

**LEASE AGREEMENT**

**BETWEEN**

**ARK PROPERTIES LIMITED**

**AND**

**A TO Z TEXTILE MILLS LIMITED**

Drawn By  
Kasegenya Consult,  
Plot No. 170, Block 24,  
Kipanga Road, Kaloleni,  
P.O Box 11090  
Arusha- Tanzania

## LEASE AGREEMENT

THIS LEASE made this \_\_\_\_\_ day of \_\_\_\_\_ 2024

### BETWEEN

**ARK PROPERTIES LIMITED**, a limited liability Company incorporated in Tanzania under Chapter 212 as repealed and replaced by the Companies Act No. 12 of 2002 of the laws of the United Republic of Tanzania of **P. O. Box 11975 Arusha- Tanzania** (hereinafter called "**the Lessor**" which expression where the context so admits includes the person deriving title under the Lessor, its successor and assigns) of the one part;

### AND

**A TO Z TEXTILE MILLS LIMITED**, a limited liability Company incorporated in Tanzania under Chapter 212 as repealed and replaced by the Companies Act No. 12 of 2002 of the laws of the United Republic of Tanzania of **P. O. Box 945 Arusha- Tanzania** (hereinafter called "**the Lessee**" which expression where the context so admits includes the person deriving title under the Lessor, its successor and assigns) of the other part.

**WHEREAS** the Lessor is the registered owner of the property comprised in the Certificate of Title No 8412 situated at, Plot No. 1, Block "A", SOVOYO, Arusha – Tanzania, measuring 44,382 square meters. and;

**WHEREAS** the Lessor is desirous to lease to the Lessee part of the land above mentioned, measuring **Twenty Thousand Seven Hundred square meters (20,700.00 sqm)** (herein after called "**the Demised Premises**") and;

**WHEREAS** the Lessee intends to use part of the parcel of land comprise under the above mentioned Certificate of Title to **CONSTRUCT AND**

**DEVELOP A BUILDING/WAREHOUSE** to conduct its new initiative in Pharmaceuticals and medical appliances together with anything incidental to its objective as a body corporate.

**NOW THE PARTIES WITNESSETH AS FOLLOWS;**

The Lessor hereby leases to the Lessees the Demised Premises under the terms and conditions stipulated hereunder;

1. **IN CONSIDERATION** of the rent and the Lessee's covenants hereinafter reserved and contained, the Lessor **HEREBY** leases unto the Lessee the, **Twenty Thousand Seven Hundred square meters (20,700.00 sqm)** of the Demised Premises situated at Plot No. 1, Block "A", SOVOYO, Arusha – Tanzania.
2. It is mutually agreed that the party have Agreed that the Lessee has the option to increase the occupied square meters and occupy the whole premises under the Certificate of Title Number 8412 being Forty Four Thousand Eight Hundred and Eighty Two Square Meter (44,882 sqm). in the event such option is exercised, the Lessee shall notify the Lessor and the Lessor shall not restrict the Lessee without just and reasonable cause.
3. That is agreed, that similarly, the lessor shall not occupy, rent/lease the remaining part of the demises property without first seeking waiver of the lessee's right/option to develop the said remaining space.
4. That the Lessee of the demised premises shall hold the demised premises for the term of **Twenty Years (20)** renewable upon expiry of the term of Twenty Years (20) at the option of the Lessee with mutual written consent, commencing from the 1<sup>st</sup> day of March 2024 up to the 2<sup>nd</sup> day of March 2044.

5. YIELDING AND PAYING therefore unto the Lessor a monthly rent of **Tanzania Shillings Twenty Five (TZS 25.00) per square meter per month.**
6. The Lessee shall be responsible for the payment of all utilities including but not limited to gas, water or electricity and other services or utilities used by the Lessee on the leased premises during the term of this lease unless otherwise expressly agreed in writing by the Lessor.
7. The Lessor agrees to grant the Lessee with a Nine (09) Months' rent free period (Grace Period/ Construction Period) for the purposes of construction and development of the Demised Premises. This Period can be mutually reviewed as result of delays that may occur in attaining the certification and approvals for the construction, as this will amount to circumstances and reasons beyond the Lessee.
8. For avoidance of doubt the above rates are exclusive of VAT. The Lessee shall be responsible for Withholding Tax. **The Lessor shall be responsible for any other taxes and levies (I. E Stamp Duty, land rent etc) incidental to the land and shall remit the same to the concerned Tax Authority.**
9. The Lessee **HEREBY COVENANTS** with the Lessor to the intent that the obligations shall continue throughout the said term as follows:
  - (i) **That this lease shall be registered, and the Lessor shall be liable to pay the registration fees, levies and duties on the registration of this Lease.**
  - (ii) The Lessee shall carry out construction and development of buildings within the agreed Demised Premises' boundaries with exception of clause 2 above. Before the commencement of the Construction, the Lessee will provide the Lessor either the Building Plans/concept drawings/ architectural and structural drawing as they shall be approved by the authorities.

- (iii) The lessee shall pay the rent on the day and in the manner aforesaid.
- (iv) That all immovable property shall remain the property of the Lessor at a cost value/depreciated value/rehabilitated value (which ever is higher) as shall be evaluated and charged by the lessee to the Lessor upon the expiry of this Lease Agreement.**
- (v) The Lessee shall permit the Lessor and his agent at all reasonable times of the day to enter upon the demised premises to view the condition of the property.
- (vi) The Lessee shall not to make any extensions to the Demised Premises' boundaries without obtaining the consent in writing from the Lessor.
- (vii) The Lessee shall not assign, sublease or part with the possession of the demised premises or any part thereof without obtaining a written consent from the Lessor.
- (viii) That the Lessee shall use the premise strictly only for purposes of making Pharmaceutical and Medical Appliances together with anything incidental to it objective as a body corporate.
- (ix) The Lessee shall be obligated to attain all permit, certification and Licenses for the construction and operations of its activities. The lessor shall only be liable for the land rent payable to the Government in additional to any other fees incidental to the ownership of the land together with Taxes, duties and levies incidental to this Lease Agreement Registration.

