

## LEASE AGREEMENT

This AGREEMENT is made this 15<sup>th</sup> day of NOVEMBER 2023

BETWEEN

NICOLAS SELESTINE MTEI of Post Office Box No. 16510, Dar es Salaam, National ID Number 1983062314T330000121 (hereinafter called the "Lessor" which expression shall include and extend to persons deriving title under the Lessor, his successors and assigns) of the one part;

AND

SAADO GROUP OF COMPANIES LIMITED of Post Office Box No 20386 Dar es Salaam (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 owner of the property situated at Plot No. 2, Vijibweni Area, Kigamboni Dar es Salaam (hereinafter called the "Lease Premises");

WHEREAS the Lessor has agreed to lease the said Property (specifically for a food/confectionery/cocoa/biscuits factory) to the Lessee to hold and enjoy the same for on terms and conditions hereinafter appearing;

NOW THIS LEASE AGREEMENT WITNESSETH AS FOLLOWS:

### ARTICLE 1

#### DEFINITIONS

"Agreement" means this Lease Agreement between the Lessor and the Lessee dated the 15<sup>th</sup> day of NOVEMBER 2023;

"Parties" mean the signatories to this Agreement;

"Lease Period" means the period of the lease, which is three (3) years starting from \_\_\_\_\_;

"Rent" means the monthly rent of Tanzania Shillings Two Million Only (TZS 2,000,000/=);

"TZS" means the Tanzania Shillings



**ARTICLE 2  
TERM OF THE LEASE**

- 2.1 The Lessor hereby demises unto the Lessee the said Lease Premises for a period of Three (3) years (with an option to renew).
- 2.2 After signing this Agreement on 08<sup>th</sup> November 2023, the Lessee will be granted a grace period until the date they get the necessary licenses to conduct the business on the premises from the relevant authority. The Agreement will officially commence once the Lessee gets licenses and permits.


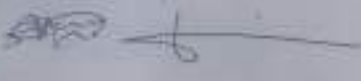


**ARTICLE 3  
RENT PAYABLE**

- 3.1 In consideration of the Lease stated hereinabove, the Lessee shall pay Rent at Tanzania Shillings Two Million Only (TZS. 2,000,000/=) per month.
- 3.2 The Lessee shall pay the annual rent of Tanzania Shillings Twenty-Four Million Only (TZS. 24,000,000.00) in advance on the \_\_\_\_\_ of each year.
- 3.3 That the first year's rent shall be paid in two installments whereby the first installment of Tanzania Shillings Fifteen Million Only (TZS. 15,000,000.00) was paid on 4<sup>th</sup> November 2023.  
  
That the second installment, in the amount of Tanzania Shillings, Nine Million Only (TZS. 9,000,000/=), shall be paid on 14<sup>th</sup> November 2023.
- 3.4 Starting from the second year, the Lessee shall pay the annual rent in one installment on the \_\_\_\_\_ of each year. Rent payments must be made to Account Number 0152683596100, held with CRDB Bank Plc, in the name of Nicolas Selestone Mbeli.
- 3.5 The rent agreed upon may be revised after the expiry of the lease term.
- 3.6 If both parties mutually agree to renew this Lease Agreement after the expiration of the initial 3-year term, the Lessee may choose to renew for an additional two-year period. The Lessor agrees that any increase in rent during the renewal period shall not exceed 10-25% of the current rental rate. The specific percentage increase shall be subject to negotiation and agreement between the parties.

**ARTICLE 4  
USE OF THE LEASED PREMISES**

- 4.1 The Lessee shall use the premises solely for the operation of the food/chocolate/popcorn/biscuits factory and for such other purposes as the Lessor may agree to in writing. The Lessee undertakes not to carry on any other business on the Leased Premises without the Lessor's prior written consent.
- 4.2 The Lessor hereby permits the Lessee to construct a building within the vacant premises located outside of the warehouse. The building shall be used for office.

and residential purposes during the term of this Lease Agreement. The Lessor shall be responsible for obtaining all necessary permits for the construction at their own expense.

4.3 The building constructed by the Lessee shall remain the property of the Lessor upon the expiry or termination of this Lease Agreement. The Lessee shall have no any claim or right in the building upon the conclusion of the agreement.

4.4 The Lessee shall make sure that all necessary permits and government approvals, if any, have been sought and granted as required under applicable laws, including Licenses, for the running of businesses conducted on the premises.



