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**LEASE AGREEMENT**

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between

**MERRYWATER AG LIMITED**

and

**TAMGO TANZANIA LIMITED**

**BOWMANS TANZANIA LIMITED**

2nd Floor, The Luminary  
Cnr Halle Selassie and Chole Roads  
Masaki, Dar es Salaam  
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**CONTENTS**

1.	<b>DEFINITIONS</b> .....	1
2.	<b>PURPOSE AND USE</b> .....	2
3.	<b>TERM</b> .....	2
4.	<b>RENT</b> .....	2
5.	<b>IMPROVEMENTS AND ALTERATIONS</b> .....	2
6.	<b>EXCLUSIVE POSSESSION AND QUIET ENJOYMENT</b> .....	3
7.	<b>COMPLIANCE WITH LAWS</b> .....	3
8.	<b>TENANT UNDERTAKINGS</b> .....	3
9.	<b>LANDLORD UNDERTAKINGS</b> .....	3
10.	<b>TERMINATION</b> .....	3
11.	<b>GENERAL</b> .....	4
12.	<b>NOTICES</b> .....	4
13.	<b>LAW AND DISPUTE RESOLUTION</b> .....	4
14.	<b>COUNTERPARTS</b> .....	5

**PARTIES:**

This Agreement is made this 01<sup>st</sup> day of MAY 2022 between:

- (1) **MERRYWATER AG LIMITED**, a branch registered under the laws of Tanzania and issued with certificate of compliance number 16245 and whose address for the purposes hereof is plot no. 456, Kinondoni/ Regent Estate, P. O. Box 7472, Dar es Salaam, Tanzania (hereafter referred to as the **Landlord** which expression, unless the context does not so permit, shall include the Landlord's successors in title and permitted assigns);
- (2) **TAMGO TANZANIA LIMITED**, a limited liability company incorporated under the laws of Tanzania and under registration number 142746182, and whose address for the purposes hereof is plot no. 574, the 2nd Floor, The Luminary, Cnr Hale Selassie and Chole Roads, Masaki, P. O. Box 78552, Dar es Salaam, Tanzania (hereafter referred to as the **Tenant** which expression, unless the context does not so permit, shall include the Tenant's successors in title and permitted assigns)

**WHEREAS:**

- A. The Landlord is the registered proprietor of all that piece of land comprised in certificate of occupancy with title no. 42327, known as Plot No. 456, Kinondoni/ Regent estate, Dar es Salaam, containing Two Thousand Six Hundred and Sixty-Four (2,664) square metres (the **Leased Premises**), which is located along Bagamoyo Road, in the Kinondoni District of Dar es Salaam, Tanzania.
- B. The Parties have entered into the Business Transfer Agreement which as part of the conditions precedent, requires the Landlord to let the Leased Premises to the Tenant for the Leasehold Period.
- C. The Tenant, having viewed the said Leased Premises has agreed to rent the same in terms, conditions and covenants herein after appearing.
- D. Accordingly, the Parties are entering into this Agreement.

**IT IS AGREED:**

**1. DEFINITIONS**

- 1.1 For the purpose of this Agreement and the preamble above, unless the context requires otherwise:
  - 1.1.1 **Agreement** means this lease agreement;
  - 1.1.2 **Business** has the meaning given to that term in the Business Transfer Agreement;
  - 1.1.3 **Business Transfer Agreement** means the business transfer agreement dated on or about the date of this Agreement by and between the Landlord as vendor and the Tenant as purchaser for the sell to the Tenant the Business (which includes the Leased Premises) as a going concern;
  - 1.1.4 **Lease** means the lease which is the subject of, and granted pursuant to, this Agreement;
  - 1.1.5 **Leased Premises** has the meaning given to it in Recital A of this Agreement.
  - 1.1.6 **Leasehold Period** has the meaning given to that term in the Business Transfer Agreement;

