

THE REGISTRATION OF DOCUMENTS ACT

LEASE AGREEMENT

BETWEEN

FREDERICK TLUWAY SUMAYE

P.O. BOX 14340,

DAR ES SALAAM, TANZANIA

(“The Lessor”)

AND

**BAOHOON COMPANY LIMITED,
P.O. BOX 80504, DAR ES SALAAM,
TANZANIA**

(“The Lessee”)

**FOR LEASE OF COMMERCIAL SPACE SITUATED AT AND REGISTERED AS
PLOT NUMBER 719/1/3 MIKOCHE NI B AREA, KINONDONI,
DAR ES SALAAM, TITTLE NUMBER 47568.**

LEASE AGREEMENT

THIS LEASE AGREEMENT is made at Dar es Salaam on this ^{05^A} day of ^{July}...2024.

BETWEEN

FREDERICK TLUWAY SUMAYE, a natural person, resident of Dar es salaam of P.O. Box 14340 Dar es Salaam, Tanzania, lawful and legal owner of commercial/retail property located at and registered as **PLOT NUMBER 719/1/3 MIKOCHE NI B AREA, KINONDONI, DAR ES SALAAM** ; (hereinafter referred to as “the LESSOR” which expression shall, where the context so admits include its assignees, executors and other successors in title) of the one part.

AND

BAOHOON COMPANY LIMITED a body corporate of P.O. Box 80504, Dar es Salaam, Tanzania and TIN: 167-607-284 (hereinafter referred to as “the LESSEE” which expression shall, where the context so admits include its assignees, executors and other successors in title) of the other part.

WHEREAS, the LESSOR is the owner of commercial/retail premises situated at and registered as **PLOT NUMBER 719/1/3 MIKOCHE NI B AREA, KINONDONI, DAR ES SALAAM TITTLE NUMBER 47568**, free from any adverse loan, mortgage, claims, disturbances, disputes, court process or otherwise. (Hereinafter referred to as (“Demised Premises”)

WHEREAS the Lessor is willing and hereby leases to the Lessee the property for commercial use at rent namely for the Purposes of Constructing Storage, Business Facilities and Residential Premises;

WHEREAS the Lessee is desirous to acquire and hereby accepts the said property as Lessee for a period of fifteen (15) years;

THEREFORE, the Lessor hereby grants and demises unto the Lessee and the Lessee accept to occupy the demised premises with description and size specified herein on signing of this agreement under the following terms and conditions: -

1.0 The Demised Premises

1.1 In consideration of the rent for commercial/rental space comprising the whole of **PLOT NUMBER 719/1/3 MIKOCHE NI B AREA, KINONDONI, DAR ES SALAAM** where Lessee’s covenants hereinafter reserved and contained the Lessor hereby demises unto the Lessee property situated at and registered as **PLOT NUMBER 719/1/3 MIKOCHE NI B AREA, KINONDONI, DAR ES SALAAM**

2.0 Tenure, Operationalization and Commencement of the Agreement

2.1 The Lessor leases the demised premises for a period of fifteen (15) years subject to the option for renewal hereinafter contained. This agreement is effective and binding upon parties on

signing and becomes operational on the date when the following shall happen (on the same day)

- a) The signing of the agreement;
- b) The initial payment of one year or as agreed is made in full;

- 2.2 **On lease sign off the Lessor commits to vacate the property at his own cost in good fashion and order, inclusive of all his employees and staff, watchmen included and hand it over to the Lessee within 7 days. Any item not removed will be discarded by the Lessee as garbage and the Lessee will not be liable for any loss, damage or duty of care on such items. Whereas after the proper handover which shall be done at the site including a signed hand over note, then the lessee shall make the payment.**
- 2.3 It is agreed that on expiry of the lease, the Lessee will hand over demised property and Both parties shall agree on distributions of the remaining assets including buildings, transformers with any other development. For avoidance of doubt, assets in this clause refers to assets owned by the Lessee. This is clearly separate from any assets, stock or otherwise owned by any Lessee's client who is residing or doing business at the building or residential property developed by the Lessee.
- 2.4 The Lessee shall not be allowed to sell, take a loan, mortgage, or dispose assets without prior knowledge and consent of the Lessor during the Lease Period and or/at end of the Lease period. Any disposal done if any shall be done in good faith between both parties and with consent of the Lessor.
- 2.5 The Lessor covenants and provides the Lessee with full rights and permission to demolish houses whether occupied or non-occupied; cut down trees on the premises and generally landscape or design the property as he so wishes without interference by the Lessor.
- 2.6 The Lessor covenants and provides the Lessee with full rights and permission to build new houses on the demised property as per Zonal Planning and Municipal Council Regulations;
- 2.7 It is clearly understood that the Lessee will develop the Property for Commercial Use and will sub-lease developments made on the demised property at rent to his clients as the lessee wishes to sublease.
- 2.8 Pursuant to Clause 2.6 above, the Lessor has no right to interfere, advise, or do anything that affects the businesses or operational matters of any client or Lessee of the Lessee on the property; except where the operation or business contravenes government regulations or is illegal.
- 2.9 This agreement shall be Registered at the Register of Title after execution of this agreement, pursuant to the laws of the United Republic of Tanzania, and the original registered agreement shall be served to the lessee for records.

