

**LONG-TERM
LEASE**

“The Lease”

IN RELATION TO

**WAREHOUSE IN LUSANGA “A” USED AS SPICE
PROCESSING, GRADING, AND PACKAGING
FACTORY.**

DRAWN BY:

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LEASE

THIS LEASE is made on the **19 day of October 2023**

BETWEEN

MUHEZA DISTRICT COUNCIL of P.O. Box 20, Muheza, a legal entity established under the Local Government (District Authority) Act, 1982 (R.E 2002), (hereinafter referred to as **"the Lessor"**) which expression shall where the context so admits include its successors in title and assigns of the one part;

AND

TRIANON INVESTMENT LIMITED of P.O. Box 21427, Muheza, Tanga, a Limited Liability Company, incorporated in the United Republic of Tanzania, (hereinafter called **"the Lessee"**) which expression shall where the context so admits include its successors in title of the other part.

The **Lessor** and **Lessee** shall individually be referred to as **"the Party"** and collectively be referred to as **"the Parties"**.

NOW THIS LEASE WITNESSETH as follows:

1.0 DEFINITIONS AND INTERPRETATION

For purpose of this Lease the following words shall have the following meanings:

"Assignee" shall mean any sub-Lessee approved by the Lessor as envisioned in Clause 3.9;

"Building" shall mean the building in which the Leased Premises is located also known as Lusanga "A";

"Confidential Information" shall mean privileged information shared between the Parties to this Lease relating to the business of the parties contained herein or supplied by either Party in the course of this Lease and communicated as privileged.

"Contractual Term" shall mean the period commencing from the **19 October 2023** for the term of **ten (10) years** and expiring on the **19 October 2033**,

"Leased Premises" shall mean the Warehouse in Lusanga "A", Off Tanga Main Road, Tanzania used as a spice processing, grading, and packaging factory.

"Rent" shall mean the payment of monthly Rent as stipulated at Clause 2.2 of this Lease.

"Warehouse Area" shall mean the warehouse building and attached office measuring approximately **347** meters squared and land area around the building measuring **1363** meters squared, inclusive of the building.

2.0 LEASE PERIOD, RENT & SERVICE CHARGE

2.1 IN CONSIDERATION of the Rent and the Lessor's covenants hereinafter reserved and contained, the Lessor hereby demises unto the Lessee all that **Warehouse Area** measuring **1363 SQUARE METER** (hereinafter called **"Leased Premises"**) on Lusanga "A", Off Tanga Main Road, Tanzania.

2.2 The Term of this Lease shall commence from **19 October 2023**, for the term of **ten (10) years** and expire on the **19 October 2033**, (hereinafter called "the Contractual Term") subjected to the provisions hereinafter appearing: -

- (i) The monthly Rent of **Tanzanian Shillings Three Hundred and Fifty Thousand (TZS 350,000/=)** inclusive of **VAT** Thereafter said Rent shall be subject to five (5) years review at the Parties discretion; yielding and paying **annually** in advance without any deductions, except such deductions as may be required by statute from time to time.
- (ii) That, rent of **Tanzanian Shillings Three Hundred and Fifty Thousand (350,000/=)**, the lessor shall get **Tanzanian Shillings Two Hundred and Fifty Thousand only (250,000/=)** per month making a total of **Tanzanian Shillings Three million (3,000,000) only annually**
- (iii) That, Lusanga ward shall get the total of **Tanzanian Shillings One Hundred Thousand (100,000/=)** only making the total of **Tanzania Shillings of One Million and Two Hundred Thousand (1,200,000/=)** only, annually
- (iv) All the Invoices shall be issued in Tanzanian Shillings at the Exchange Rate of the Bureau de Change on the day the Invoices are issued.
- (v) The Lessee shall pay to the Lessor all the above payments by Cheque or Swift Transfer in below mentioned bank details:

ACCOUNT NAME :
NAME OF BANK :
BRANCH :
ACCOUNT NO. :
SWIFT CODE. :

- (vi) The Contractual Term shall be renewable automatically unless the Lessor issues Three (3) year's written notice prior to the expiry of the Contractual Term to the Lessee of their intentions not to have the Contractual Term renewed, the Lessor shall only have a right to

refuse the renewal of the Contractual Term provided the notice requirement in this clause have been duly complied with.