#### ARTICLE 5 THE LESSEE'S COVENANTS

- 5.1 The Lessee hereby covenants to the Lessor as follows:
- 5.1.1 To pay to the Tanzania Revenue Authority, withholding tax as to be assessed and return to the Lessor the copy of the agreement and proof of payment of taxes.
  - 5.1.2 To use and occupy the Lease Premises solely and exclusively for commercial purposes (Eradhachotite/nyecora/bacubi) and to be operated by the Lessee or its staff.
  - 5.1.3 To comply with the Municipal by-laws, rules, and Health Regulations relating to the Lease Premises and those affecting the business of the Lessee and to obtain or cause to be obtained all authorizations to carry on its business/services at the premises.
  - 5.1.4 At all times, keep the interior of the demised premises and the appurtenances thereof, including doors, and other fixtures and fittings, fastenings electric wires thereof in good and substantial repair.
  - 5.1.5 Not to make any alteration or addition or affix or cause to be fixed any sign to the demised premises without first obtaining the written consent of the Lessor. Provided that the Lessor shall not unreasonably be withheld/ refuse to issue such consent.
  - 5.1.6 Provided Always that the Lessee shall, at its own cost and subject to the prior consent of the Lessor in writing, erect such galls, partitions, machinery, and/or any other structure as required, and the Lessee shall make good to the satisfaction of the Lessor all damages occasioned by installing or removing the same.

- 5.1.7 Not to use the demised premises in any way which would create annoyance or nuisance or any danger or damage to the public or neighbours;
- 5.1.8 To permit the Lessor and his agents and other persons authorized in writing by the Lessor to enter the demised premises at all reasonable times during the daytime with prior consent, such consent not to be unreasonably withheld, for the purposes of viewing the demised premises and undertaking any repairs necessary under the covenants hereinbefore or hereinafter contained;
- 5.1.9 Failure on the part of the Lessor to insist on the terms and condition herein contained or any of them shall not constitute or be construed as a waiver or relinquishment of the Lessor's right thereafter to enforce any such term or condition, but the same shall continue in full force and effect;
- 5.1.10 To indemnify the Lessor against all damages occasioned to the Lease Premises or any part of the building, or any other part to the adjacent premise or to any person caused by any act, default, negligence of the Lessee, its employees/servants, relatives or invitees of the Lessee;
- 5.1.11 To pay all rates, taxes, and other charges for the use of water, electricity, and sanitary services provided to the Lease Premises by the concerned authorities;
- 5.1.12 Not to assign, underlet, sublet, or part with the possession of the demised premises or any part thereof without the written consent of the Lessor;
- 5.1.13 On the expiration or sooner determined of the lease term to deliver up the demised premises to the lessor with all keys, locks, and fasteners in good repair and condition, reasonable wear and tear excepted;

**ARTICLE 6**  
**THE LESSOR COVENANTS**

- 6.1 The roof of the warehouse is in good condition and is not expected to leak during the term of this Lease Agreement. The Lessor warrants that the roof has been properly maintained and is free from any known defects that would cause leakage.
- 6.2 The Lessor agrees to install eight (8) ventilation fans in the warehouse premises during the term of this Lease Agreement. The installation of these ventilation fans is intended to provide adequate ventilation and maintain suitable working conditions within the warehouse.
- 6.3 The Lessor agrees to install an electric fence within the warehouse premises during the term of this Lease Agreement. The installation of the electric fence is intended to enhance security and safeguard the premises.



- 6.4 The Lessor agrees to install paving blocks from the warehouse to the entrance of the premises.
- 6.5 At the commencement of this Lease Agreement, the Lessor agrees to undertake necessary repairs to the road leading to the warehouse premises to ensure it is in a passable and suitable condition.
- 6.6 At the commencement of this Lease Agreement, the Lessor agrees to renovate the existing inlet facility to ensure its proper functioning and is provided in good condition. These upgrades shall include the installation of the suitable provision of electricity.
- 6.7 The Lessor agrees to repair and fix the gates of the warehouse premises to ensure their proper functionality at the beginning of this Lease Agreement.
- 6.8 The Lessor guarantees that the area can be used for a factory, and in the event that the Lessee is unable to obtain the necessary licenses or permits due to a refusal by the local authority, who determines that the area is not allowed for such use, then the Lessor will refund the cost paid by the Lessee. This refund will only be applicable if the license is not granted due to the authority's refusal based on land use restrictions.
- 6.9 The Lessor agrees to clear and clean the existing bush in the area after the signing of this Lease Agreement. This clearing will be performed promptly to provide a clean and unobstructed space for the Lessee's use.
- 6.10 The Lessor agrees to construct a water well within the factory premises to provide a water source for the Lessee's operations. The Lessor shall be responsible for the entire cost and completion of the well construction.
- 6.11 That the Lessee paying the rent, observing and performing the several covenants and conditions as hereinabove on his part, shall peacefully hold unto and enjoy the tenancy of the Lease Premises throughout the term herein created WITHOUT interruption by the Lessor or any person rightfully claiming under or in trust for the Lessor.
- 6.12 The Lessee shall enjoy the Lessor's unrestricted consent to make alterations to the Lease Premises structurally to suit the business undertaking of the Lessee, PROVIDED that such structural alterations and modifications of the Lease Premises shall be carried after consultations and written consent of the Lessor.
- 6.13 That during the continuance of the Lease to remedy any major or structural faults affecting the convenience and proper use or occupation of the Lease Premises within a reasonable time after their occurrence, provided that such faults



not attributable to the neglect on the part of the Lessee, his agents and/or employees or servants.

