

**THE LAND ACT 1999**

**(Act No.4 of 199)**

**LEASE AGREEMENT**

**THIS AGREEMENT is made this 01<sup>st</sup> day of December 2022**

**BETWEEN**

**NEW KILIMANJARO MILLS LIMITED** of P.O. Box 579, Themu Industrial Area, Arusha (hereinafter called '**the Lessor**') on one part.

**AND**

**MERU INNOVATORS LIMITED** of P.O. Box 2474 , Dar es Salaam, a limited liability Company incorporated in Tanzania under Companies Ordinance Cap.212 as repealed and replaced by the Companies Act (Cap 212 R.E 2002) (hereinafter called '**the Lessee**') on the other part.

- A. **WHEREAS** the Lessor is the rightful owner of all that piece of land constituting buildings, developments, fixtures and improvements situated on Plot No. 1-65 Themu Industrial Area, Arusha
- B. **AND WHEREAS** the **LESSEE** is desirous of leasing the premises from the **LESSOR** who is willing and ready to lease the same to the **LESSEE**.
- C. **AND WHEREAS** both the **LESSOR** and the **LESSEE** have carried out negotiations with regard to the lease and now wish to have their agreed terms and conditions be reduced into formal contract:

**NOW THEREFORE THIS AGREEMENT WITNESESS AS FOLLOWS:**

**1. PARTICULARS**

The Property, all those Premises on Ground Floor comprising a total of 1000 m2 in the Lessor building on plot no.1-65 Njiro Road.

1.2 The period of tenancy herein referred to as the "Contractual Period" shall be for Three (3) Year starting from 01<sup>st</sup> day of December 2022 to 30<sup>th</sup> Day of November 2025.

1.4 That the Lessee shall pay monthly rent of USD. 1,900/= (USD One Thousand Nine Hundred only) exclusive of VAT payable 3 months in advance at the time of execution of this lease and the Lessor shall acknowledge such advance rental.

1.4 That the Lessee shall pay all utilities as per his requirement, he will be invoiced each month separately and it is not included in Rent and Service charges.

**2. That the Lessee hereby covenants with the Lessor as follows: -**

- a) To permit the Lessor and or his agent with or without workmen, at reasonable time of the day, after reasonable notice to the Lessee in that respect, to enter upon the premises to examine and / or to execute major repairs to the demised premises under the Lessor covenants in that behalf.
- b) To keep the demised premises and fixtures in good state of repair.
- c) Not to make or suffer to be made any alterations or additions to the demised premises without the consent of the Lessor.
- d) At the termination of the lease or sooner termination of the tenancy to hand over the demised premises to the Lessor complete with all locks & keys and in same good conditions as it was found in at the beginning of this agreement, fair wear & tear being accepted.

**3. That the Lessor hereby covenants with the Lessee as follows: -**

- a) To pay withhold taxes, land rent and other statutory charges related to the demised premises as per the prevailing law.
- b) To carry out all major structural repairs and keep the exterior of the demised premises in good Lessee able condition.
- c) To indemnify the Lessee against all losses whether financial or incidental due to misrepresentation of the ownership by the Lessor of the demised premises.

- d) The Lessee, having occupied the demised premises and observing and performing the several covenants, shall peacefully hold and enjoy the demised premises without interruption by the Lessor or his agents.

#### **4. NOTICE FOR REPAIR**

The Lessee must comply with notice served on it by the land lord reasonably requiring it to make good any want or repair or failure to keep the property in good condition and property cleaned, within the period reasonably required in the notice. If the Lessee has not started to execute the work referred to in such a notice within a reasonable period from service of the notice, or is not proceeding diligently with it, or if the Lessee fail to finish the work within the reasonable time the lessor may complete the work and charge the expense to the Lessee. The expense shall be debt due from the Lessee to the Lessor, who may apply the deposit paid by the Lessee under this agreement towards the cost.

#### **5. Deposit**

The Lessee must pay the sum of USD \$1900/= (One Month's Rent) to the Lessor to be held by the Lessor as security deposit which shall be applied towards the discharge of any liability referred in clause 9 herein above and clause 11 herein below;

#### **6. Amount of Deposit That may be retained by the Lessor**

- 6.1. Any rent or other payments due from the Lessee to the Lessor.
- 6.2. Any sum the Lessor incur in remedying any failure by the Lessee to comply with his obligation under this agreement.
- 6.3. After the end of the term, any sum owing to the Lessor equivalent to tent in respect of any period of unauthorized occupation by the Lessee or anyone under its control.

#### **7. Restoration of the Deposit**

If the Lessor does apply the Deposit or part of it as authorized above, the Lessee must, at the Lessor's written request, pay the Lessor a further sum equal to the amount of deposit agreed in this agreement.

#### **8. Refund of the Deposit**

Subject to the provision of clause 5 above, the Lessor shall return the deposit or the balance of it to the Lessee as soon as possible after end of the term.

#### **9. Provided and it is hereby agreed and declared that:**

9.1 If at any time during the lease the demised premises becomes damages by fire, not attributable to the Landlord see, or by force majored and it becomes unfit for habitation, the Lessor shall afford the Lessee acceptable alternative accommodation.

9.2 The Parties shall use their best efforts to settle amicably all disputes arising out of this contract. In case the Parties fail to resolve disputes amicably, the matter shall be resolved in accordance with the Laws of Tanzania through the court of law.

#### **10. RIGHT OF ENTRY**

During the last two months before the end of the term, to inspect the property with the interested parties with a view of proposed relenting.

#### **11. ALTERATIONS OR DEVELOPMENT**

The tenant must not damage, injure, alter, or add to the property or change its use and must not commit waste on it unless obtained written permission from the landlord.

#### **12. PAYMENT OF TAXES**

Withholding tax payable on the rent shall be withheld and remitted to the Tanzania Revenue Authority (TRA) by the Lessee. The Lessor shall be responsible for remittance of 18% VAT payable on the rental amount to the TRA, stamp duty on the lease agreement shall be paid by the LESSEE.

#### **13. RENEWAL OF AGREEMENT**

13.1 Not less than (90) days before the end of the three (3) year term the LESSEE shall give to the LESSOR a written notice of the LESSEE'S intension to or not to enter into a new lease agreement of the property.

#### **14. TERMINATION**

14.1. Either party hereto may terminate this agreement prematurely by giving the other party One (1) month prior notice in written with no obligation to adduce the reason(s) for such termination.

14.2. In the case of any default/breach of the terms and conditions of this agreement, a fourteen (14) days' notice should be issued to the defaulting if such Party fails to remedy it within the given term of notice, then this agreement may be terminated by the non-defaulting Party forthwith.

**IN WITNESS WHEREOF;** these presents have been executed on the date set out against our respective signatures

Signed and Delivered by the said

**NAVTEJ BAINS** of P.O. Box 579, Arusha who is known to me personally / identified to me by ..... the latter known to me personally in my presence This 1<sup>st</sup> day of DEC..... 2022



Before me:

Notary Public/ Commissioner of Oath

Signature: [Handwritten Signature]

Name: Fredrick Musiba

Address: 45 & Arusha



Qualification: Advocate

Sealed with the Common Seal of the Said **MERU INNOVATORS LIMITED** of P.O. Box 2474, Arusha And delivered in our presence This 1<sup>st</sup> day of DEC..... 2022



Signature: [Handwritten Signature]  
Name CHANDRAN VAITHIYANATHAN  
Qualification: DIRECTOR

Signature: [Handwritten Signature]  
Name: BHARATHI BALAKRISHNAN  
Qualification: GENERAL MANAGER