- (vii) When the Contractual Term expires and when there is a prior notice of no intention to renew, the Lessee shall be required to vacate the demised premises.

2.3 RENT REVIEW:

The Lessor shall have the right to call upon the review of the Rent payable under this Lease, and if practicable to increase the Rent amount payable to reflect market rates at the end of the Contractual Term or after the first five (5) years of the Contractual Term, subject to the following conditions:

- 2.3.1** The Lessor shall provide Forty-Five (45) days' written notice to the Lessee for review and negotiation for a Rent increase at least after the end of the first Five (5) years of the Contractual Term.
- 2.3.2** In the event the Lessee wishes not to accept the Rent increase, the Lessee may without any cost, terminate the Lease upon providing written notice to the Lessor at least Thirty (30) days before the Rent increase takes effect.

3.0 LESSEE'S COVENANTS:

The Lessee hereby covenants with the Lessor: -

3.1 Rent & Other Payments:

3.1.1 To pay the Rent on the days and in the manner set out in this Lease without any deductions except as aforesaid.

3.1.2 To pay and to indemnify the Lessor against:

- (i) All rates, taxes, assessments, duties, charges, impositions, and outgoings including VAT which are now or during the Contractual Term shall be charged, assessed, or imposed upon the Leased Premises or upon the owner or occupier of them, **PROVIDED** that this covenant shall not oblige the Lessee to pay any taxes which are, by statute, payable by the Lessor.
- (ii) In addition to Rent, Stamp Duty (or any Tax of a similar nature that may be substituted for it or levied in addition to it) chargeable in respect of any payment made by the Lessee under any of the terms of or in connection with this Lease or in respect of any payment made by the Lessor for such payment, save where such tax is by law recoverable from the Lessor.

- (iii) Within **Fourteen (14) days** from the date of receiving **Two (2) Copies** of this Lease to pay to the Tanzania Revenue Authority, Stamp Duty of the amount which shall have been assessed by the Stamp Duty office and to return to the Lessor one copy of the Lease duly stamped and executed.
- (iv) Lessee shall deduct the Withholding Tax at the prevailing rate (Presently 10%) as required under section 82 of the Income Tax Act and must produce to the Lessor the Withholding Certificate in the manner prescribed under Section 85 of the Income Tax Act with proof of payment.
 - a. For claiming this withholding tax, Lessor has every right to ensure that the Lessee has made the payment of the Withholding Tax to the Tanzania Revenue Authority.
 - b. For the avoidance of doubt, on-demand, the Lessee must provide the Withholding Tax Certificate and proof of payment within thirty days from the end of the month in which the deduction is made, failure of which the Lessor shall exercise his powers and recover the same amount from the Lessee.
- (v) **Handing Over and Taking Over the Leased Premises**
 - a. The Lessee shall do the preliminary handing over of the Leased Premises with the Lessor, a day before termination or end of Contractual Term, whereby all the formalities of handing over the Leased Premises to the Lessor are done.
 - b. Any Charges for any reasonable repairs work for damage caused (if applicable) to be done to the Leased Premises by the Lessee; the Lessee has to settle the said amount.
 - c. The final taking-over inspection of the Leased Premises shall be done on the day of the expiry of the Lease.
 - d. To remove any additions, alterations, or improvements made to the Leased Premises at the expiration of the Contractual Term if so required by the Lessor and to repair any parts of the Leased Premises which may be damaged by such removal.

3.2 Penalty Clauses due to Delay in Payments:

- (i) If the Lessee fails to pay Rent or service charges or any other sum due, under this Lease within **Thirty (30) days from the due date as indicated in the Invoice** (whether formally demanded or not), the Lessee shall be liable to pay to the Lessor **Interest at the rate of 1%**

penalty/interest per month to be paid in full for that particular month.

