

**THE LAND REGISTRATION ACT (CAP 334)**

**DATED THIS 19<sup>th</sup> DAY OF JUNE 2024**

**LEASE AGREEMENT**

**BETWEEN**

**ADMINISTRATORS OF THE ESTATE OF CAROLINE H. MAEDA**

**AND**

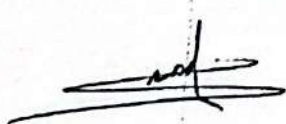
**FLYING ODYSSEY HOT AIR BALOONSAFARIS**

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**IN RESPECT OF THE PREMISES SITUATED AT  
PLOT NO 86, BLOCK ....., WITH TITLE DEED NUMBER ....., CORRIDOR  
AREA WITHIN ARUSHA CITY, ARUSHA REGION, TANZANIA**

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**DRAWN BY:  
PARTIES THEREIN  
ARUSHA**



THIS LEASE AGREEMENT is made this 14<sup>th</sup> day of June 2024

BETWEEN

**ADMINISTRATORS OF THE ESTATE OF CAROLINE H. MAEDA**

whose address for the purposes hereof is P.O. Box ....., Arusha, Tanzania (hereinafter referred to as "Lessor" which expression shall include, where the context so admits, include successors and assignees in title) of the one Part.

AND

**FLYING ODYSSEY HOT AIR BALOONSAFARIS**, of P.O. Box 14750, Arusha, Tanzania (hereinafter referred to as "Lessee" which expression shall include, where the context so admits, include successors and assignees in title) of the other Part.

PREAMBLE:

WHEREAS:

- A. The Lessor is the registered owner of the property located at Plot 86, Block ....., Corridor Area, within Arusha City, Tanzania (hereinafter referred to as 'the Demised Property');
- B. The Lessor has agreed to lease the Demised Premises in its current state including all fixtures and fittings for office use only to the Lessee for a term of three (3) year commencing 1<sup>st</sup> July 2024;
- C. The Lessor and the Lessee have agreed that the lease of the Demised Premises shall be subject to the terms and conditions stipulated in this Agreement;
- D. The Lessor has agreed to let the said Demised Premises referred hereinabove on the terms and conditions hereinafter contained.

NOW THIS DEED WITNESSETH AS FOLLOWS: -

1.0 DEFINITIONS AND INTERPRETATIONS:

1.1 In this Lease Agreement unless the context otherwise provides: -



**"Agreement"** shall mean this Lease Agreement between the Lessor and the Lessee;

**"Demised Premises"** shall mean the entire property situated at Plot 86 Block ....., Corridor Area Title Deed No. ...., Arusha, Tanzania;

**"Lease Commencement Date"** shall mean 1<sup>st</sup> day of July, 2024;

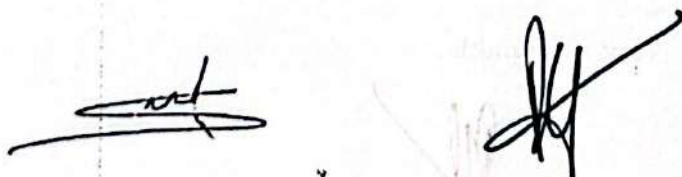
**"Rent"** Shall mean a monthly charge of United States Dollars One Thousand One Hundred only (USD 1,100)

**"Rent Commencement Date"** shall mean the date the Lessee occupies the premises;

**"Parties"** Shall mean the signatories to this Agreement;

**"VAT"** Shall mean Value Added Tax.

- 1.2 Reference to singular include, where the context so admits, references to the plural and vice versa and references to Clauses are references to Clauses of this Agreement.
- 1.3 Words importing the masculine gender shall include the feminine gender and vice-versa and words importing persons shall include companies.
- 1.4 The headings as used in this Agreement are for convenience of reference only and shall not affect the construction of any of the terms and provisions hereof.
- 1.5 In case of any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the court or other tribunal making such determination is authorized and instructed to modify this Agreement so as to effect the original intent of the Parties as closely as possible so that the transactions and agreements contemplated herein are consummated as originally contemplated for the fullest extent possible.



