

IN THE UNITED REPUBLIC OF TANZANIA

THE LEASE AGREEMENT

This lease agreement is made at Arusha on this.....⁰².....day of.....⁰¹.....2025.

BETWEEN

THE ARUSHA CENTRAL PRISON legal person, allocated at Arusha with postal Address of BOX 369 ARUSHA whereas under this lease shall be known as a **LESSOR**.

AND

Ace Energies Limited, a company incorporated under the laws of The United Republic of Tanzania having its registered office Arusha with postal address 260, Arusha, herein referred to as **LESSEE**.

RECITALS

WHEREAS, the subject matter of this lease agreement is a surveyed three acres (03) piece of land (demised land) located at Arusha Central Prison farm adjacent to the Vietnam camp opposite to the East African road in Ngaramtoni ya Chini area-Olmot Ward in Arusha City which is the property of Lessor .

WHEREAS, the lessee is a startup company involved in the manufacture of Electrical equipment and repair & service of Motor vehicles.

WHEREAS, both parties have agreed to enter into this agreement and be bound by the following terms of this lease agreement

WHEREAS, the land lord is a registered owner of the right of occupancy and **WHEREAS** the lessee is desirous to enter into this lease agreement with the lessor for the demised land.

NOW, THIS LEASE WITNESSES AS FOLLOWS

That, the lessor and the lessee have discussed and mutually agreed that the lessee be permitted to lease the part of land measuring three (03) acres for the purpose of establishing her manufacturing facility of the electrical equipment and motor vehicle service center.

1. INTERPRETATION

For the purpose of this lease agreement, unless the context otherwise requires the following terms whatever shall have the following meaning: -

- (i) "Grace period" means three months from the effective date.
- (ii) "**Commencement date**" means the date after expiration of grace period.
- (iii) "Effective date" means the date in which this lease agreement is duly signed by both parties.
- (iv) "**Parties**" means Lessor and lessee to this agreement and shall include also their duly appointed representatives.
- (v) "**Lessor**" means ARUSHA CENTRAL PRISON including its successor or assignor
- (vi) "**Lessee**" means Ace Energies Limited including its successor or assignee.
- (vii) "**Environmental law**" means any law or laws having legal effect in Tanzania concerning the protection of human health, the environment or the conditions of the workplace or the

generation, transportation, storage, treatment, processing or disposal of any dangerous substance.

- (viii) **“Environmental license”** means any permit, license, authorization, consent or other approval required by any environmental law.
- (ix) **“Termination date”** means the date of termination of this lease agreement.
- (x) **“Demised land”** means surveyed three acres (03) piece of land located at Arusha Central Prison farm adjacent to the Vietnam camp opposite to the East African road in Ngaramtoni ya Chini area-Olmot Ward in Arusha City which is the property of Lessor.
- (xi) **“TSHS”** means Tanzanian shillings.
- (xii) **“Fixtures”** means any structure permanently affixed to the land.
- (xiii) **“Chattels”** means any structure temporary affixed to the land.

2. Duration of the lease agreement

That this Lease Agreement in respect of the demised land thereof, shall be for the term of five (5) years commencing effective from thisday of 2025 up to..... day of 2030 after expiration of grace period, however after the expiration of the fifteen years as stipulated in this agreement the parties will be in position to renew.

3. Effective date and coming into force of the lease agreement

This lease agreement shall come into force effectively on the date in which it is duly signed by both Parties.

4. Consideration.

1. Both parties to this lease agreement have discussed and mutually agreed that the lessee shall pay monthly rent to the lessor of one million two hundred thousand shillings (TZS 1,200,000/=) for the demised land.
2. Notwithstanding the provisions of sub subsection 1 of this section, the rent payable under this agreement shall be increased at every three years and be agreed upon the Parties.

5. Rent Payment Grace Period:

The Lessor agrees to grant the Lessee a grace period of not exceed six (6) months from the effective date of this lease agreement, during which no rent shall be payable. This grace period is intended to allow the Lessee to have sufficient time to erect necessary structures and set up operations on the demised land.