- (ii) The Lessor shall also reserve the right to forfeit the security deposit (if any) of the Lessee in failure to pay the Rent and any other charges.
- (iii) The Lessor reserves the right to at any time during the Contractual Term of this Lease to **terminate and cancel this Lease** upon issuing a One Hundred Eighty (180) days prior written notice, in which event this Lease shall terminate as of the last date specified in such notice of termination.

3.3 Charges for Utilities:

To pay the utility authorities or suppliers all charges for telephone, internet, electricity, garbage collection, gas, and any other services consumed or used at or in relation to the Leased Premises.

3.4 Repair, Cleanliness & Replacement of Fixtures:

3.4.1 Ordinary Maintenance:

The Lessee shall maintain the Leased Premises in good repair and Leasable condition during the continuation of this Lease except for reasonable wear and tear, or damage by the elements of Force Majeure.

3.4.2 Destruction or Legal Incapacity with regard to Premises:

Whenever the Leased Premises or any essential part thereof shall be destroyed or rendered unfit or unavailable for a further tenancy through fire, earthquake, flood, storm, war, civil disturbance, government action, or other similar casualty or event, this Lease shall at the option of the Lessee, immediately terminate. Should Lessee exercise this option, they shall provide fourteen (14) days written notice to the Lessor and no Rent shall accrue to Lessor on such termination which shall be effective as of the date of such destruction or damage.

- 3.4.3** Subject to the provisions of the Land Act of Tanzania, to repair the Leased Premises and keep it in good and substantial condition and to rectify any damage to the Leased Premises, where such damage is in consequence of any act or default of the Lessee or anyone at the Leased Premises expressly or by implication with the Lessee authority and under the Lessee's control.

3.4.4 To clean the Leased Premises and keep it in a good condition.

3.4.5 To replace the Lessor's fixtures and fittings, if any, in the Leased Premises which may be or become beyond repair

at any time during or at the expiration of the term as a result of any act, omission or negligence on the part of the Lessee.

3.5 Waste and Alterations:

3.5.1 The Lessee shall pay additional garbage/waste charges to the Utility service providers (if applicable) as per the Government rates applicable.

3.6 Alterations:

During the term of this Lease, Lessee may carry out at its own expense any renovations and improvements to the Leased Premises that the Lessee considers desirable provided that no such alterations should be carried out on the Leased Premises without:

3.6.1 The Lessee makes notification to the Lessor in writing supported by drawings and where appropriate a specification in duplicate.

3.6.2 Obtaining and complying with all necessary consents of any competent authority and paying all charges of any such authority in respect of such consents.

3.6.3 Paying the reasonable fees of the Lessor and Lessor's professional advisers in connection with the approval of such alterations, and

3.6.4 Entering into such covenants as the Lessor may reasonably require in relation to the execution and performance of the alterations.

3.6.5 To be clear, the Lessor shall not unreasonably refuse the alteration, renovations, construction, or improvements to be done on the Leased Premises should the Lessee notify the Lessor of their intention to make such alterations. The Lessee reserves the right to pursue any equitable or appropriate legal remedies for any damages or losses attributed to the Lessor's unreasonably refusal to let the Lessee make any alteration, renovations, construction, or improvements necessary and reasonable to enhance the Lessee's business productivity.

3.7 User Clauses:

3.7.1 Abandoning Premises:

Not to cease carrying on business in the Leased Premises or leave the Leased Premises continuously unoccupied for more than two

months without notifying the Lessor in writing for the reasons for leaving the Leased Premises unoccupied and indicating the date upon which the Lessee intends to resume occupation and during the period of inoccupation proving such caretaking or security arrangements as the Lessor shall reasonably require and the insurers shall require in order to protect the Leased Premises from vandalism, theft, damage or unlawful occupation.

3.7.2 Pollution:

Not to discharge into the Pipes serving the Leased Premises any oil or grease or any dangerous objects or poisonous explosive matter or substance and to take all reasonable measures to ensure that any effluent so discharged into the pipe will not be corrosive or otherwise harmful to the Pipes or cause obstruction or deposit in them.