2.0

**TERMS OF THE TENANCY:**

2.1 The period of tenancy herein referred to shall be for **three (3) years** commencing from **1<sup>st</sup> August 2024 to 30<sup>th</sup> July 2027** renewable yearly/annually

2.2 The Contractual Period may be renewed for another period on terms and conditions to be mutually agreed between the Parties but subject to the Lessee issuing to the Lessor a **sixty (60) day's** written notice of the intention to renew the Agreement prior to the expiry of the Contractual Period.

2.4 The renewal period may be further extended by an additional period on the terms and conditions to be agreed by the Parties.

**3.0 RENT PAYABLE:**

3.1 The Lessee shall pay the Rent as follows:

**A. The Lessee shall pay USD 1,100 per month, payable as hereinafter:**

**a. Rent for the first year USD 13,200:**

1. Rent for the first three months i.e. August 2024 to October 2024 – USD 3,300 to be paid immediately after signing of the Lease Agreement,
2. The balance rent for the next six months shall be paid in two equal installments the first one of USD 3,300 on 1<sup>st</sup> November 2024 and the second one of USD 3,300 on 1<sup>st</sup> February 2025

**b. Rent for the second year – USD 14,400: shall be paid on the following dates:**

1. 1<sup>st</sup> May 2025 – USD 3,300
2. 1<sup>st</sup> August 2025 – USD 3,600
3. 1<sup>st</sup> November 2025 – USD 3,600
4. 1<sup>st</sup> February 2026 – USD 3,600
5. 1<sup>st</sup> May 2026- USD 3,600

**c. Rent for the third year – USD 15,600:**

1. 1<sup>st</sup> August 2026 – USD 3,300
2. 1<sup>st</sup> November 2026 – USD 3,300
3. 1<sup>st</sup> February 2027 – USD 3,300
4. 1<sup>st</sup> May 2027- USD 3,300

**PROVIDED THAT: Rent once paid is not refundable.**



## **B. SECURITY DEPOSIT:**

The Lessee shall be required to pay a security deposit equivalent to one month's gross rent amounting to USD 1,100. This amount shall be held in the Lessor's account and shall be refundable on condition that the Lessee shall not have caused any damage to the structure, or anything attached to the premises by the end of the Lease period.

3.2 The Lessee will withhold 10% of the gross rental payments as per requirements of Section 34 (1) (d) of the Income Tax Act 1973 being Withholding Tax and shall provide the Withholding Tax Certificate to the Lessor after each payment.

3.3 The Lessee shall be responsible to pay Stamp Duty.

3.4 It is agreed by the Parties that the Rent shall be paid to the Lessor's nominated Bank Account whose bank details are as follows:

Name of Bank: STANBIC BANK

Account Name: ADMINISTRATORS OF THE ESTATE OF CAROLINE H. MAEDA

Account No. 9120003212244 (MARTHA and WALTER)

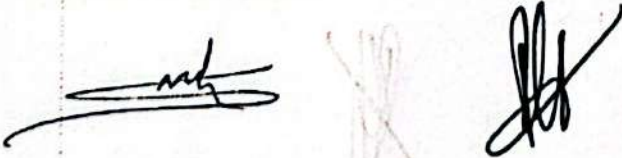
Currency: USD

3.5 In the event of change of the Bank details and mode of payment, the Lessor shall advise the Lessee in writing of such change fourteen (14) calendar days in advance before the next payment is due.

3.6 The Lessor shall issue a notice to the Lessee of any intended increment or decrement of the rent two (2) months in advance of the next review after the expiry of Lease period. The parties herein shall mutually discuss and agree the rent payable of the next lease term and arrive at a fair market value, and in any case any such increment will not exceed 10%.

