

**MEMORANDUM OF UNDERSTANDING**

BY AND BETWEEN

**HOLIDAY BEACH RESORT COMPANY LIMITED**

AND

**TANZANIA HUNAN AFRICA INVESTMENT COMPANY  
LIMITED**

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**FOR THE PROPOSED LEASE AGREEMENT OF THE HOLIDAY  
BEACH RESORT HOTEL**  
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# **MEMORANDUM OF UNDERSTANDING ON** **LEASE**

**THIS Memorandum of Understanding is made and entered into this 07<sup>th</sup> day of September, 2025**

**BETWEEN**

**HOLIDAY BEACH RESORT COMPANY LIMITED** a limited liability company incorporated in Tanzania. (Hereinafter called "**Proposed Lessor**") of the first part,

**AND**

**TANZANIA HUNAN AFRICA INVESTMENT COMPANY LIMITED** a proposed limited liability company to be registered in Tanzania or its nominee **CHEN XIAOYE** with passport No. **EP 2507020** and having its office at **Mbezi Beach** near **Mwai Kibaki/Ally Sykes Rds** junction (hereinafter referred to as "**The Proposed Lessee**") of the second part.

**WHEREAS** the Lessor is the owner and holder the Government Land Lease in respect of hotel situate on **Plot No. 400, Jangwani Beach, Dar es Salaam** (hereinafter referred to as the "**Hotel**").

**AND WHEREAS**, the Lessor desires to lease the said hotel property to the Lessee on the terms and conditions hereinafter after stated

**AND WHEREAS** the Lessee desires to Lease the hotel in its existing condition and after having prior inspected and having been fully satisfied to lease the hotel without any repairs and without any promise and/or assurances by the Lessor of any nature whatsoever.

**NOW THEREFORE** the parties hereto have hereunto agreed as follows:-

**1. TERM/RENT**

1.1 In consideration of the rent and the mutual covenants the Lessor will demise unto the Lessee the aforesaid hotel property in its entirety and its existing state,



with easements and other rights fixed period of five years renewable for a period of further five years at a consideration and terms hereinafter stated.

- 1.2 The first term of a total of 10 (ten) years the rent shall be **US Dollars Twelve Thousand (USD.12,000)** per month plus applicable VAT payable in one lump sum equivalent to two years rent payable in advance and subsequently every two years until the end of the fifth year and thereafter at **US. Dollars Thirteen Thousand Five Hundred (USD.13,500)** plus VAT per month as shall be applicable every month payable in one lump sum every two years ( 24 months) until expiry of the Lease period aforesaid.

In consideration of the Lessor allowing a three (3) months time for the Lessee to formalize its statutory requirements and registration of a private limited liability company to contain the Lease, the Lessee shall deposit with the Lessor or its Order for a period of 90 days from the 07<sup>th</sup> September 2025 a non refundable sum of **US. Dollar Fifty Thousand (USD. 50,000)** to secure the Lease. In the event of the Lessee being in a position to acquire the Lease within the stipulated time frame aforesaid the said advance payment shall be set off against the total rental sum payable as aforesaid. However it is categorically agreed that.

In the event of the Lessee failing to acquire the Lease by the end of the aforesaid time frame the Lessor shall forfeit the Lease security deposit without recourse and shall be free to offer the said Hotel to any other willing buyer or Lessee to lease the same unless the Lessee shall at its sole direction, extend the said time to regularize the required formalities.

After signing this Agreement (MoU) and the Lessee's payment of the USD 50,000 deposit to the Lessor and subject to the Lessor's permission, the Lessee may conduct the preliminary activities on the Hotel premises towards improvements limited to designs relevant to proposed renovation and refurbishment, Provided that, such activities do not disrupt the normal operations of the Lessor's Hotel business.

- 1.3 The Lessee shall pay a sum equivalent to 2 months rent over and above the 24 months advance rent a sum equivalent to two months rent being **US Dollar Twenty Four Thousand (USD.24,000/=)** as interest free rent security deposit

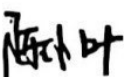


to be paid upon signing of the Lease to be set off against outstanding arrears of rent, if any, and/or manifest breach of the lease conditions leading to termination of the Lease. The said rent security deposit shall be carried forward to the succeeding 2<sup>nd</sup> term aforesaid. The non payment of the agreed rent or in the agreed manner of payment shall constitute the manifest breach of the Lease conditions.