6. Mode of payment

- (i) The lessee shall pay the rent to the lessor at two (2) installments during the period of this lease whereby the lessee shall pay Tshs.7200,000/=as first installment and Tshs.7,200,000/= as a second installment , the first installment shall be paid one day after expiration of the grace period and second installment shall be paid after expiration of 6 months whereby each installment shall comprise the rent of twelve months.
- (ii) Subject to clause 4 of this agreement and subclause 1 under this clause, the lessee shall pay a sum of Fourteen million Four hundred thousand shillings (TZS 14,400,000/=) as annual rent for the demised land.
- (iii) That, the payment of rent under this clause for the first, second, third, forth and fifth installment shall be effected to lessor the following Bank details; -
 - a. Bank name: National Microfinance Bank (NMB)
 - b. Account name: Arusha Prison Staff Canteen
 - c. Account number: 42710028279
- (iv) That, the lessee shall submit to the lessor the payment receipts of the rent paid under this clause.

7. The Lessee's Covenants

- (i) That the Lessee shall ensure safety of the demised land.
- (ii) That the Lessee shall not assign, sublet, sublease, underlet or part with the possession of the demised land in question or any part thereof or the whole demised land during the tenancy, without the written consent of the Lessor.
- (iii) That, the Lessee shall pay for the tenancy period rent punctually without any deductions whatsoever as per clause 4 and clause 6 herein above.
- (iv) That the Lessee shall be responsible for and shall indemnify the lessor against all damage occasioned to the demised land on negligence of the Lessee or the Servants, relatives or invitees of the Lessee.
- (v) That the Lessee shall not make any alterations, additions or modifications on the demised land without obtaining the prior written consent from the lessor.
- (vi) That the Lessee shall not perform any act or something whatsoever on the demised land, which may tend to annoy, damage, disturb the demised land or neighbor of the demised land.
- (vii) That the Lessee shall use the demised land solely and exclusively for manufacturing facility of the electrical equipment and motor vehicle service purposes.
- (viii) That the Lessee Shall not use the demised land for any unlawful purpose.
- (ix) That the Lessee shall pay all.



- (x) That the Lessee shall not remove any permanent improvements attached to the demised land upon the termination of this lease agreement.
- (xi) That the lessee shall be obliged under the environmental law and under this lease agreement to maintain the environment at its natural situation and in good condition at her expense.

8. The Lessor's Covenants

- (i) That the Lessor shall ensure that the Lessee peacefully hold and enjoy the demised land without any interruption by the lessor at all time of the tenancy.
- (ii) That the Lessor's duly authorized agent/representative or employees shall have the right of access or entry to the demised land for the purposes of inspection and examining the demised land by or without notice so as to satisfy itself on the business conducted on the demised land if it conforms with intention of this lease agreement.

9. Language

This lease agreement shall be in English language but any other communication thereon shall be either in English or Kiswahili language.

10. Mode of services

Any notice or letter or any means of communications between parties to this lease agreement shall be deemed properly communicated if submitted in person by authorized personnel of either the parties to this lease agreement to its place or office of business or sent by post via addresses provided hereunder.

For Lessor

The Arusha Central Prison
P.O Box 369,
Arusha
Tel:.....
Fax:
Email:

For Lessee

Ace Energies Comapny Limited
Arusha Office
P.O Box 260,
Arusha-Tanzania



Tel:
Fax:
Email:

11. Amendments/Renewal of this lease agreement

- (i) No modification or amendments to this lease agreement shall be allowed except with written consent of both parties and the same shall not be unjustly withheld.
- (ii) The parties to this agreement on agreed terms may renew this agreement for further period after expiration of this lease agreement.
- (iii) Subject to provisions of subclause 2 under this clause, lessee in case she desires to renew the lease agreement shall give thirty (30) days written notice before expiration of existing agreement to the lessor, of her intention to renew whom may agree upon the same or new terms.

12. Termination

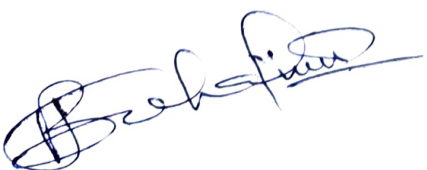
- (i) This agreement shall be terminated after expiration of five (5) years from the commencement date of this agreement.
- (ii) This agreement may be terminated by either party to this agreement in event that the party does not meet its respectively covenants whereby the party shall give the other party a written notice of intention to terminate this agreement if the other party thereof meets the obligations within thirty (30) after the date of written notice the agreement will remain valid and enforce. If the other party thereof fails to do so the party concern shall terminate the agreement thirty (30) after the date of the written notice.
- (iii) Rent payable under this lease agreement shall be non-refundable unless the termination thereof is not lessor's default.

