

# LEASE AGREEMENT

BETWEEN

**SHAFIK BADRUDIN MERALI**

P.O. BOX.800

MWANZA.

AND

**KNY CHEMICALS LIMITED**

KILIMANJARO VILLAGE,

PLOT NO 15, BLOCK L, NYAMALIMBE,

P.O BOX 297,

GEITA,

TANZANIA

IN RESPECT OF

WAREHOUSE

PLOT NO 111, Block G

Nyamalembo-Geita Urban Area

Prepared by:

**SHAFIK B MERALI**

**P.O.BOX.800**

**MWANZA**

# LEASE AGREEMENT

This LEASE AGREEMENT is made on this 30<sup>th</sup> day of May, 2023.

BETWEEN

**SHAFIK B MERALI** of Post Office Box 800, Plot No.111, Block G, Nyamalembo Geita Urban Area (hereinafter called the "**Lessor**" which expression shall include and extend to person deriving title under the **Lessor**, its successors and assigns) of the one part;

AND

**KNY CHEMICALS LIMITED** of Post Office Box 296, GEITA (hereinafter called the "**Lessee**" which expression shall include and extend to persons deriving title under the **Lessee**, its successors and assigns) of the other part

PREAMBLE

Whereas the **Lessor** is the registered owner of Plot No.111 Block G, Nyamalembo, Geita Tanzania and the warehouse standing on the said plot (hereinafter called the "**Property**").

Whereas the **Lessor** is desirous to lease and the **Lessee** has agreed to accept a lease of the warehouse erected on Plot No.111 BLOCK G, NYAMALEMBO, GEITA, measuring Five hundred and Twenty Five Square meters (**525SQM**) which includes office subject to the terms and conditions as hereinafter appearing and subject to the payment of rent hereinafter reserved.

**NOW THIS LEASE AGREEMENT WITNESSETH AS FOLLOW:**

## ARTICLE 1 DEFINITIONS

"Agreement"	Means this Lease Agreement between the Lessor and Lessee for a period of <b>36 Months</b>
"Lease Period"	Means the period from the <b>1<sup>st</sup> day of June 2023 to 31<sup>st</sup> day of May 2026</b>
"Parties"	Means the signatories to this Agreement.
"Rent"	Means the monthly rent of \$1000 + VAT (United States Dollars One Thousand + VAT only). Such rent as may be agreed by the parties;

- 1.1 Reference 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 to this agreement.
- 1.2 Words importing the masculine gender shall include the feminine gender and vice-versa and words importing person shall include Companies.
- 1.3 The headings as used in this agreement are for convenience of reference only and shall not effect the construction of any of the terms and Provision thereof.
- 1.4 If any one more of the provision contains 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.

## **ARTICLE 2**

### **LEASE PREMISES AND PERIOD**

- 2.1 The **Lessor** hereby demises onto the Lessee the said lease premises for a Period of **36 Months** commencing from the **1st day of June, 2023** until the **31<sup>st</sup> day of May 2026**. The Lease Period is subject to extension by the creation of a new lease agreement in accordance of the provision of Article 3.4 herein.

## **ARTICLE 3**

### **RENT PAYABLE**

- 3.1 In consideration of the Leasing stated herein above, the Lessee shall pay the monthly rent of USD One Thousand + VAT (\$ 1,000 + VAT) per month as the said properties are 525 SQM Warehouse on Ground Floor commencing from the **1st day of June 2023**.
- 3.2 The Lessee shall pay first '**12 months**' rent in advance before 01<sup>st</sup> June 2023 and **subsequently for the next '24 months' on annually payment basis**

## **ARTICLE 4**

### **THE LESSEE'S COVENANTS**

The Lessee hereby covenants to the Lessor as follows:

- 4.1 To pay the reserved rent in the aforestated in time;
- 4.2 To use the said Lease Premises for lawful public research purpose.
- 4.3 To maintain the Lease Premises in a clean and hygienic condition. The Lessee should properly handle any fuel or hazardous/dangerous chemical stored in the warehouse with all the safety precautions, which may not constitute a danger to the Lease Premises and/or adjacent premises of the neighborhood.

- 4.4 Lessee shall not engage in any act intended to facilitate illegal activity including Drug related illegal activity, on or nearby the said premises
- 4.5 Lessee agrees to have a sufficient fire extinguisher of acceptable size as determined by the Lease Premises. Such fire extinguisher(s) shall be readily accessible in the event of a fire.
- 4.5 Lessee should provide his/her own Insurance coverage for their goods and any personal property located in or on the Lease Premises.
- 4.6 To keep the said Lease Premises in good tenable repair
- 4.7 To keep the surroundings of the said Lease Premises clean and tidy and to comply with all municipal and health and safety regulations applicable to the purposes for occupation and use of the Lease Premises.
- 4.8 Not to use the said Lease Premises in a way, which would create nuisance or annoyance to the neighbors.
- 4.9 To maintain general utility services and promptly pay for all charges liable on telephone, electricity, water and sanitary services provided to the Lease Premises by the concerned authority to pre-empt disconnection of the same.
- 4.10 To provide adequate security for the said property and all goods kept by the Lessee on the said Property. The Lessee acknowledges and agrees that the Lessor shall not be held liable as a result of any theft or loss on the said property.
- 4.11 Not to do anything which might invalidate any insurance policy covering the said property or which might increase the premium.
- 4.12 Not to hold any auction sale in the said property or outside the premise.
- 4.13 To comply with the terms of every Act or Parliament, order, regulation byelaw, rule license, and registration authorizing or regulating how the said property is used and to obtain, renew and continue any license or registration, which is required.
- 4.14 Not to sub-let or assign the Lease Premises under any condition.
- 4.15 To affect repairs and replace all the fixtures that may be damaged by the Lessee and/or its agents, visitors or licenses.
- 4.16 The Lessee to safely keep and carefully use the Lease Premises and not sell or attempt to sell the same.
- 4.17 **ACCESS**  
The Lessee is to give the Lessor or anyone authorized by him in writing, access to the said property on receipt of adequate prior request in writing for the following purposes;  
(a) Inspecting the condition of the said property, or how it is being Used.