- 1.4 The Lessee shall be granted liberty for the Lessee and all other persons authorized by it at all times by the day or nights to operate the intended business of hoteliers and its allied activities as authorized by the relevant authorities and to HOLD the same unto Lessee from the Lease signing date for a term aforesaid (hereinafter referred to as "The Term").
- 1.5 The property shall be formally handed over to the Lessee on the date of signing the lease agreement, provided that the rent has been paid up in accordance with the terms and manner specified herein above. The rental period shall commence from the date of successful hand over as mutually agreed upon by both parties, at which point the Lessor shall start charging rent to the Lessee.
- 1.6 The Lessor shall have an option to terminate this Lease and repossess the hotel property without recourse in the event of the agreed rent remaining unpaid for 15 days from its due date.
- 1.7 Provided that, if rent is overdue for more than fifteen (15) days, the Lessor shall have an option/right to unilaterally terminate the Agreement and repossess the Hotel property without recourse. However, if such delay in payment arises due to the requirements imposed by the government laws or regulations regarding payment methods, both parties shall comply therewith, and such delay shall not be deemed a breach by the Lessee.

## **2. EVENTUAL DEBTS**

- 2.1 The Lessor indemnifies the Lessee against all outstanding payments due as of the handover date.
- 2.2 During the handover of the hotel property to the Lessee, the Lessor shall ensure that all unpaid bills and taxes and any other payment are cleared within four



weeks of the hotel handover date and the Lessor hereby indemnifies the lessee in respect thereof. It is also agreed that in event of any due remaining unpaid after the handover date, the Lessee may pay the prior approved previous outstanding (if any) and settle them and deduct from the next payable rent provided proof of such payment are submitted to the Lessor and approved.

### **3. TRANSFER OF AUTHORIZATIONS**

- 3.1 The Parties hereby covenant that the handover shall be deemed to be an official authorization and transfer of mandate to operate the hotel premises.
- 3.2 The agreed lease consideration is inclusive of all existing furniture, fixture, fittings, equipment, appliances etc. as specified in the inventory to be attached to the formal lease and shall be free of all encumbrances when inventorised and delivered.
- 3.3 That once the said hotel shall have formally handed over to the Lessee. The Lessee shall not use Lessor's registered trading name being "The Beachcomber Hotel & Resorts Limited" for trading or for any other purpose unless authorised in writing by the Lessor.
- 3.4 The parties hereto shall act in good faith at all the times and shall not act as the agent of other party in any and all activities without prior approval of the other party.
- 3.5 The Lessee shall not involve itself in any unauthorized activities in hotel which shall encumber the Lessor in any manner including monetary or otherwise whatsoever.
- 3.6 The Lessee shall be responsible for all its own tax obligations payable from the date of operation and signing of this lease agreement and hereby indemnifies the Lessor in-respect thereof.
- 3.7 The Lessee shall not assign or sublease this lease agreement to any potential assignee or tenant without prior consent in writing of the Lessor.
- 3.8 The Lessee shall occupy and use the hotel leased demised premises exclusively for commercial purpose and limited to operation of hotel and its allied activities.



- 3.9 The Lessee shall keep the hotel property and the contents in good repair and tenantable condition.
- 3.10 The Lessee shall pay the Lessor the agreed rent as aforementioned in the manner herein provided.
- 3.11 The Lessee shall be responsible for payment of all fees and bills for sanitary removal, all utility bills to include water charges, electricity and telephone, utilized within the hotel premises during the tenure of the tenancy.
- 3.12 The Lessee shall at all times keep the interior of the demised premises and appurtenances thereof including doors, windows and other fittings, water drains and other pipes, electrical systems and services therein, painting and decoration thereof in good and tenantable condition in which they were upon handover including improvements all of which shall belong to Lessee upon expiry of Lease or early termination thereof.
- 3.13 The Lessee shall permit the Lessor and his agents, surveyors, workmen and any other persons authorized by the Lessor, during day time by prior appointment, to enter upon the hotel premises for the purpose of viewing and or inspection. All such visits shall not conflict with the orderly operation of the Lessee's business at any time.
- 3.14 The Lessee shall abide by all rules, regulations and requirements of the Municipal Authorities in relation to the hotel business in Dar es Salaam which shall be a sole responsibility of the Lessee.
- 3.15 The Lessee has obtained the Lessor's consent and shall have the right to convert the beachfront lower ground banquet hall building or part thereof into a Chinese restaurant. Any other alterations to the hotel building structure/premises which are not already consented to, shall require prior written consent and approval of the Lessor and the relevant authorities.
- 3.16 The Lessee shall keep the premises clean and tidy at all times.
- 3.17 The Lessee shall not have any estate rights over the hotel property or ownership during the term of its tenure aforesaid.



