

LEASE AGREEMENT

THE AGREEMENT IS MADE ON 1st FEBRUARY 2023

BETWEEN

EURO GAS COMPANY LIMITED

AND

GRAND CANAL INVESTMENT LIMITED

Lease Agreement

THIS AGREEMENT is made on the 2023, between **EURO GAS COMPANY LIMITED** of P. O. BOX 106228 **DAR-ES-SALAAM** (hereinafter referred as “the lessor) of the one part and **GRAND CANAL INVESTMENT LIMITED** of P.O BOX 106228 **DAR-ES-SALAAM** (Hereinafter referred as “the lessee} on the other part

WHEREAS the lessor is owner of premises situated on PLOT No 27 Block B, Gezaulole street, Kigamboni, Dar-es-salaam (hereinafter referred as DEMISE PREMISES) and is desirous of leasing the same to the lessee.

WHEREAS the lessee is desirous of taking in lease the above-mentioned demised premises upon the conditions and the terms hereinafter appearing;

NOW THEREFORE THIS AGREEMENT WITNESSETHS AS FOLLOWS:

1. The period of tenancy herein referred to as the “Contractual period” shall be for the period of Five years, starting from the 1* February 2023 and expiring on the 30th January 2028 with option for renewal following one month's notice prior to the expiry date;
2. The lessee shall pay **MONTHLY** rent of **TZS 100,000/= (TZS One Hundred Thousand only) which shall be inclusive of withholding tax on rental** income
3. The Rent is exclusive of any service charges/ maintenance fee for the common areas and Stamp Duty and Any new tax or increase of tax rate that shall be imposed on a future date by the parliament, executive, municipality or any other body of authority;
- s. Rent **shall** be payable **in twelve {12}** months installments in advance, and the receipt of the first payment shall be signified by the **signing of** the agreement. Any late payment shall attract a penalty of 15% per annum;
5. The lessee shall remit withholding tax and any other tax payable in relation to the lease to the Tanzania revenue authority within 30 days of payment of rent. The lessee shall, thereafter, provide the lessors with evidence of payment of such tax. In the event of late payment of the tax required, the lessee shall bear liability for payment of any penalty or interest accrued as a result of the late payment;

6. The rent shall be paid in Tanzanian shillings or equivalent in USD at the bank selling rate of exchange on the day of payment by the lessee into the lessors nominated accounts or by cheque as per lease agreement;
7. The lessor has agreed to lease to the lessee the semi -furnished Petrol station and motor vehicle service bay. The lessee shall be responsible for installation and maintenance of the machines, fixtures and equipment necessary for proper functioning of the petrol station and service bay;
8. Either party may terminate the lease by giving the other party prior notice of one month of such attention. If such notice is not given, the party who fails to give prior notice as per terms & condition will be liable to compensate by paying rent for equivalent notice period. In the case of termination by the lessor, the lessor shall refund the rent for the remaining period to the lessee before the day of termination;
9. The lessee shall pay and to indemnify the lessor against, In addition to rent, value added tax (VAT) or any tax of a similar nature that may be substituted for it or levied in addition to it chargeable to or payable by the lessee. The withholding tax shall be paid by the lessee;
10. The lessee shall at its own expenses:
 - a) Pay all charges for electricity (including generator fuel) Gas, Telephones and internet 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;
 - b) Manage and pay daily maintenance costs (inside the demised premises for air conditioners, replacing bulbs and switches, etc, such services are not included in the service charge or rent;
 - c) Repair any element of the premises damaged during the lease period by the lessee

11. THE LESSEE HEREBY COVENANT WZTH THE LESSOR AS FOLLOWS:

- a) Not to assign, sublet or part with the possession of the demised premises or any part thereof without the written consent of the lessor;
- b) To permit the lessor and / or his agent with or without workmen, at reasonable time of the day, after reasonable notice to the lessee in that

respect, to enter upon the premises to examine and / or to execute major repairs to the said premises under the lessor's covenants in that behalf;

- c) To pay the rent reserved herein whatsoever in the manner and upon the dates herein agreed and further agree to pay the stamp duty (currently at 1%p.a) to the concerned authorities. The lessee shall be obliged to provide the Lessor with necessary proof of payments made to TRA within 30 days of making rental payments;
- d) To use the demise premises for commercial purposes only and not to assign or sublet, or part with possession of the demised premises without the previous written consent of the lessor;
- e) Not to make any internal non- structural alterations or additions to the demised premises, and to maintain the demised premises, including all additions thereto, fixtures, doors, windows, locks, sanitary, water, apparatus, electric, apparatus, etc, in good repair and tenable condition, fair wear and tear accepted;
- f) Not to make or suffer to be made any alterations to the premises without the written consent of the lessor;

12. THE LESSOR HEREBY CONVENANTS WITH THE LESSEE AS FOLLOWS,

- a) To pay land rent;
- b) To carry out major structural repairs and keep the exterior of the premises in good tenable condition;
- c) To allow the lessee, (having occupied the said premises and observing and performing the several covenants) to peacefully hold and enjoy the premises **without** interruption by the lessor or his agent.

13. PROVIDED AND IT IS HEREBY MUTUALLY AGREED AND DECLARED THAT;

- a) If the rent hereby reserved or any part thereof shall at any time remain unpaid for 30 days after becoming due and payable or if any covenant, condition or stipulation herein contained shall not be performed or observed

by the lessee within a reasonable time, the lessor shall have the right to enter upon the premises and terminate the lease;

- b) The lessee shall be responsible for safekeeping of its properties and belongings.
- c) At time of expiration of the term the Lessee shall yield up the possession of demised premises in good and substantial repair in accordance with the terms of this lease provided that the lessee shall pay a sum equivalent to any loss of rent incurred by the lessor (which shall be calculated at the current rent on pro rata basis for the premises) during such period as is reasonably required for the carrying out of works at the expiration of the term by reason of any breach of repairing and decorating covenants.
- d) All the disputes arising out of the terms of this agreement shall be settled in accordance with the laws of Tanzania. This lease shall be governed by and construed in accordance with the laws of Tanzania.

IN WITNESS WHEREOF; these presents have been executed on the date set out against our respective signature.

Signed and Seal at Dar es salaam with the
common seal of **EURO GAS COMPANY**
On this 1st February.2023.



NAME: OMAL MOHAMMED
SIGNATURE: [Handwritten Signature]
POSTAL ADDRESS: P.O. BOX 1507 D.S.M
QUALIFICATION: DIRECTOR

BEFORE ME:

COMMISSIONER FOR OATHS, NOTARY PUBLIC, ADVOCATE

Signed and Seal at Dar es salaam with the common seal of GRAND CANAL INVESTMENT LIMITED on 1st February, 2023.



NAME Abdul Nassor Salehe
SIGNATURE.
POSTAL ADDRESS 106228.
QUALIFICATION: DIRECTOR

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01/02

BEFORE ME:

COMMISSIONER FOR OATHS, NOTARY PUBLIC, ADVOCATE

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Signed and sealed at Dar es salaam with the common seal of EURO GAS COMPANY LIMITED on 1st February 2023



NAME: OMAL MOKHMEY
SIGNATURE: [Handwritten Signature]

QUALIFICATION: DIRECTOR