3.7.3 Other user clauses:

- (i)** Without prejudice to the generality of the above to comply in all respects with the provisions of any statute any other obligation imposed by law by any by-laws applicable to the Leased Premises or in regard to carrying on the trade or business for the time being carried on the Leased Premises.
- (ii)** Not to use the Leased Premises other than for commercial purposes or carrying out the Lessee's licensed and authorized business.
- (iii)** Not to hold the Lessor responsible for any loss or damage suffered by the Lessee due to failure, disconnection or otherwise lack of water or electricity to the Leased Premises unless such failure, or disconnection is due to the negligence of the Lessor except in the case of clause 3.2, Penalty due to delay in payment.
- (iv)** To indemnify and keep the Lessor indemnified from and against all actions, proceedings, costs, claims, and demands by third parties in respect of any damage on liability caused by or arising from the use of the Leased Premises by the Lessee or its servants, guests, customers, and agents on the Leased Premises.
- (v)** To comply with all the municipal and health regulations relating to the Leased Premises.

- (vi) To ensure that, in case of any damages caused to the Lessor's property during loading and offloading goods within the Leased Premises, the person responsible for such damages shall be required to pay for such damages.
- (vii) To ensure that the Lessor shall not be responsible for security or safe keeping of the Lessor's goods, property or the goods or property of the Lessor's guests or clients in the Leased Premises, and the Lessor shall not be liable for any loss or damage to Lessor's goods, property or the goods or property of the Lessor's guests or clients in the Leased Premises, howsoever, caused.

3.8 Lessor's Right of Entry:

3.8.1 To Permit the Lessor:

- (i) To enter upon the Leased Premises at reasonable times and upon anytime for the purpose of ascertaining that the covenants and conditions of this Lease have been observed and performed.
- (ii) To view the state of repair and condition of the Leased Premises.
- (iii) To give to the Lessee (or leave upon the Leased Premises) a notice specifying any repairs, cleaning maintenance and painting that the Lessee has failed to execute in breach of the terms of this Lease and to request the Lessee to execute the same as soon as reasonably practicable.

3.9 Sub-let and Assignment:

- 3.9.1** Not to hold on trust for another or (save pursuant to a transaction permitted by and effected in accordance with the provisions of this (Lease) part with the possession of the whole or any part of the Lease Premises or permit another person to occupy the whole or any part of the Leased Premises.
- 3.9.2** Not to assign, underlet or charge, or part with the possession of the Leased Premises.
- 3.9.3** Not to assign underlet or charge in part or in whole the Leased Premises without the prior written consent of the

Lessor and provided that such approved sublet is made to a Lessee of acceptable standing and financial strength to the satisfaction of the Lessor (hereinafter referred to as the "Assignee").

3.9.4 Prior to any permitted assignment to procure that the Assignee enters into direct covenants with the Lessor to perform and observe all the Lessor's covenants and all other provisions of this Lease during the residue of the Contractual Term by way of a Sub-Lease.

3.9.5 That each and every permitted Assignee Sub Lease shall be granted for the residue of the Contractual Term then remaining (less a nominal reversion) without any fine or premium at a Rent not less than the then open market Rental value of the Leased Premises to be approved by the Lessor prior to any such sub lease or the Rent then being paid (whichever shall be the greater) such Rent being payable in advance on the days on which Rent is payable under this Lease and shall contain such provisions approved by the Lessor as shall be deemed necessary to make such sub lease subject to all the terms and conditions of this Lease mutatis mutandis.

3.9.6 Notwithstanding provisions of this Lease, Lessee may share the occupation of the whole or any part of the Leased Premises with, in the case of an intergovernmental organization, another organization affiliated to it or, in the case of a company, a company which is a member of the same group as the Lessee for so long as both companies shall remain members of that group and otherwise than in a manner that transfers or creates a legal estate.

