

LETTER OF INTENT TO LEASE A WAREHOUSE

Date: 24th April 2024

This letter of intent (LOI) outlines the principal terms and conditions of a lease to be negotiated between **MAC GROUP LIMITED** of P.O. Box 2552, Dar Es Salaam (the "Owner") and **COTEX INDUSTRIES LTD** of P.O. Box 60584, Dar es Salaam (the "Tenant").

Both parties understand and acknowledge by reason of signing this Letter of Intent that no obligation whatsoever between them shall arise until a lease agreement anticipated by this agreement (the "Lease") has been fully executed by both the Owner and the Tenant. The terms of this letter of intent shall be binding except as otherwise expressly agreed herein.

A. SPACE

1. BUILDING AND LOCATION.

Warehouses to be built on Plot No. 3 Kingolwira, Morogoro Municipality.

2. LEASED PREMISE.

- (i) 16,007 square meters of rental space for warehouse / production facilities
- (ii) 1,512 square meters of rental space for office block and other ancillaries buildings.

B. LEASE TERM.

1. TERM.

Primary Lease term to be of 5 years effective completion and handover of premises and subsequently the term to be automatically renewed in periods not exceeding 5 years, unless one party gives in writing a 6 months' notice of intention not to renew.

2. EARLY ACCESS.

Notwithstanding the lease term herein above, where construction of the warehouse is completed before the expected date and is suitable for occupation, handover may take place and the lease term commenced.

C. RENT

1. RENT.

Lease rate shall be

- (i) **US\$3.50 + VAT** per Square meter per month payable quarterly in advance for 16,007m² Warehousing / Production Facilities.
- (ii) **US\$5.00 + VAT** per Square meter per month payable quarterly in advance for 1,512m² office block and other ancillary buildings.

D. TENANT OBLIGATIONS.

1. JANITORIAL COSTS.

The Tenant shall be responsible for all costs related to electricity, water, janitorial and other utilities to the Leased warehouse.

2. INSURANCE.

The Tenant shall be responsible to maintain any insurance coverage for Tenant's properties used or stored in the Leased premises.

E. OWNER OBLIGATIONS

1. QUIET ENJOYMENT

The Landlord covenants with the Tenant, that, so long as the Tenant pays the Rent and complies with its obligations in this lease, the Tenant shall have quiet enjoyment of the leased premises without any interruption by the Landlord or any person claiming under the Landlord except as otherwise permitted by this lease.



2. HANDOVER

The Landlord shall deliver the leased premises with clear boundary lines and fencing. The Landlord shall remove all structures, equipment and other fixtures not listed in this agreement before the Handover.

3. LAND RENT AND STATUTORY RATES

(i) The Landlord shall pay and discharge all Land Rents and other rates and taxes charged upon the Property by any government authority prior to the Signature Date.

(ii) The Landlord shall pay and discharge all Land Rents relating to or imposed upon the Property during the term of this lease.

4. NO RESTRICTIVE OBLIGATIONS

The Landlord shall not enter any onerous or restrictive obligations affecting the leased premises or create or permit to arise any overriding interest, easement or right whatsoever in or over the leased premises.

5. COMPLIANCE WITH AND ENFORCEMENT OF COVENANTS

The Landlord shall observe and perform all covenants, stipulations, and conditions of the Certificate of Title.

6. APPROVALS

The Landlord shall cooperate with the Tenant to obtain all necessary Governmental Approvals.

E. OTHER PROVISIONS

1. USE OF LEASED PREMISES.

Use of Leased premises shall be limited to the business operations of the Tenant and the day-to-day official use of the Tenant's employees, trustees and guests.

2. FURNISHING.

All furnishing of and improvements to the Leased Premises which are not part of the occupancy conditions shall be the responsibility of the Tenant.

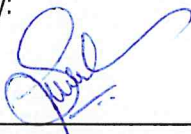
3. GOOD FAITH.

Both parties agree to meet, confer and negotiate in good faith in order to finalize the terms of the Lease.

4. CONFIDENTIALITY.

To the extent permitted by applicable laws and regulations, and subject to the reasonable needs of the owner to disclose its own terms in connection with any financing of the premises, the parties will keep the terms of this LOI confidential prior to the execution of the Lease.

Agreed by:



Mohamed Bakir Abdulkarim
Finance Director
MAC GROUP LTD



17/07/2024

Date



Ragib Hassanali
Chief Executive Office
COTEX INDUSTRIES LTD



17/07/24

Date