

LEASE AGREEMENT

This Lease Agreement is made at Dar-es-salaam on this day of 15th July, 2021.

Between

Between **R.K.CHUDASAMA LIMITED**, private limited liability company registered in Tanzania who's registered offices are situated at Plot No.1287/47, Zaramo Street, Ilala, Dar es Salaam, and of Post once Box 325, Dar es salaam, Tanzania (Here in after referred to as the 'Landlord' which expression shall include its successors and assigns)of the one part.

And

LULU TEA SOLUTIONS LIMITED, a limited liability company incorporated in the United Republic of Tanzania of Dar es salaam, And Post Box Once 787601 Upanga, Tanzania, with its registered offices at PLOT NO 14/7612, Bibi Titi Road, Ilala. (Here in after referred to as the 'Tenant' which expression shall include its successors and assigns) of the other part.

WHEREAS:

- a) **R.K. CHUDASAMA LIMITED** is the registered owner of all that piece and parcel of land with Certificate of Title No. 34995 known as Plot 90/2, Pugu Road Industrial area, Dar es Salaam City (herein after referred to as "the Demised Property"),
- b) The Landlord has agreed to lease and the Tenant has agreed to rent Property for and ware housing facility use.
- c) For the avoidance of doubt Property to be leased shall comprise of Four Hundred Twenty square metres (420m*) indoor space.

NOW THIS Agreement witnessed as follows:

1. LEASE

In pursuance of this Lease and in consideration of the rent hereby reserved and the Tenant's Covenants hereinafter mentioned, the Landlord hereby demises unto the Tenant the Property for a period of Six Years and 6 Months ('the term') Commencing on the 1st August 2021 ('the Commencement Date') and ending on 31ST December 2026.

2. RENT

There on (hereinafter referred to as ("the rent") to be furnished in the manner and style as Here under;

From 1st August 2021 to 31^o January 2022 for the period of Six Months, the rent shall be United State Dollar One Thousand Seven Hundred only (USD \$ 1700) Plus 18% VAT.

From 01st February 2022 to 31^o December 2026 for the period of Four Years, the rent shall be United State Dollar Two Thousand only (USD \$ 2,000.00) Plus 18% VAT.

- (i) The rent shall be payable every Six months in advance by the lessee to the lessor without any default
- (ii) The Lessee shall deduct withholding tax at the prevailing rate payable to the Tanzania Revenue Authority ("TRA") and produce to the Lessor a certified copy of receipt of payment of the same to the TRA.

- (iii) The Lessee shall be responsible for payment of **STAMP DUTY** on this lease agreement and its counterpart.
- (iv) To pay during the said term the reserved rent punctually and in full without any deductions whatsoever, save for the withholding tax payable to the TRA as stated under Clause (ii) above
- (v) That pursuant to sub paragraph (i) above the **Lessee** shall pay to the **Lessor** the rent hereby agreed by way of direct electronic funds transfer to the Lessor's designated Bank account.

3. LANDLORD'S WARRANTIES AND REPRESENTATIONS

The Landlord warrants and represents to the Tenant that:

- 3.1 it is the legal owner in possession of the Property herein;
- 3.2 it is legally capable and duly authorized to enter into this Lease Agreement and perform all the obligations set out herein;
- 3.3 the Demised Property has all the authorised approval to be used for warehouse purposes;
- 3.4 that the Demised Property is fit for the purposes for which it is let herein;
- 3.5 Agrees that all stock situated on or about the Demised Property is not the property of the Tenant and as such shall not be subject to the Landlord's tacit hypothec for rent, or to any other lien or right and is not attachable by process of any court of law.