3.10 Indemnity for Non-Statutory Expense:

3.10.1 To pay to the Lessor on an indemnity basis all reasonable and proper costs, fees, charges, disbursements and expenses (including without prejudice to the generality of the above those payable to legal counsel surveyors and bailiffs) properly incurred by the Lessor in relation to or incidental to:

- (i) Every and any application made by the Lessor for a consent or license required by the provisions of this Lease whether such consent or license is granted or refused or preferred subject to any lawful qualifications or condition or whether the application is withdrawn (but not where consent is

unreasonably withheld or proffered subject to unreasonable conditions contrary to the express provisions of this Lease).

- (ii) The recovery or attempted recovery of arrears of Rent or other sums due from the Lessee.

3.10.2 To be responsible for and to keep the Lessor fully indemnified against all damages, losses, costs, expenses, actions proceedings, claims and liabilities made against or suffered or incurred by the Lessor arising directly or indirectly out of:

- (i) Any act, omission or negligence of the Lessee or any persons at the Leased Premises expressly or impliedly with the Lessor's authority and under the Lessor's control, or
- (ii) Any breach or non-observance by the Lessee of the covenants, conditions, or other provisions of this Lease or any other related matters.

3.11 Yielding Up:

At the expiration of the Contractual Term:

3.11.1 To yield up the Leased Premises in good and substantial repair in accordance with the terms of this Lease. Provided that the Lessee shall pay a sum of equivalent to any loss of Rent incurred by the Lessor (which shall be calculated at the open market Rent for the Leased Premises) during such period as is reasonably required for the carrying out of works at the expiration of the Contractual Term by reason of any breach of repairing and decorating covenants.

3.11.2 To give up all keys of the Leased Premises to the Lessor, and

3.12 Notices:

3.12.1 Upon becoming aware, give notice to the Lessor of any defect in the Leased Premises which might give rise to an obligation on the Lessor to do or refrain from doing any act or thing in order to comply with the provisions of this Lease or the duty of care imposed on the Lessor pursuant to any law.

3.13 New Government Levies:

In the event that the Government of the United Republic of Tanzania or any subdivision or agency thereof imposes any new or additional taxes, levies, or imposts relating to the tenancies that are payable by Lessees; the Lessees agree that it shall be responsible for such new or additional taxes, levies or imposts relating to this Lease only in such manner.

4.0 THE LESSOR'S COVENANTS:

- 4.1 The Lessor covenants with the Lessee to permit the Lessee to peacefully and quietly hold and enjoy the Leased Premises without any interruption or disturbance from or by the Lessor or any person claiming under or in trust for the Lessor.
- 4.2 To keep the Leased Premises and other parts of the building insured against loss or damaged by fire and in case of damage or destruction by fire unless the insurance moneys become irrecoverable through any act or default of the Lessee to re-building and reinstate the same as speedily as possible.
- 4.3 At the Lessor's own expense to execute all works and provide and maintain all arrangements upon or in respect of the Building that are required in order to comply with the requirements of any statute (already or in the future to be passed) or directive of any government department, local authority or other public or competent authority or court of competent jurisdiction regardless of whether such requirements are imposed on the Lessor, the Lessee or any other occupier provided that the Lessor shall not be responsible for matters which are the express liability of the Lessee under these Lease.
- 4.4 In the event of any direct breach, fault, or noncompliance by the Lessor as a result of the Lessor's own actions or inactions, the Lessee shall, before exercising any right or remedy available to it, shall give the Lessor a **Twenty-One (21) days** written notice of the claimed breach, default, or non-compliance for the Lessor to rectify and mediate such breach, default, or non-compliance. In case the Lessee deems the breach, default, or non-compliance, not as a direct result of the Lessor's actions or inactions or in control of the Lessor, the Lessee shall give the Lessor a written notice of Forty-Five (45) days stating the reasons for the notice and the remedy sought. If the Lessor does not cure the breach, default, or non-compliance, within the time limits specified in this clause, the Lessee shall be at liberty to exercise any available remedies as contained in the Land Act of Tanzania, including termination of the contract or seeking damages from the Lessor.
- 4.5 Nothing herein contained shall be construed as imposing any obligation upon the Lessee to perform the Lessor's obligations, nor shall performance by the Lessee be construed as obligating the Lessor to continue such breach, default or noncompliance.