- (x) That the employees, agents, contractors and assigns of the Lessee shall obey all rules and regulations pertaining to this Lease Agreement.

**10. IT IS HEREBY AGREED AND PROVIDED THAT:**

- (i) That the Lessee performing his obligations here-under shall peacefully hold and enjoy the demised premises during the said term or any further term granted in pursuance of the immediately preceding sub-clause hereof without any interruption by the Lessor or any person rightfully claiming under or in trust for him.
- (ii) No provisions of this Agreement may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the parties.
- (iii) This Agreement may be terminated by any of the parties upon giving 90 days' written notice to the other party if that other party is in material breach of any term or condition of this Agreement and has failed (in the case of a breach capable of being remedied) to remedy the breach within 30 business days of a written request to remedy the same.
- (iv) Notwithstanding anything herein contained the Lessor shall not have the right to determine this lease for any reason unless any issue which has arisen between the Parties is first submitted for arbitration in accordance with the Laws of arbitration in Tanzania.
- (v) That in any event this lease is terminated in the instance of any party for any reason, save for non payment of rent (which shall be factored in computation in any event of rent default) and it is deemed that the tenancy cannot continue,

the parties shall enter into an arrangement of compensation of the rental arrears if any and the demised property shall be evaluated **at a cost value/depreciated value/rehabilitated value (which ever is higher) and the same be charged by the lessee to the lessor. This shall not apply in the event of an arbitration in relation to this lease agreement which shall take precedent.**

(vi) FORCE MAJEURE:

1. No party hereto shall be considered in default of its obligations herein if the performance thereof is prevented or delayed because of war, hostilities, mutiny, rebellion, insurrection, revolution, civil, commotion, terrorism, contagious diseases, accidents, fire, strong winds, floods, earthquake, or because of any law, order, proclamation, regulation or ordinance of the government of subdivision thereof, or because of any other reason beyond the reasonable control of the party affected, PROVIDED, that notice in writing of the occurrence of such event and its effect on the party's ability to perform its obligation is given within the shortest possible period.
2. As soon as the cause of the force majeure has been removed the party affected by such cause shall notify the other party. Should one or both of the parties hereto to be prevented from fulfilling its obligations by a state of force majeure lasting more than six months, the parties shall consult with each other and determine on the future performance of this agreement. None of the parties shall have the right to claim any damage from the other party because of the occurrence of force majeure.
3. The Lessees shall be liable for any damage caused to the premises by the Lessees act or neglect, other than normal wear and tear. The Lessees shall be liable for damage to the premises that they permit to be caused by any person acting under their control.

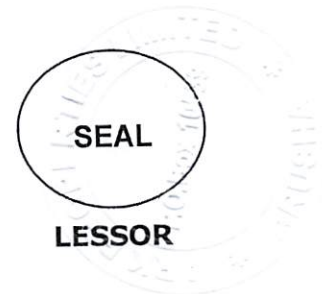
(vii) In this lease where the context so admits: -

- a) the words importing the singular number only include the plural number and vice versa;
- b) words importing masculine gender shall include the feminine gender;
- c) where there are two or more persons included in the expression "the Lessee" or the surety covenants expressed to be made by the Lessee or the surety respectively shall be deemed to be made by such person jointly and severally;

(viii) Any notice served under or in respect of this lease shall be in writing and shall be served by posting to the lessor registered office or in the case of the Lessee by delivering it to the demised premises;

**IN WITNESS WHEREOF** the parties hereto have duly executed these Lease Agreement on the date and year hereinafter written in the following manner.

**SEALED** with the **COMMON SEAL** of the said **ARK PROPERTIES LIMITED** and delivered in the presence of us **this .....<sup>14<sup>th</sup></sup>.....day of .....March.....20.....24.....**

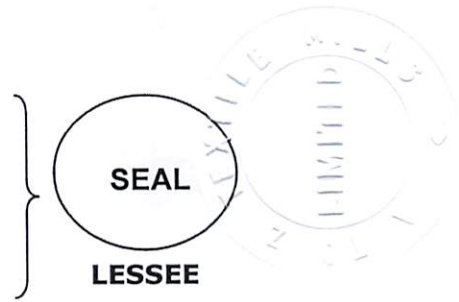


Name: KALPESH SHAM  
 Postal Address: P.O. Box 945  
 Qualification: DIRECTOR  
 Signature: [Handwritten Signature]

Name: BIZAL MARIA  
 Postal Address: P.O. Box 13920  
 Qualification: COMPANY SECRETARY  
 Signature: [Handwritten Signature]



**SEALED** with the **COMMON SEAL** of the said  
**A TO Z TEXTILE MILLS LIMITED**  
and delivered in the presence of us  
this .....14<sup>th</sup>.....day of March 2024



Name: BINESH MARIA  
Postal Address: P.O. Box 945  
Qualification: DIRECTOR  
Signature: *Binesh*

Name: JITEN JAKHARIA  
Postal Address: P.O. Box 945  
Qualification: FINANCE MANAGER  
Signature: *Jiten*

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