13. Disclaimer

The lessor will under no circumstances be responsible for any action, conduct, activities, business or anything whatsoever done by the lessee within the demised land which later will be noticed to be against the law of the Land rather the accountable one will be the lessee.

14. Confidentiality

Each party undertakes that it shall not at any time during this agreement disclose any information concerning the business, affairs, customers, clients, suppliers or anything to third party without written consent from the other party of this contract.



15. Force Majeure/act of God.

Neither the Lessor nor the Lessee shall be liable for any failure to perform or delay in performing any of their obligations under this lease agreement if such failure or delay is caused by events beyond their reasonable control, including but not limited to acts of God, natural disasters, war, civil unrest, pandemics, government-imposed lockdowns, strikes, fire, floods, earthquake, storm, hurricane, invasion, act of foreign enemies, hostilities, terrorism, sanctions, blockade, rebellion and any other actions of that nature or changes in government laws or regulations (collectively referred to as 'Force Majeure Events').

In the event of a Force Majeure Event, the affected party shall promptly notify the other party in writing, detailing the nature of the event and its expected duration. Both parties shall take reasonable steps to mitigate the effects of the Force Majeure Event, and performance under this agreement shall be suspended for the duration of the Force Majeure Event.

Should the Force Majeure Event persist for a period exceeding ninety (90) days, either party may terminate the agreement by providing written notice to the other party, without further liability, except for obligations accrued before the occurrence of the Force Majeure Event.

16. Dispute resolution

In the event of any dispute, controversy, or claim arising out of or relating to this lease agreement, including its breach, termination, or validity, the parties shall first attempt to resolve the matter amicably through good faith negotiations.

If the parties are unable to resolve the dispute within thirty (30) days of the commencement of negotiations, the dispute shall be referred to arbitration. The arbitration shall be conducted by a single arbitrator mutually agreed upon by the parties.

The arbitration proceedings shall take place in Arusha and shall be conducted in accordance with the rules of United Republic of Tanzania. The decision of the arbitrator shall be final and binding upon both parties. Each party shall bear its own costs related to the arbitration, but the arbitrator may award costs and reasonable attorney fees to the prevailing party.

Nothing in this clause shall prevent either party from seeking interim or injunctive relief in a court of law to protect its rights pending the outcome of the arbitration.



17. Governing law

This lease agreement is governed by the laws of the United Republic of Tanzania.

IN WITNESS WHEREOF: The parties hereto, acknowledge having read this lease agreement and thus have caused the same to be signed in their respective names and delivered as of day and year hereinafter appearing.

SEALED with the **COMMON SEAL** of the said
ARUSHA CENTRAL PRISON

Signed on behalf of **ARUSHA CENTRAL PRISON**

Name: CHARLES JOSHUA MHINGA - ACP

Signature: [Handwritten Signature]

Postal address: P.O. Box 369

Designation: OFFICER IN CHARGE

Witnessed by:

Name: FUMBUKA I. BOHANE

Signature: [Handwritten Signature]

Postal address: Box 1176

Qualification: LEGAL OFFICER



SEALED with **COMMON SEAL** of the said

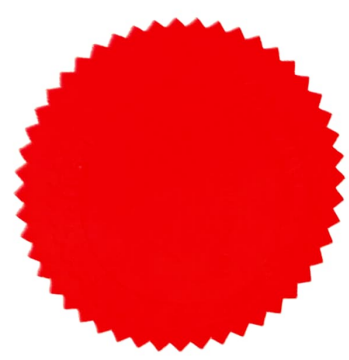
Ace Energies Limited.

Name: Zahir Saleh Mohamed

Signature: [Handwritten Signature]

Postal address: 260, Arusha

Designation: Managing Director, Ace Energies Limited



Witnessed by:

Name Nosheen B. Louw

Signature: [Handwritten Signature]

Postal address: 260, Arusha

Designation: Director, Ace Energies Limited

[Large Handwritten Signature]



Bill Details

Control No: 991096067130
Full Name: ZAHIR SALEH MOHAMED
Amount: USD 1,500/=
Amount in Words: One Thousand Five Hundred US Dollars Only
Purpose: Citizenship Submission Fee USD Bill
Application No.AR/DN/19221
Billed By: abdulhamid.ali1
At: ARUSHA
Issue Date: 2024-07-12T12:46:20
Pay Before : 2024-08-11T12:46:20
Signature :

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