- 1.1.7 **Leasehold Period Commencement Date** means the first day of the Leasehold Period, being such date that the Tenant takes possession of the Leased Property.
- 1.1.8 **Parties** means the parties to this Agreement, and **Party** shall mean any of them as the context requires;
- 1.1.9 **Phase 2 Completion** has the meaning given to that term in the Business Transfer Agreement;
- 1.1.10 **Phase 2 Completion Date** has the meaning given to that term in the Business Transfer Agreement;
- 1.1.11 **Rent** has the meaning given in clause 4.1 of this Agreement; and
- 1.1.12 **United States Dollars** or **USD** means the lawful currency of the United States of America.
- 1.2 All capitalised words and terms used but not defined in this Agreement (including the preamble above) shall have the meanings ascribed to them in the Business Transfer Agreement.
- 1.3 The provisions of clause 1 (*Definitions and Interpretation*) of the Business Transfer Agreement shall apply mutatis mutandis to this Agreement.

## 2. **PURPOSE AND USE**

- 2.1 The Leased Premises shall be used for the Business by the Tenant.

## 3. **TERM**

- 3.1 The Landlord hereby demises unto the Tenant the Leased Premises described, to hold the same as a Tenant for the Leasehold Period, commencing on the Leasehold Period Commencement Date for a period of 3 years.
- 3.2 On expiration of this Agreement, the Tenant shall have the first option of renewal for a period of 18 months, for the same amount of Rent payable under this Agreement.

## 4. **RENT**

- 4.1 The Tenant agrees to pay the Landlord a monthly rent of USD 10,000 inclusive of VAT (**Rent**).
- 4.2 The first nine months' Rent will be payable in advance on the Leasehold Period Commencement Date. The subsequent Rent will be paid every month at the beginning of every month.
- 4.3 All rental amounts are gross (which amount(s) shall be paid by the Tenant in the net amount after deducting withholding tax and any other statutory deductions.
- 4.4 The Landlord shall be liable to pay all rates, taxes and levies in respect of the Leased Premises to the relevant competent authority as well as any and all increases therein.

## 5. **IMPROVEMENTS AND ALTERATIONS**

- 5.1 The Tenant can make any internal alterations to the parts (or whole) of the Leased Property and buildings which it rents.

5.3 The Landlord cannot make any alterations to the Property or buildings without the prior written consent of the Tenant.

**6. EXCLUSIVE POSSESSION AND QUIET ENJOYMENT**

6.1 The Landlord shall deliver exclusive and lawful possession of the entire Leased Property to the Tenant.

6.2 The Landlord covenants with the Tenant that, so long as the Tenant pays the Rent and complies with its obligations in this Agreement, the Tenant shall have quiet enjoyment of the Leased Property without any lawful interruption by the Landlord or any person claiming under the Landlord.

6.3 The Landlord shall keep the Tenant indemnified against all expenses, costs, claims, damage and loss arising from any breach by the Landlord of any Landlord covenants in this Agreement.

**7. COMPLIANCE WITH LAWS**

7.1 In its use and occupation of the Leased Property the Tenant shall comply at all times with all applicable laws of the United Republic of Tanzania.

**8. TENANT UNDERTAKINGS**

8.1 The Tenant undertakes to maintain the Leased Property in good condition at the Tenant's own risks and expense.

8.2 The Lessee undertakes that there shall be no illegal or prohibited matters, objects, substances, materials or products dealt with or held on the Leased Property.

**9. LANDLORD UNDERTAKINGS**

9.1 The Landlord hereby undertakes to:

9.1.1 bear and discharge all rates, taxes and other levies that may be payable in law in respect of the Leased Premises;

9.1.2 adequately insure the buildings on the Leased Property at all times, ensuring that the Tenant enjoys a waiver of subrogation under said insurance, and bear and discharge all costs payable in respect of the insurance for the Leased Property; and

9.1.3 expeditiously attend to repair and proper maintenance of the externality of the building (walls, roof, etc.) and drains at no cost to the Tenant.

**10. TERMINATION**

10.1 The Lease will cease to have effect by virtue of the following:

10.1.1 expiry of the Leasehold Period:

10.1.1.1 on the Phase 2 Completion Date; or

10.1.1.2 for failure to complete the Phase 2 Completion; or

10.1.2 termination by the Tenant giving at least 30 days written notice to the Landlord.