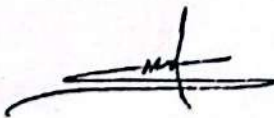
3.7 In the event the Lessee fails to pay Rentals due in two (2) months, the Lessor upon issuance of a fourteen (14) days' notice shall enter the Demised Premises and evict the Lessee and shall forfeit the security deposit and other properties which the Lessor may deem necessary to use to recover the outstanding Rentals and repairs.

3.8 Nothing in the preceding clause shall entitle the Lessee to withhold or delay any payments of the Rent or any other sum due to the Lessor under this Agreement after the date upon which they fall due or in any way prejudice, affect or derogate from the rights of the Lessor in relation to such non-payment including (but without prejudice to the generality of the above) the Lessor's right under the provision for re-entry contained in this Lease.



**4.0 THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS FOLLOWS:**

- 4.1** To promptly pay during the said term, the reserved rent as herein provided, subject to any statutory deductions which is imposed on the Lessee by law.
- 4.2** To use the Demised Premises for office purposes only.
- 4.3** Not to keep or permit to be kept on the Demised Premises any materials dangerous or explosive in nature or the keeping of which may contravene any statues or local regulations or by-laws or to carry on or do anything that may constitute a nuisance of public or private nature or be a cause of disturbance or annoyance, or danger to the neighbours, or the public.
- 4.4** To permit the Lessor or its agents or servants, provided that at least 24 hours prior notice has been provided to the Lessee, from Monday to Friday, during normal office hours, to enter and view the condition of the Demised Premises and in the event of any repairs being necessary to require the Lessor to pay for the repairs within a reasonable time of receiving a notice to do so.
- 4.5** To avail the Demised Premises to the Lessor or its agents or nominees at the expiration of the Contractual Period in good and tenable repair and condition in accordance with the covenants herein before contained allowing for normal wear and tear.
- 4.6** To give a written notice of at least sixty (60) days before the expiry of the Contractual Period expressing the Lessee's intention whether to renew the lease for a further term.
- 4.7** To insure and keep insured its equipment, fixtures and fittings against loss or damage by fire or such other risk as are commonly insured with a recognized insurance company in Tanzania.
- 4.8** To pay all fees, rates, and charges for the use of all utilities such as water and the removal of sewage and wastewater or any other body or supplier that may be in force by law or otherwise; electricity from Tanesco or any other power generating body that may be in force by law or otherwise in respect of Demised Premises during the tenure of this Agreement.
- 4.9** To engage security personnel and systems in respect of the Demised Premises at its own costs and/or expenses.



4.10 The Lessee shall not vacate the Demised Premises or abandon the Demised Premises continuously for one (1) month without notifying the Lessor in writing for the reasons for such abandonment of Demised Premises and indicating the date upon which the Lessee intends to resume occupation and, during the period that the Demised Premises remain unoccupied the Lessee shall take care of the Demised Premises including making security arrangements as the Lessor shall reasonably require and the insurers shall require.

5.0 **THE LESSOR HEREBY COVENANTS WITH THE LESSEE AS FOLLOWS:**

5.1 The Lessor shall permit the Lessee to hold and enjoy the Demised Premises without any interruption or disturbance from or by the Lessor or any person in the care of the Lessor including but not limited to agents or employees of the Lessor peacefully and quietly.

5.2 To allow the Lessee to make minor alterations and additions to the said Demised Premises as the Lessee deems fit and appropriate.

5.3 If at any time the demised premises are rendered unfit for use by accidental fire or other cause beyond the control of the Lessee, the Lessor shall allow the Lessee an abatement of all, or part of the rent proportionate to the existence and duration of the damage until the Demised Premises shall be fit for use again.

5.4 The Lessor shall pay and indemnify the Lessee against all land rent, property tax assessments, duties, charges, impositions, and other costs of similar nature which may be found to be pre-existing or charged during the term of this Agreement on the Demised Premises. The Lessor may provide to the Lessee proof of payment of all and any such payments. In the event the Lessor fails to make the said payments, the Lessee shall have the option to pay for the same and recover the said money from the next payable Rent.