5.0 RENT ABATEMENT:

In the event the Leased Premises is rendered uninhabitable or unsuitable for use or any essential services, such as electricity or water, are not provided to the Leased Premises for a period exceeding seven (7) days as a result of action or inaction by the Lessor, or failure of the Lessor to perform their duties under this Lease, given that the Lessee has given seven (7) days' notice to the Lessor, the Lessee shall have the right to abate Rent in the proportion that the Leased Premises rendered uninhabitable or unusable or to the extent of the breach of the covenants of this Lease by the Lessor.

6.0 CONFIDENTIALITY:

6.1 Confidentiality of the information.

During the term of this Lease and after its termination, Parties shall keep with inviolable secrecy and not reveal, disclose or publish to any persons, unless with the prior written approval of the other Party, any matter concerning the affairs or business of each other that it may have been acquired or may hereafter be acquired or learned during the term of this Lease. Any violation of this clause shall amount to a breach of the Contractual Term and the Party to whom the unlawful disclosure is made against, shall be entitled to invoke any available remedies.

6.2 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. Either Party prior to making disclosure of any confidential information shall exert best efforts to cause the receiving entity(ies) to execute papers and documents to effect substantial compliance with the provisions of this clause.

6.3 Legal Obligation to Disclose.

In case Party, Parties and/or its affiliate(s) or any of their employees, agents or representatives, becomes legally compelled to disclose any confidential information, such Party shall within **Forty-Eight (48) hours** give notice to the other Party so as to permit such other Party to seek a timely protective order or other appropriate relief. If such order or order relief cannot be obtained, the Party being compelled to make disclosure shall only make disclosure of that which is legally required and no more.

6.4 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 Lease.

6.5 LESSEE'S CONSENT

The Lessor shall not transfer, mortgage, or part with the possession of the Lessee in the Leased Premises or any part of it without the written consent of the lessee, no dealing with the Lease shall be of any legal effect until the consent of the Lessee has been produced to, and authenticated to the satisfaction of, the relevant authority.

6.6 Copies

Each Party and/or its affiliate(s) shall make only such notes, sketches, drawings, photocopies, or other written or photographic records relating to all confidential information as are absolutely necessary. All such materials shall belong to the Party/or its affiliates to which the confidential information relates and, together with all other tangible expressions of confidential information held by any Party and/or its affiliates(s) shall be returned to the owner forthwith upon the termination of this Lease.

7.0 TERMINATION CLAUSE:

7.1 If either Party desire to terminate this Lease, then the Party desiring to terminate shall give to the other Party no less than One Hundred Eighty (180) days prior written notice of such desire.

7.2 Then immediately on the expiration of the notice in clause 6.1 above, the present tenancy 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.

8.0 LAW AND DISPUTE SETTLEMENT:


(i) This Lease shall be governed by and construed in accordance with the laws of the United Republic of Tanzania. Any dispute arising from the interpretation of this Lease shall be determined through Arbitration proceedings as per the applicable rules within the United Republic of Tanzania.


In **WITNESS WHEREOF** the parties hereto have executed these presents in the manner and on the day hereinafter appearing.

SEALED with the **COMMON SEAL**
of the said **MUHEZA DISTRICT COUNCIL**
and **DELIVERED** in the presence of us
this ____ day of _____ 2023



SEAL


Name : DR JUMAA MHINA
Signature : 
Postal Address : P. O Box 20 MUHEZA
Qualification/Designation : DED

Name : FRASSTO J. MHINA
Signature : 
Postal Address : P. O Box 20 MUHEZA
Qualification/Designation : COUNCIL CHAIRPERSON


SEALED with the **COMMON SEAL**
of the said **TRIANON INVESTMENT**
LIMITED of TANZANIA and **DELIVERED**
in the presence of us this 19 day
of October 2023



SEAL

Name : FRIDA R. SHAYO
Signature : 
Postal Address : 21427 MUHEZA, TANZA
Qualification/Designation : MANAGER

Name : DMARY UKWENGWE

Signature : 

Postal Address : 21427, MUHEZA, TANGA

Qualification/Designation : SENIOR AGRONOMIST