4. TENANT'S RIGHTS AND OBLIGATIONS

The Tenant hereby covenant with the Landlord as follows:

- 4.1 To pay the six months' Rent in advance as agreed in clause 2 of this Lease.
- 4.2 To pay charges for utilities such as water from DAWASCO or any other body that may be in force, electricity from TANESCO or any other power generating body that may be in force, garbage charges, telephone lines and related charges in respect of Property during the term.
- 4.3 At all times to keep the interior of the Property and the appurtenances thereof including doors, windows and other fixtures, fittings, fastenings, electrical wires, water drains, water fittings and other pipes and paintings and decorations thereof in substantial good condition as at the Commencement date fair wear and tear expected.
- 4.4 Provide adequate security for the Property and all goods kept on the Property.
- 4.5 To use the Property only for the use allowed and maintain a high moral ethical standard and not to hold any auction in the Property.
- 4.6 To permit the Landlord and or his agents with or without workmen at all reasonable times during day time by prior appointment to enter upon the Property for the purpose of viewing and executing any repair necessary under the covenants herein contained, without causing unnecessary interruption of Tenant's business.
- 4.7 Not to make any alterations or additions to the Property without first obtaining the written consent of the Landlord.
- 4.8 Not to assign part with the possession of the Property or any part thereof without the written consent of the Landlord, which consent shall not be unreasonably withheld and save for affiliate companies of the Tenant where no such consent shall be required, PROVIDED ALWAYS that the occupation of the

Property or any part thereof by any associate or subsidiary of the Tenant or by any person in the service or employment of the Tenant shall not constitute an assignment, underlies or parting with the possession of the Property or any part thereof.

- 4.9 Not to use the Property for any activities which are dangerous, offensive, noxious, illegal or immoral, or which are or may become a nuisance or annoyance to the Landlord or to the owner or occupier of any neighbouring Property.
- 4.10 Not to do anything which might invalidate any insurance policy covering the Property or which might increase the Premium.
- 4.11 To comply with the terms of every Act of Parliament, order, regulation, bye-law rule, licence and registration authorising or regulating how the Property is used, and to obtain, renew and continue any licence or registration which is required by the Tenant.

5. LANDLORD'S RIGHTS AND OBLIGATIONS

- 5.1 During the subsistence of this Lease not to sell, assign, transfer, lease, or otherwise dispose and deal with the Property in a manner prejudicial to the Tenant's rights contained under this Lease.
- 5.2 During the subsistence of the Lease, the Landlord will be responsible for payment of property tax and land rent in respect of the Property.
- 5.3 To permit the Tenant hereby whilst observing and performing the agreed covenants to peacefully enjoyment of the Property during the Term.
- 5.4 Not to rent out the residential apartment above the office and the open space to any other person while the Tenant is in occupation of the premises for security reasons.
- 5.5 To ensure the Demised Premises has proper connection and availability of water from the main service providers line and electricity from the service provider and that the Tenant is receiving such services;
- 5.6 To remedy any major breakdown of electrical, water or sewerage installations at his own costs unless such major breakdowns' have been caused by the Tenant's negligence;
- 5.7 To keep exterior of the demised premises together with the roofing, main structure, walls, ceilings, floors, foundations, electrical wiring, plumbing and drainage system in the Demised Premises in good and tenantable repair and condition. In the event of any defect arising during the currency of this lease in any parts of the Demised Premises for which the Landlord is responsible under the provisions hereof, the following procedures shall apply: the Tenant shall notify the Landlord in writing such defects and the Landlord shall cause such defects to be remedied at his own costs, without delay;
- 5.8 The Tenant shall be permitted at its own expense and cost upon the commencement of this Lease or upon any authorized disposition of the Demised Premises to affix a sign board showing the name and occupation of the Tenant on the Demised Premises in such manner in each case as shall be in conformity with the Municipal by-laws and as to size type color and placing, at the location and size ear marked by the Landlord.
- 5.9 That the Tenant informs the Landlord in writing of any defect which is to be remedied by the Landlord, and if the Landlord fails to remedy such defects within a reasonable period of thirty (30) days, the Tenant may undertake the defect and thereafter deduct the amount used from the future rental invoices alternatively be refunded by the Landlord for such expenses within (2) two weeks from notice thereof, and

5.10 In the event the Demised Premises or any part thereof at any time during the Term hereby created is destroyed and or damaged by any of the risks not within the control of the Tenant shall cause repairs to the Demised Premises within a reasonable time as practicable.