5.5 The Lessor will remain responsible for any failure of, disconnection or otherwise lack of water or electricity to the Demised Premises which has not been caused by intentional or negligent acts or omissions of the Lessee. The Lessor shall use all means necessary to rectify or reinstate the connection or supply of electricity and/or water within thirty (30) calendar days, failing of which the Lessee shall be permitted to attempt to reinstate or rectify the same, at the cost of the Lessor.

5.6 To maintain the Demised Premises and to insure the Property against loss or damage by fire, water, flooding, earthquake, other natural disasters, political violence, or terrorism and in case of damage or destruction, to ensure the re-habilitation and

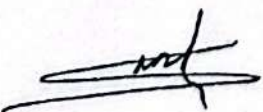


reinstatement of the same within 3 months. In the event the period extends beyond 3 months, the Lessor shall seek written consent from the Lessee 14 days in advance of the said delay. The Lessor shall avail a copy of the said insurance to the Lessee on request.

- 5.7 The Lessor shall be responsible for the costs of registering the Agreement at the Land registry.
- 5.8 To submit to the relevant authorities whenever required the Certificate of Title of the Right of Occupancy to facilitate registration of this Agreement.

6.0 **PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED THAT:**

- 6.1 If the Rent hereby reserved or any part thereof shall remain unpaid for two (2) months after becoming due and payable (whether formally demanded or not) it shall be lawful for the Lessor upon issuance of fourteen (14) days default notice, to re-enter upon the Demised Premises and shall not be in breach of the covenants herein contained.
- 6.2 The Lessor shall compensate the Lessee in full on demand for all losses, claims, damages, or liability suffered by the Lessee because of any acts or omissions done negligently or intentionally by the Lessor. Likewise, the Lessee shall compensate the Lessor in full on demand for all losses, claims, damages, or liability suffered by the Lessor because of any acts or omissions done negligently or intentionally by the Lessee.
- 6.3 In the event of the Demised Premises or any part thereof at any time during the term hereby created being damaged or destroyed by fire, windstorm, or earthquake to be unfit for habitation, the Lessee shall be entitled to terminate the Lease and claim a balance of the Rent paid in advance for the period remaining from the lease. The balance of the Rent shall be paid within 30 days of termination without any set-off or deduction.
- 6.4 The Lessee shall not discharge into the pipes serving the Demised Premises any dangerous objects or poisonous explosive matter or substance and to take all reasonable measures to ensure that any effluent so discharged into the pipes will not be corrosive or otherwise harmful to the pipes or cause obstruction or deposit in them. Likewise, the Lessor shall ensure that all the fittings are maintained with care and same shall be handed over in good working condition at the end of the lease period.
- 6.5 The Lessor shall not be responsible or liable for any loss, damage, security or safe keeping of the Lessee's goods or property of its guests in the Demised Premises, howsoever, caused.



**7.0 NOTICES:**

- 7.1 Any notice required or permitted to be given or made under this Agreement and any other Agreement between the Parties shall be in writing, and any such notice shall be deemed to have been duly given or made when it shall be delivered by hand, by a reputable courier and by email 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 at such other address as such Party shall have designated by written notice to the Party giving such notice.
- 7.2 For service of notice under Clause 7.1 hereinabove the addresses of the Parties are as set out herein below:

**For the Lessor: ADMINISTRATORS OF THE ESTATE OF CAROLINE H. MAEDA**

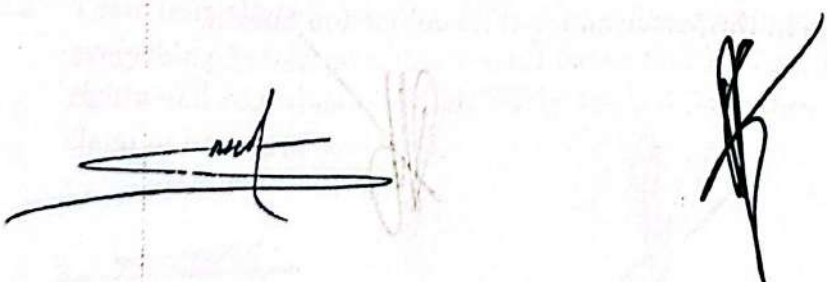
**Postal Address:** P.O. Box, ~~361~~....., Arusha.  
**Telephone:** +255 ..7.5.4.287..639  
**E-mail:** .....