- 3.18 The Lessee shall not do in or near the leased demised premises any illegal act or thing by reason of which the Lessor may under any statute incur, have imposed upon it or become liable to pay any penalty, damages, compensation, costs charges or expenses.
- 3.19 Without prejudice to the generality of the above, the Lessee shall comply in all respects with the provision of any statute and any other obligations imposed by law or by any by-laws applicable to carrying on the trade or business carried on the leased hotel premises.
- 3.20 The Lessee shall not use the demised premises other than for hotel accommodation and allied facilities or purpose of carrying out the Lessee's licensed and authorized business as at the date of commencement of the lease, no immoral acts will be practiced in the said premises.
- 3.21 It is further agreed and undertaken that all furniture, fixture and fittings equipment and accessories currently existing and added by the Lessee in the demised premises shall remain as the assets of the hotel provided that the lessee shall have been permitted to remain in possession of the subject hotel peacefully during the whole term of the lease aforesaid or renewal thereof until ultimate handover by Lessee at the end of the lease expiry date or renewal thereof.
- 3.22 The Lessee shall be responsible for the security of their workers, staff, guests, business, assets and wellbeing of their customers within the demised premises and hereby indemnifies the Lessor in respect thereof.
- 3.23 That, upon the Lessee performing his obligation hereinto, shall peaceably hold and enjoy the demised premises without any interruption by the Lessor or those claiming through or under his title.
- 3.24 The Lessor shall cause to pay all outstanding and annually payable land rents and rates for the leased hotel property aforesaid.
- 3.25 The Lessor hereby undertakes that the hotel property leased is not encumbered in any way on the date of execution of this Agreement and shall be delivered free of its own liabilities with the state agencies and any trade creditors including local supplier bills, unpaid invoice taxes, fees or any payables which shall be



cleared by the Lessor upon being intimated or discovered and hereby indemnify the lessee in respect thereof.

- 3.26 The Lessor hereby permits the Lessee to put billboards; banners and other visual instruments or materials to advertise its business within and outside the demised premises at the expense of the Lessee.
- 3.27 The Lessor permits the Lessee to decorate the demised premises to suit its business. The Lessor further hereto, permits the Lessee to remove unwanted furniture and items and return them to the Lessor upon the handover date or within two months thereof when the term of this lease commences, Provided that a list of such furniture and items is provided to the Lessee by the Lessor on the signing of this Agreement as deliberated in clause 3.2 of this Agreement.
- 3.28 The Lessee may use free of charge, the front shaded parking area of the vacant land opposite the Hotel on Plot No. 111 Jangwani Beach premise (owned by the Lessor) to be used as a parking lot until the Lessor decides to sell the said land. However, if the Lessor intends to sell the said land, the Lessee shall have the first right of refusal.
- 3.29 The Lessor intimates further that the unconsumed part rent paid during the first three (3) years of lease may be applied towards "rent-to-own" arrangement between the Lessor and the Lessee whereupon such payments may count as credit towards the future intent to purchase the Hotel.
- 3.30 The Lessor shall at its discretion, keep the hotel premises and other structural part of the building only insured in accordance with the law and hereby indemnifies the lessee thereof.

#### **4. MUTUAL COVENANTS**

- 4.1 The terms of this LEASE shall be subject to strict confidentiality and neither party may communicate or disclose them to any third party without prior consent in writing of the other party. The said restriction shall not apply to any communication or disclosures required by the law or by a ruling issued by a governmental authority or any communication or disclosures made to either party's professional advisers specifically tied and related to subject transaction.



4.2 The Lessor hereby irrevocably permits the Lessee to rename and market the hotel per its desired choice of names or identities.

## 5. TERMINATION

5.1 This Lease is fixed for a term of 10 (ten) years. However, the lease can be terminated by either party on mutual agreement and terms.

5.2 Non payment of agreed rent beyond 15 days from its due date shall constitute a manifest breach of the lease term without recourse.

5.3 The Lessee shall, unless the lease shall have been renewed, handover the hotel to the Lessor or its authorized agent in operational state and free of all any monetary consideration towards such improvements as the Lessee shall have carried out in rendering the hotel to conform to or to accommodate local and international standards.

## 6. FORCE MAJEURE

6.1 Neither party ("Claiming Party") shall be in breach of this Agreement or otherwise liable to the other party ("Non-claiming party") for failure to perform any of its obligations under this Agreement provided that such circumstance arises from an event(s) of Force Majeure that despite the exercise of reasonable care it could not be prevented or mitigated by such Non-Claiming Party.

6.2 An event(s) of Force Majeure includes but is not limited to an act of war, an act of God, natural disasters with overwhelming proportions that may affect the day-to-day activities and any other unforeseeable circumstances that are beyond the care and control of the parties.