## 11. GENERAL

- 11.1 This Agreement is the whole agreement between the Parties in regard to its subject matter.
- 11.2 No addition to or variation or consensual cancellation of this Agreement, including this clause, has effect unless in writing and signed by the Parties.
- 11.3 No indulgence by a Party to another Party, or failure strictly to enforce the terms of this Agreement, will be interpreted as a waiver or be capable of founding an estoppel.
- 11.4 The Parties undertake to do everything reasonable in their power necessary for or incidental to the effectiveness and performance of this Agreement.
- 11.5 Any illegal or unenforceable provision of this Agreement may be severed, and the remaining provisions of this Agreement continue in force.

## 12. NOTICES

- 12.1 All notices to be given under this Agreement to any Party shall be made in writing and may be served:
  - 12.1.1 by sending it by hand delivery (including registered courier) to the address and for the attention of the other Party as set out in the first page of this Agreement or to such other address as may be otherwise notified from time to time by the Party in accordance with the provisions of this clause, provided that (unless and until the Tenant notifies the Landlord otherwise), during the Leasehold Period and all times that the Tenant has possession on the Leased Property, the address for service on the Tenant shall be the address of the Leased Property; and
  - 12.1.2 for notices to the Tenant, a copy of such notice must also be given to their respective advocates at their respective addresses from time to time in order to validly serve such notice.
- 12.2 Any notice and/or any document relating to any action or legal proceedings so served by hand delivery (including registered courier) shall be deemed to have been received at the time of delivery provided that the delivery has been acknowledged by or on behalf of the recipient or proof of delivery is otherwise provided by the registered courier delivering the notice.

## 13. LAW AND DISPUTE RESOLUTION

- 13.1 This Agreement and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the United Republic of Tanzania.
- 13.2 In the event of any dispute arising out of or in connection with this Agreement (including as to the interpretation, validity, termination or enforceability of this Agreement) between the Parties (a **Dispute**), the Parties shall seek amicable settlement and agreement within ten (10) days from the date of the Dispute.
- 13.3 If the Parties fail to reach amicable settlement and agreement in accordance with clause 13.2, the Dispute shall be settled by arbitration in accordance with and subject to the provisions of the Tanzania International Arbitration Centre (TIAC) Arbitration Rules then in effect. There shall be three arbitrators,

with each party appointing an arbitrator and the third being appointed by the chairman for the time being, of the TIAC. Any arbitral award issued shall be final and binding and judgment on such award may be entered in any court having jurisdiction thereof. The language to be used in the arbitration shall be English. The place of arbitration shall be Dar es Salaam, Tanzania.

13.4 Notwithstanding any other provisions in this clause 13, any Party may seek preliminary injunctive relief or interim or conservatory measures from any court of competent jurisdiction pending the final decision or award of the arbitrator.

14. **COUNTERPARTS**

14.1 This Agreement may be executed in counterparts, each of which will be an original and which together constitute the same agreement.

*(Signature pages to follow)*

IN WITNESS this Agreement has been duly executed the day and year first hereinbefore written.

**THE LANDLORD**

Sealed with the common seal of

**MERRYWATER AG LIMITED**

in the presence of

Signature:

Name:

Director

Signature:

Name:

Director/Secretary

merry  
water<sup>AG</sup>  
Bahnhofstraße 58  
CH - 8001 ZÜRICH  
SWITZERLAND

Attested by

Signature:

Name:

Qualification: Advocate/Notary Public



**THE TENANT**

Sealed with the common seal of )

**TAMGO TANZANIA LIMITED** )

in the presence of )

Signature: )

Name: **Yousuf Talal Y Zahid** )

Mohamed Altawel St. Mushrif district, )  
Zahid Group business Complex, 21492 Jeddah, Saudi Arabia )  
Director )

Signature: )

Name: **Hamza Waleed Y Zahid** )

Mohamed Altawel St. Mushrif district, )  
Zahid Group business Complex, 21492 Jeddah, Saudi Arabia )  
Director/Secretary )



Attested by

Signature: *Bertha*

Name: **BERTHA A MWARIJA**

Qualification: Advocate/Notary Public