6. PARTIES' LIMITATION OF LIABILITIES

6.1 To the extent permitted by law, neither Party shall have any right, remedy or claim of any nature whatsoever against the other or any of its directors, agents, employees, officers, invitees or servants for any loss, damage, expenses or injury which may be suffered by a Party or any of its directors, agents, employees, officers, invitees or servants, unless such loss, damage, expense or injury have been caused through or as a result of the negligence or wilful intent of a Party or any of its directors, agents, employees, officers, invitees, servants or any person for whose acts or omissions a party is vicariously liable in law and howsoever arising.

6.2 Neither Party shall be held liable for any indirect or consequential loss sustained by the other in connection with this Lease, the Demised Premises, including but not limited to business interruption, loss of revenue, loss of profits and loss of contracts of any nature whatsoever.

7. INSURANCE

The Landlord agrees with the Tenant that: -

7.1 The Landlord shall keep the structure and Demised Premises comprehensively insured with reputable insurers to cover, including:

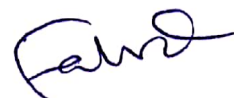
- (a) Full rebuilding including the roof and structure, site clearance, professional fees, value added tax and the period loss of rent;
- (b) Against fire, lighting, explosion, earthquake, landslip, subsidence, heave, riot civil commotion, aircraft, aerial devices, storm, flood, water, impact by vehicles, damage by malicious persons and vandals and any other risks reasonably required by the Landlord.

So far as cover is available at the normal insurance rates for the locality and subject to reasonable access and exclusions.

7.2 The Tenant shall maintain its own insurance for the Tenant's business and its belonging/goods stored and carried at the Property.

7.3 The Landlord shall take all necessary steps to make good as soon as possible any damage to the Property caused by the insured risks, except to the extent that the insurance money is not paid because of the Act or default of the Tenant.

7.4 The Landlord shall not be responsible for any damage for which the Tenant is compensated under the insurance policy or any damage involving the Tenant's business/belongings, unless caused by the Landlord's negligence or wilful misconduct.



8. DAMAGE

If the Property is damaged by any risks to be insured under clause 6 and as a result of that damage, the Property, or any part of it, cannot be used for the use allowed:

- 8.1 The rent, or fair proportion of it, is to be suspended until the Property is fully restored.
- 8.2 If at any time it becomes apparent that the Property is unlikely to be fully restored within one (1) month from the date of the damage, the Landlord (so long as he has not delayed the restoration) or the Tenant may end this lease by giving one month's notice to the other during the three months period, in which case:
 - (a) The insurance money of the Landlord belongs to the Landlord, and
 - (b) The Landlord's obligation to make good damage under clause 8 ceases.

9. TERMINATION

9.1 This Lease may be terminated by written notice to the other party in the following circumstances:

9.2 Either party may terminate this Lease as follows:

- 9.2.1 Without cause by giving at least one (1) months' written notice to the other party (without stating the reasons therefore). If such termination is by the Landlord, then the Landlord shall forthwith reimburse the Tenant for any un-utilised portion of any advance payment of Lease Rent in respect of the period after the effective date of termination; or
- 9.2.2 If there shall be any substantial breach or non-performance or non-observance by the other party or of the period after the effective date of termination persistent repeated breach of any of the obligations, agreements, conditions, restrictions, stipulations or provisions herein contained and on its part to be performed and observed which breach shall not have remedied despite seven (7) business days of written notice to remedy the same have been issued by the other party. If such termination is by the Tenant then the Landlord shall forthwith reimburse the Tenant for any un-utilised portion of any advance payment of Lease Rent in respect

9.3 The Landlord may terminate this Lease if the Lease Rent hereby reserved or any part thereof shall remain unpaid for thirty (30) days after becoming due and payable and the Tenant shall have failed to pay such Lease Rent within Fourteen (14) days of receiving written notice to do so by the Landlord;

9.4 The Tenant may terminate this Lease if at any time during the Term of this Lease the Property or Demised Property should become damaged by fire or flood or other natural disaster not directly attributable to negligent act or omission of the Tenant, or becomes damaged by reasons of force majeure and unfit for habitation and cannot be renovated within a foreseeable tenure. The Landlord shall renovate the Demised Property to its original condition or a good tenantable condition within a reasonably practicable period or the Tenant may choose to terminate the Lease forthwith and the Landlord shall refund to the Tenant any unutilised portion of the advance payment of Lease Rent for the unexpired period of the Lease Term.

