNS Mabala**
Signature :
Title : **Corporation Secretary**
Date : **02-07-2021**

For and on behalf of **Bravo Logistics Tanzania Limited**

Name : **Mr. Shilinde Ngalula**
Signature :
Title : **Director**
Date : **02-07-2021**

Witnessed by:

Name : **MERCY RICHARD MWAKATUNDU**
Signature :
Title : **ADVOCATE & Commissioner for Oaths**
Date : **02-07-2021**