**ARTICLE 7  
NOTICE AND RENEWAL OF THE AGREEMENT**

7.1 The Parties may review this Agreement by giving each other a notice in writing three (3) calendar months prior to the expiry of this Agreement. Such notice and any other communication or notice by the Parties shall be deemed to have been duly given or made when it shall be delivered by hand to the party to which it is required or permitted to be given or made at such Party's address specified in this Agreement or/and at such other address as such party shall have designated by notice to the other party giving such notice.



**ARTICLE 8  
NOTICES**

8.1 All notices, requests, consents, demands, waivers or other communications under or in connection with this Agreement shall be in writing in the English language and shall be sent by e-mail to the e-mail addresses set forth below:

In the case of the Lessor email to:

[amapros@ethiopian.com](mailto:amapros@ethiopian.com)

CC: [michael@ethiopian.com](mailto:michael@ethiopian.com)

In the case of the Lessee

to: [michael@ethiopian.com](mailto:michael@ethiopian.com)

**ARTICLE 9  
TERMINATION CLAUSE**

9.1 Each party, before the expiry of the Three (3) years term, desires to terminate this lease, it can only exercise this termination after giving the other party three (3) month written notice of its intention to terminate the lease and shall up to the time of such determination perform the covenants on its part hereinafter reserved and contained then immediately on the expiration of such notice the present demise and everything herein contained shall cease and be void without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of covenant.

9.2 In the event that the Lessor terminates this Lease Agreement without any justifiable cause, the Lessor shall be responsible for compensating the Lessee for any construction expenses incurred by the Lessee in the premises. Additionally, the Lessor shall refund any prepaid rent to the Lessee.

Three handwritten signatures are present at the bottom of the page. The first signature on the left is a large, stylized loop. The second signature in the middle is smaller and less legible. The third signature on the right is a long, horizontal stroke.

**ARTICLE 10  
10. BREACH OF AGREEMENT**

10.1 If any Party to this agreement fails to perform any of the covenants or obligations set forth in this lease, the other party shall be entitled to notify the defaulting party in writing with appropriate particulars, and if such other party cannot be notified as to the corrective action taken in respect thereof or if the obligation is not executed within sixty (60) days from the date of the written notice, such other party shall have the right to exercise any recourse available in law including to terminate this lease agreement.

**ARTICLE 11  
DISPUTE CLAUSE**

11.1 Any dispute arising from or in connection with this agreement shall be settled amicably between the Parties, failing which the aggrieved Party may take legal action at any Court with competent jurisdiction to try the matter at the time of the dispute.

**ARTICLE 12  
WARRANT CLAUSE**

12.1 The Lessee warrants and represents that they have legal authority and capacity to enter into this lease agreement, and they have obtained all necessary approvals and consents required for executing this lease agreement, including but not limited to any approvals from their partners, shareholders or legal representatives. The Lessee further warrants that they will comply with all applicable laws, regulations and rules in connection to this lease and that they will use the leased property only for the purposes specified in this agreement.

12.2 The Lessee warrants and represents that being the owner of the property, he has legal authority and rights to lease the property and that the property is in compliance with all applicable laws and rules in connection to this lease.

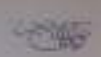
**ARTICLE 13  
MISCELLANEOUS PROVISIONS**

13.1 All matters arising from or in connection to this agreement shall be governed and construed in accordance with Tanzania laws.

13.2 This Agreement may be amended at any time in writing by the Parties.

13.3 This Agreement shall be in the English language and in two (2) originals each being authentic.







IN WITNESS WHEREOF, Lessor and Lessee heretofore execute and agree to the terms and conditions of this Lease Agreement on the date first set out above.

SIGNED AND DELIVERED BY DAR IS SALAMAN

By the said NICOLAS SEESTINE MTEI

who is known to me personally/ introduced to me

by \_\_\_\_\_, who is

known to me personally the \_\_\_\_\_ day of \_\_\_\_\_

In the presence of

Name: GILBERT MARK

Signature: [Signature]

Address: [Address]

Qualification: ADVOCATE

HEATED with the common seal

of SAADO GROUP OF COMPANIES LIMITED

and delivered at Dar es Salaam

in our presence

this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Name: Ibrahim Saado

Signature: [Signature]

Address: 20386

Qualification: Director

Name: Saad Said Mteui

Signature: [Signature]

Address: 20386

Qualification: Exec. Director

TIN: 169-968-032

Stamp Duty: 240,000

Costs: \_\_\_\_\_

Net: 2,400,000

Total: 2,640,000

Witnesses

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

Signature: [Signature]

STAMP DUTY