**For the Lessee: FLYING ODYSSEY HOT AIR BALOON SAFARIS**  
**Postal Address:** P.O. Box, 1475 Arusha, Tanzania  
**Telephone:** +255 ..69.490.9958  
**E-mail:** ..percy@flyingodyssey.com

**8.0 CONFIDENTIALITY**

**8.1 Confidentiality of the information.**

During the subsistence of this Agreement, each Party) shall receive and maintain all confidential information in the strictest confidence that upon disclosure of any information by the Disclosing Party it shall amount to breach of the contractual terms and the Suffering Party shall be entitled to review the terms and conditions herein and impose penalties that it may deem fit and reasonable depending on the extent of damage suffered due to disclosure of information contained herein by the Disclosing Party, its assignees, agents, suppliers or employees or any other person who may have access to this Agreement.



**8.2 Limit to Disclose.**

Each Party and/or its affiliate(s) shall limit disclosure of any confidential information to those of its employees, agents, and representatives on a need -to-know basis.

**8.3 Legal Obligation to Disclose.**

In case a Party and/or its affiliate(s) or any of their employees, agents, or representatives, becomes legally compelled to disclose any confidential information, such Party shall give sufficient notice to the other Party to permit such other Party to seek a timely protective order or other appropriate relief. If such order or relief cannot be obtained, the Party being compelled to make disclosure shall only make disclosure of that which is legally required and no more.

**8.4 Information in public domain.**

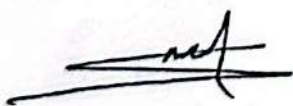
The obligation of confidentiality in respect of confidential information shall not apply to confidential information, which is now in, or hereafter comes into, the public domain otherwise than by breach of this Agreement.

**9.0 FORCE MAJEURE**

9.1 For the purpose of this contract "Force Majeure" means an event which is beyond the reasonable control of a Party and which makes a Party's performance of its obligations hereunder impossible or so impracticable as reasonably to be considered impossible under the circumstances and includes, but is not limited to Government Gazette Notice, war, epidemic or pandemic, political unrest, earthquakes, fire, explosion, storm flood or other adverse weather conditions, strikes, lockouts or other industrial action (except where such invoking Force Majeure to prevent), confiscation or any other action by Government agencies.

**9.2 Force Majeure shall not include.**

- (i) Any event, which is caused by the negligence or intentional acts of the Parties.
- (ii) Any event in which a diligent Party could reasonably have been expected to take both into consideration at the time of conclusion of this Contract and avoid or overcome in the performance of its obligation herein.



### 9.3 Breach of Contract

The failure of either Party to fulfill any of its obligations shall not be considered as breach or default under this contract in so far as such inability that may arise from an event of Force Majeure Provided That, the Party affected by an event of force majeure has taken all the reasonable precaution, due care and the alternative measures with the objective of carrying out the terms and conditions of this Agreement.

### 9.4 Measures to be taken.

- (a) Either Party affected by an event of Force Majeure shall take all the reasonable measures to remove such inability to fulfill its obligation with minimum of delay.
- (b) Either Party affected by occurrence of an event of Force Majeure shall notify the other Party of such event as soon as possible.
- (c) The affected Party shall give thirty (30) days' notice as to the occurrence and evidence of the event and specify measure to restore the situation.
- (d) The Parties shall take all reasonable measures to minimize the consequences of any occurrence of Force Majeure.