3.0 Rent and Mode of Payment

In consideration of the lease stated herein above, the Lessee shall pay rent which is inclusive of Withholding Taxes as per schedule tabulated in Clause 3.1.2 below. Whereas the lessee shall deduct the WHT for every rent payment and pay the remaining amount and submit the WHT certificate and proof of payment to the Lessor.

3.1.1 The Lessee shall be given a grace period of five free months on lease sign off for construction purposes. As such rent shall be construed to begin five months after contract signing; that is payment period will commence on 01st December, 2024.

3.1.2 Rent shall be increasing by United States Dollar Two Hundred (USD. 200) every year on the base rent after year two. This is as per table tabulated below:

S/No	Year	Rent per month	Rent per year
	Year 1 (01 st July 2024 – 30 th November 2024)	free	free
01	Year 1 (01 st December 2024 – 30 th November 2025)	\$3,500 per month	\$42,000 per year (less 10% of WHT)
02	Year 2 (01 st December 2025 – 30 th November 2026)	\$3,500 per month	\$42,000 per year (less 10% of WHT)
03	Year 3 (01 st December 2026 – 30 th November 2027)	\$3,700 per month	\$44,400 per year (less 10% of WHT)
04	Year 4 (01 st December 2027 – 30 th November 2028)	\$ 3,900 per month	\$46,800 per year (less 10% of WHT)
05	Year 5 (01 st December 2028 – 30 th November 2029)	\$4,100 per month	\$49,200 per year (less 10% of WHT)
06	Year 6 (01 st December 2029 – 30 th November 2030)	\$ 4,300 per month	\$51,600 per year (less 10% of WHT)
07	Year 7 (01 st December 2030 – 30 th November 2031)	\$4,500 per month	\$54,000 per year (less 10% of WHT)
08	Year 8 (01 st December 2031 – 30 th November 2032)	\$4,700 per month	\$56,400 per year (less 10% of WHT)
09	Year 9 (01 st December 2032 – 30 th November 2033)	\$ 4,900 per month	\$58,800 per year (less 10% of WHT)

10	Year 10 (01 st December 2033 – 30 th November 2034)	\$ 5,100 per month	\$61,200 per year (less 10% of WHT)
11	Year 11 (01 st December 2034 – 30 th November 2035)	\$5,300 per month	\$63,600 per year (less 10% of WHT)
12	Year 12 (01 st December 2035 – 30 th November 2036)	\$ 5,500 per month	\$66,000 per year (less 10% of WHT)
13	Year 13 (01 st December 2036 – 30 th November 2037)	\$5,700 per month	\$68,400 per year (less 10% of WHT)
14	Year 14 (01 st December 2037 – 30 th November 2038)	\$5,900 per month	\$70,800 per year (less 10% of WHT)
15	Year 15 (01 st December 2039 – 30 th November 2040)	\$6,100 per month	\$73,200 per year (less 10% of WHT)

3.1.3 The rent shall be paid in full for every year in advance as per above schedule subject to Lessor's invoice, signing and appropriate registration of this lease at Dar es Salaam Land Registry.

3.1.4 The rent shall be paid in cash or deposited into the following account except where different instructions have been issued by the Lessor

Bank Name	Equity Bank
Account Name	Frederick Sumaye
Account Number	3002111737258

4.0 **THE LESSEE HEREBY COVENANTS WITH THE LESSOR** as follows:

- 4.1 To pay during the said term the said reserved rents at the times and in the manner aforesaid;
- 4.2 To pay all charges for all utilities such as electricity, water, sewage, sanitation if any, in respect of the demised premises accrued and payable during the tenure of the lease period and upon the expiration to provide documentary evidence for having settled all the above referred charges. A separate electricity meter will be provided to the Lessee.
- 4.3 To keep the demised premises in a good condition that will be safe to the environment and the neighboring surroundings and community.