10. RENEWAL

The Tenant and the Landlord shall renew this Lease by giving each other a written notice of one (1) months before the expiration of the term granted herein expressing their intention to agree to the terms and conditions of the renewed lease period. If the parties agree, the renewed lease period shall commence immediately upon the expiration of the current term.

11. NOTICES

All notices or other communications to be served under this Lease to either party shall be in writing and shall be sufficiently served if sent to by pre-paid registered post or by electronic transmission or may be physically personally served on the other party **PROVIDED THAT** in the case of electronic transmission, the sender has received a receipt indicating proper transmission and a hard copy of such notice or communication is forthwith sent by prepaid post as set out herein. All notices shall be deemed to have been received at 9am on the next business day following the date when delivered, (in the case of personal delivery and electronic transmission) or seven (7) days after being deposited in the post, at the following addresses/facsimile numbers or email addresses as specified below (or to such other address or email address/facsimile number as a party may hereafter notify the other in writing):

In the case of a notice given to the **Landlord:**

R.K CHUDASAMA LTD
PO Box 325
Dar es Salaam
Cell: +255754780148
E-mail: rkchudasama@cats-net.com

For the attention of MANAGING DIRECTOR.

In the case of a notice to given to the **Tenant:**

LULU TEA SOLUTIONSLIMITED
.....
P.O Box, Dar Es Salaam
Tel:
Email:

For the attention of:

12. DISPUTE RESOLUTION

Any dispute or difference whatsoever which shall at any time hereafter whether during the continuance of the lease or upon or after its discharge or termination arise between the parties hereto touching or concerning this lease or its construction or effect or as to the rights, duties or liabilities of the parties hereto or any of them under or by virtue of this lease shall be settled amicably failure of which the matter shall be referred to one arbitrator whose appointment will be agreed by the parties hereto in default of agreement an arbitrator shall be appointed by the Chairman for the time being of the Institute of Chartered Arbitrators of not less than Twenty (20) years standing and in accordance with the **Law of Arbitration Cap. 15 of the laws of Tanzania** or any statutory modification or re-enactment of it for the time being in force. The decision of such arbitrator shall be conclusive and binding on the parties herein and the parties may only refer to the Tanzanian courts for the limited purposes of enforcement of the arbitral decree.

13. GOVERNING LAW

This Lease is construed in accordance with the laws of the United Republic of Tanzania.



IN WITNESS WHEREOF the Lessor and Lessee have hereto signed this deed on the day, month, year and the manner as hereinafter appearing.

Sealed with the common seal of the said
R. K. Chudasama Ltd and delivered in Dar es Salaam
In the presence of us this 1st day of June 2021
Within the Lessor above named

Signature: *[Handwritten Signature]*
Name: Sundeep V. Chudasama
Address: P. O. Box 325, DSM
Qualification: Managing Director

Signature: *[Handwritten Signature]*
Name: Kunal V Chudasama
Address: P. O. Box 325, DSM
Qualification: Financial Controller



Sealed with the common seal of the said
LULU TEA SOLUTIONS LIMITED and delivered in
Dar es Salaam in the presence of us 1st day of June 2021
within the Lessor above named

Signature: *[Handwritten Signature]*
Name: *FAYHAD IBRAHIM*
Address: *78706 DSM*
Qualification: *DIRECTOR*

Signature:
Name:
Address:
Qualification:

LULU TEA SOLUTIONS LTD
P.O. Box 78701
DAR ES SALAAM
DATE: *28/07/2021*