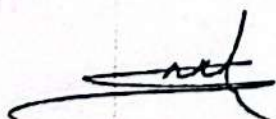
### 9.5 Extension of Time

Pursuant to execution of this Agreement, the time affected to carry out some obligations due to Force Majeure shall be equally compensated.

## 10.0 TERMINATION CLAUSE

10.1 If the Lessee shall desire to terminate the Contractual Term hereby granted, then the Lessee shall give to the Lessor no less than two (2) months' prior notice in writing of such desire. In the event of such termination the Parties shall up to the time of such termination observe and perform the covenant on its part herein before reserved and contained or any amendments thereof.

10.2 Then immediately on the expiration of such notice the Demised Premises and everything herein contained shall cease and be void but without prejudice to the rights and remedies of either Party against the other in respect of any antecedent claim or breach of covenant.



- 10.3 If the Lessee issues a termination notice prior to the lapse of this Agreement as indicated above, then the Lessee shall forfeit the security deposit. However, should the Lessee issue a termination notice due to non-performance by the Lessor prior to the lapse of this Agreement as indicated above, then the Lessee shall be entitled to full reimbursement of the security deposit.
- 10.4 The Lessor shall only terminate this Agreement upon failure of the Lessee to pay Rent for two (2) consecutive months.
- 10.5 If the Lessor after having issued appropriate notice to rectify a breach other than default of Rent payment and the Lessee has not rectified the same, the Lessor shall issue a thirty (30) days' termination notice anytime within the duration of the Lease.

**11.0 MORTGAGE OR SALE OF THE DEMISED PREMISES:**

In the event the Lessor decides to mortgage or sale the Demised Premises at or before the end of the Agreement, the Lessor agrees to notify the Lessee in writing thirty (30) days in advance.

**12.0 GOVERNING LAW AND DISPUTE CLAUSE:**

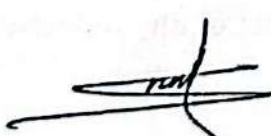
All matters from or in connection with this Agreement shall be governed by the laws of Tanzania. Any disputes arising from or in connection with this Agreement shall be resolved amicably failure of which it shall be referred to any court or tribunal of competent jurisdiction.

**13.0 WAIVER:**

No failure or delay by any Party to exercise any of his rights herein shall operate as a waiver thereof nor shall any single or partial exercise of any such right preclude further exercise thereof.

**14.0 AMENDMENT:**

The provisions of this Agreement may be amended from time to time by the Parties and such modifications as the Lessor and Lessee may agree shall be in writing and supplemental to this Agreement.



IN WITNESS WHEREOF this Agreement has been executed and delivered as in the manner and on the date and year appearing.

SIGNED and DELIVERED by the said WALTER S. MAEDA for and on behalf of the ADMINISTRATORS OF THE ESTATE

OF CAROLINE H. MAEDA,

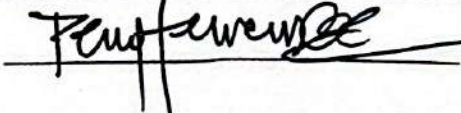
who is known to me personally/identified to me by \_\_\_\_\_ the latter being known to me personally.

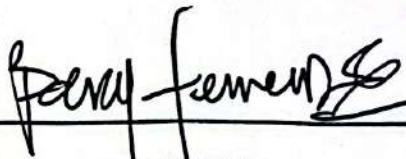
this \_\_\_\_\_ day of ....., 2024.

Name : \_\_\_\_\_  
Signature : \_\_\_\_\_  
Address : \_\_\_\_\_  
Designation : \_\_\_\_\_

  
LESSOR

SIGNED and DELIVERED by the said ..... for and on behalf of FLYING ODYSSEY HOT AIR BALOON SAFARIS who is known to me personally/identified to me by ..... the latter being known to me personally this \_\_\_\_\_ day of ....., 2024.

Name : PERCY FERNANDEZ  
Signature :   
Address : \_\_\_\_\_  
Designation : CEO, FLYING ODYSSEY HOT AIR BALOON SAFARIS

  
LESSEE