- (b) Complying with any statutory obligation.
  - (c) Showing the said property to a mortgagee or during the last six months of the lease period to prospective tenants.
  - (d) Valuing the said Property
  - (e) Inspecting, cleaning or repairing neighboring, property or any sewers, drains, pipes, wires and cables serving the said property or any neighboring property.
- 4.18 Not to make any alteration to the permanent structures of the said Lease Premises without obtaining prior written consent of the Lessor.
- 4.19 To deliver the Lease Premises to the Lessor with all locks, keys and fasteners complete and in such state of repair and condition and presentations shall be strict compliance with the covenants and agreement in that behalf on the part of the Lessee herein contained upon expiration or sooner determination, natural wear and tear excepted.
- 4.20 The Lessee shall keep have their own security service.

## **ARTICLE 5**

### **THE LESSOR'S COVENANTS**

The Lessor hereby covenants to the Lessee as follows:

- 5.1 Hand over the premise in vacant possession and free from all encumbrances subject to the agreements and other covenants contained in this lease;
- 5.2 Shall not hinder or interfere with the Lessee's user and enjoyment of the premises and the Lessee will be free to "USE" and premise to carry on business either by itself or through such dealers as it may deem fit during the term of this lease
- 5.3 To keep the exterior of the Lease Premises together with the roof, Trusses, main Structural walls adequately lighted of the Lease premises in fair tenable repair and condition.
- 5.4 That the Lessee paying the rent hereby reserved and observing and performing the several covenants and conditions as hereinabove on their part, shall peacefully hold unto and enjoy the tenancy of the demises throughout the term here in created WITHOUT interruption by the Lessor or any person rightfully claiming under or in the trust for the Lessor.
- 5.5 To insure and keep insured the Building from loss or damage by fire, storm, tempest and such other risks as the Lessor may deem expedient
- 5.6 The Lessor represents and warrants to the Lessee that it has the legal capacity, authority and power to enter into this Lease Agreement and therefore indemnifies the Lessee accordingly.



- 5.7 To provide separate meter for Electricity (LUKU) of which electricity and water will be paid timely by the lessee.
- 5.8 To pay Municipal Taxes to the relevant authorities promptly.

## **ARTICLE 6**

### **THE LESSOR AND THE LESSEE'S DECLARATION**

- 6.1 The Lessor and the Lessee hereby further agree and confirm.
- 6.2 In the event the rent hereby reserved or any part thereof shall at any time be in arrears and remain unpaid for a period of thirty (30) days after the same has become due and payable, whether or not formally or legally Demanded or If the Lessee falls or neglects to perform and observe any of the covenants and conditions herein contained and on his part to be performed and observed, or of the Lessee becomes bankrupt or is wound up whether voluntarily or compulsorily otherwise than for the purpose of amalgamation or reconstruction's then and in the event of any such case the Lessor may at any time thereafter re-enter upon and repossess the Lease Premises or any part thereof and hold onto the same as if this Lease had not been granted but without prejudice to any right of action or remedy of either party for any antecedent breach of the covenants herein contained.
- 6.3 That the Stamp Duty on this Lease Agreement shall be paid by the Lessee.
- 6.4 Withholding tax of 10% by the lessor after receiving full rental payment from the lessee.
- 6.5 NEW GOVERNMENT LEVIES. In the event that the Government of the United Republic of Tanzania or any sub-division or agency thereof imposes any new or additional taxes, levies or imposts relating to tenancies that are payable by lessees, the Lessee agrees that it shall be responsible for such new or additional taxes, levies or Imposts relating to this Lease.

## **ARTICLE 7**

### **NOTICE OF TERMINATION OR RENEWAL OF THE LEASE AGREEMENT**

- 7.1 Either party of this Lease Agreement may terminate the Lease agreement upon giving at least (03) Three month's written notice of the intention to terminate the Lease Agreement.

## **ARTICLE 8**

### **SERVICE OF NOTICE**

- 8.1 For the purposes of Service of Notice, any Notice under this Lease Agreement shall be in writing. Notice to either party by the other shall be deemed to be successfully served and sent by Registered Postal Mail at their respective postal address shown herein above.



**ARTICLE 9  
DISPUTE CLAUSE**

- 9.1 Any dispute arising from or in connection with the Lease Agreement shall be settled amicably between the parties, failing which the aggrieved party may take legal action at the Commercial Division of the High Court of Tanzania.

**ARTICLE 10  
MISCELLANEOUS PROVISIONS**

- 10.1 Any structure erected or equipment installed by the Lessee including but not limited to fixtures and fittings at all times remain the property of the Lessee
- 10.2 In the event of the Land Premise or any part thereof being damaged, destroyed or rendered uninhabitable by an act of God or fire not attributable to the Lessee its servants or its licensees during the continuance of that said terms so as to render them unfit for the occupation or use the Lessor will allow to the Lessee a total or proportionate abatement of the rent (as the case may be). If any dispute under this sub-clause arises the matter shall be referred to the commercial division of the High Court of Tanzania to be agreed upon by the Lessee and the Lessor
- 10.3 All matters arising from or in connection to this Lease Agreement shall be governed and construed in accordance with Tanzania Laws.