- 4.4 Not to keep or permit to be kept on the demised premises any materials of dangerous or explosive nature or the keeping of which may contravene any statutes or local regulations or by Laws or to carry on or do anything that may constitute a nuisance to public or private nature or be a cause of disturbance or annoyance, or danger to neighbors, or public.
- 4.5 To pay for insurance, fire protection equipment and install safety devices as may be required by law or as the situation may warrant.
- 4.6 Not to do or permit of suffer to be done anything, which will cause any insurance of the demised premises against loss or damage by fire or other risks covered by the Lessee's insurance policy to become void;
- 4.7 To comply forthwith in all respects with the provisions of every enactment (which expression in this sub-clause includes every Act of parliament now or hereafter enacted and every instrument regulations and by-law and every notice order or direction and every license consent or permission made or given thereunder) so far as the same shall affect the demised premises and to indemnify the lessor against any loss or damage resulting from an infringement by the Lessee of any such regulation or non-compliance with any such regulation or requirement. This includes regulations in regards to garbage collection, health regulations, environmental protection etc.
- 4.8 Not to allow, use or permit the said demised premises to be used improperly, immorally or for illegal purposes.
- 4.9 To at all times clean regularly the internal and external part of the demised premises.
- 4.10 To permit the Lessor and or his properly identified agent/agents at all reasonable times of the day and upon not less than 24 hours' prior notice addressed to the Lessee to enter upon the demised premises for general administrative purposes.

THE LESSOR HEREBY COVENANTS WITH THE LESSEE AS FOLLOWS:

- 4.11 To maintain in good working order and repair all sewers drains channels, sanitary pipes, and wires and cables and supply lines.
- 4.12 The Lessor will provide separate water and electrical meter for exclusive use of the Lessee.
- 4.13 To pay all taxes pertaining to land tenure, stamp duty on rent and building which shall timely be discharged so as to avoid any possible disturbances to the Lessee.
- 4.14 That upon the Lessee paying the reserved rent, observing and performing the covenants and stipulations herein shall peacefully hold and enjoy the demised premises throughout the said term without any interruption by the Lessor or any person claiming any right whatsoever under or in trust for the Lessor.

- 4.15 Shall give the Lessee full cooperation during the initial start of operations and thereafter as need may arise. This includes the facilitation of getting the building permit and any other related task that shall need the cooperation of the Lessor. Whereas the cost of getting building permit shall be covered by the lessees.
- 4.16 The Lessor shall be responsible to change the land use from resident to commercial use within 5 months of the grace period. Whereas the lessor shall pay all the related cost of the changes.
- 4.1.7 in the event where the lessor failed to change the land use, then the lessor shall reimburse back the rent paid to the lessor.

5. **PROVIDED ALWAYS THAT IT IS HEREBY MUTUALLY AGREED AND DECLARED AS FOLLOW:**

- 5.1 That if the rent hereby reserved or any part thereof shall at any time be in arrears and unpaid for thirty (30) days after the invoice or if the Lessee shall at any time fail or neglect to perform or observe any of the covenants and obligations herein contained and its part to be performed and observed the Lessor shall be entitled to issue a demand note to direct Lessee to rectifies the breach and if it is not rectified in 30 days, then it will be construed that the Lessee has broken the agreement, and the Lessor will be at liberty to take further steps to conclude the agreement.
- 5.2 In the event of any dispute of claim arising from or in connection with this Lease agreement which is not settled mutually by the parties thereto such dispute or claim may be referred by either party to court or arbitration in Dar es Salaam Tanzania for adjudication and settlement.

6.0 **Renewal**

On expiry of this lease both parties have option of renewal subject to negotiations on new terms to be mutually agreed upon by both parties.

7.0 **Force Majeure**

- 7.1 Neither party shall be liable to the other for inability to perform or delayed performance in case of inability or delay arising from any cause beyond the reasonable control of such party, provided that the existence happening of such cause has been drawn to the attention of the other party within a reasonable time of occurrence of such cause (here after referred as "force majeure event"). For the purposes of this clause a force majeure event shall be deemed to include, declared war which will affect Dar es Salaam City, earthquake, political uprising followed by breaking houses, causing fear and life threats in Dar es Salaam, coup d'etat, floods, fire, explosions, national government martial law on the imposed on either party or any other cause beyond control of the party affected.

8.0 Termination

- 8.1 It is expected that during the whole period of agreement in force, goodwill will prevail above everything else. However, the possibility of misunderstanding cannot be ruled out. In such case either party shall be at liberty to give a 90-day termination notice to the other party;
- 8.2 Should the Lessee be compelled for whatever reason and wants to terminate the Agreement, he will issue the 90 days' notice in writing and will be required to vacate the premises in 90 days from issuance of the notice. The demised premises must be left in good, clean and tenable condition.
- 8.3 In the event of 8.2 above any rent that has been paid will be forfeited to the Lessor. It will be taken as if the agreement has come to an end, therefore all assets on the demised premises shall be the property of the Lessor with no reimbursement of any part of the cost of construction to the Lessee.
- 8.4 Should the Lessor wish to terminate the Agreement, a 90 days' notice in writing shall be issued to the Lessee.
- 8.5 In the event of 8.4 above, the Lessor has to return the rent paid that has not been utilized within 14 working days. On top of that the Lessor has to pay pro-rata the full cost of construction (of USD 70,000 for ground and USD 400,000 for other building cost) and other related costs within 14 working days to the Lessee.
- 8.6 In case of Lease Agreement Renewal, a three months' notice of such intention must be given to the Lessor by the Lessee before the Expiry of the current lease agreement

9.0 Contact Address.

For the purposes of the serving of all notices and processes in terms of this Agreement, shall be in writing and shall be served by registered posting in prepaid envelope to the address provided and or in case of the Lessee by delivering the same to its registered office. However, for the fast delivery of information other means of communication can be applied including;

a. For lessor:

email: fredsumaye@yahoo.com
Tel No: 0786977517/0715888865

b. For lessee:

email: 32231437@qq.com
Tel No: 0766373666/+8613758910685

10.0 Variations of terms of this Agreement.

No variation of any of the terms and conditions of this agreement shall be of any force or effect unless the same is recorded in writing, and signed by both parties to this Agreement.

11.0 **Governing Laws.**

This agreement is governed by the laws of the United Republic of Tanzania and in particular is subject to the specific provisions governing leases as set out in the Land Act and other operative statutes.

12.0 **Disputes and Disagreement.**

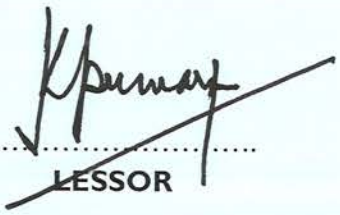
Both parties agree that in case of any disagreement or dispute they shall first endeavor to amicably settle it prior to invoking any court's or arbitrations process.

13.0 **Whole Agreement.**

This agreement shall be construed as whole and also binding interparties and in the event any term or clause is unenforceable, the rest shall be and remain valid and fully enforceable.

IN WITNESSETH WHEREOF the parties hereto have set their hands to these presents as validly known and done in the manner herein under appearing: -

SIGNED & DELIVERED in Dar es Salaam the said.
FREDERICK TLUWAY SUMAYE, who is known to me personally, or have been identified to me by
.....
the latter being known to me personally on this.....^{05th} day of July 2024


.....
LESSOR

BEFORE ME:

Name:^{MAMAMA NYAMBASI}.....
Signature:^[Signature].....
Address: P.O. Box ³²⁶⁸⁰....., DSM.
Qualification:^{ADVOCATE}.....



SIGNED, AND STAMPED/SEALED BY
BAOHOON COMPANY LIMITED
at Dar es salaam, this ^{05th} day of July 2024

BAOHOON COMPANY LIMITED
DAR-ES-SALAAM
TANZANIA

LESSEE SEAL

Name.....^{ZHANG WEIMIN}.....
Signature.....^[Signature].....
Designation.....

Name.....
Signature.....
Designation.....

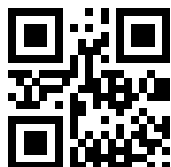
BEFORE ME:

Name: MARYAMA NYAMBASI
Signature: [Signature]
Address: P.O. Box 3280, DSM
Qualification: ADVOCATE



DRAWN BY:

Legal Department,
Baohoon Company Limited
Dar es Salaam, Tanzania



ISO 9001:2015 Certified

CERTIFICATE/REMITTANCE SLIP IN RESPECT OF WITHHOLDING TAX ON

Withholding Tax - Rental (Land and Building)_Individual Resident

Name of TAXPAYER/WITHHOLDER: BAOHOON COMPANY LIMITED

TIN: 167607284

Name of WITHHOLDEE: FREDERICK TLUWAY SUMAYE

TIN: 102129180

I hereby certify that, we have this date of 21/08/2024

deducted prior in favour of the Commissioner for Domestic Revenue Department/Large Taxpayer Department withholding tax from the above named person as follows:

Gross Amount Paid/Payable (VAT Exclusive) **109,200,000.00** TZS

Tax withheld at **10%** 10,920,000.00 TZS

further certify that the above Tax has been REMITTED in TRA's Commissioner for Domestic Revenue/Commissioner for Large Taxpayers Bank Account.

Tax was withheld from the following Invoice(s):

<u>Invoice No.</u>	Gross Amount (VAT Exclusive)
0	109,200,000.00
	109,200,000.00