6.3 In case of the Lessee opting desire to terminate the Lease based on a Force Majeure event the;-

a) The non-claiming party shall not terminate this agreement unless the force majeure event subsists for a period exceeding thirty (30) days whereupon any prepaid rent shall be refunded to the Lessee by the Lessor.

b) In case the Lessee decides to invoke the terms of Clause 6.3 the Lessee shall not be entitled to a refund of the prepaid rent for a force majeure period and



subsequent unstated period. However, a force majeure event shall warrant an extension of the term of the lease to the extent of the force majeure event's period. The Lessor however, in case of damages to the premises resulting in its being rendered unfit for the purposes of Lessees business, shall within a reasonable time, repair the premises to the pre-force majeure event condition, and the time taken to do such repairs will also be deemed part of the force majeure period.

- c) The Lease being for a fixed period, the agreed rent paid in advance shall not be refundable to Lessee for any other reason save incase of force majeure and on terms as aforesaid.

6.4 Save for force majeure event as covenanted above, in event of unilateral breach by either party under this agreement, the breaching party shall compensate the non-breaching party with a liquidated damages in the amount of USD 200,000 (say Two Hundred Thousand) US dollars).

## 7. ENTIRE AGREEMENT

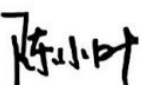
Unless otherwise indicated, this MOU constitutes the entire agreement amongst the Parties with respect to the terms provided herein and supersedes all prior agreements, proposals or representations, arrangements or understandings, written or oral, with respect thereto but incorporates any specific engagements, schedule and clause that will be made under it. This MOU shall be read as the Lease until the formal Lease shall have been entered into principal terms and this MOU incorporated therein and excreted by the authorized signatories of the Parties hereto.

## 8. SEVERABILITY

The invalidity of any term of this Agreement shall not affect the validity of the remaining terms of this agreement. Parties shall negotiate amicably in good faith to amend and modify the provisions and terms of this Agreement as may be necessary or desirable in the circumstances which should be in written and signed.

## 9. ALTERATIONS

Any addition, amendment, alteration, modification and/or replacement to this Agreement shall be effective only if made in writing and duly signed by both parties and/or representative of the respective Parties as agreed in this agreement.



**10. DISPUTE RESOLUTION**

10.1 Any dispute, controversy or claim arising out of or relating in any way to this agreement shall be exclusively resolved through amicable settlement between the parties.

10.2 The parties shall, attempt in good faith to amicably resolve any dispute between or amongst them arising out of or relating to this Agreement, within a period of thirty (30) Business Days.

10.3 If the dispute is not solved through amicable settlement it shall be submitted to arbitration at the best of the aggrieved party, with the Arbitral Tribunal to be constituted by 2 arbitrators and one Umpire. The Claiming Party shall, within fourteen days (14) after failure to reach amicable settlement; or from refusal to take part in amicable settlement; or from the expiry of 30 days from date of notice calling for negotiations for amicable settlement; serve the other Party with a written notice to the effect that it has appointed an Arbitrator. For the purpose of this Clause, failure to reach an amicable settlement includes refusal or failure to respond to invitation to settlement.

10.4 The Responding party shall be entitled to appoint the second arbitrator within fourteen (14) days after receipt of notice of appointment of the arbitrator of the Claiming Party.

10.5 The two arbitrators appointed by the parties shall then appoint mutually an umpire within seven (7) days after the appointment of the second arbitrator, who will oversee the arbitral proceedings.

10.6 In case the Responding Party fails or refuses to appoint the second Arbitrator within the time stipulated in Clause 10.4 above, then the sole Arbitrator appointed by the Claiming Party shall form the Arbitral Tribunal and preside over the matter. For the purposes of powers of the Arbitral Tribunal, whether formed by two arbitrators and an umpire or by a sole arbitrator, it shall have powers to order temporary reliefs capable of executions such as injunctions as well as ex-parte proceedings.

10.7 The Arbitration shall be held in Mainland Tanzania.

**11. GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of Tanzania.

**IN WITNESS WHEREOF THE** parties hereto have affixed their respective hand the day and year herein above written:

SIGNED AND DELIVERED for the said  
**HOLIDAY BEACH RESORT CO. LIMITED**  
and delivered in my presence  
This 07<sup>th</sup> day of September, 2025

  
Signature/Common Seal  


In the presence of:

WITNESSES:

SIGNATURE: 

NAME: Rustanali Mierani Shujji

ADDRESS: P.O. Box 4868, DSM

TITLE: CEO

SIGNATURE: 

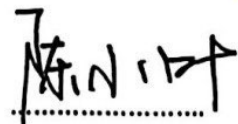
NAME: Andrew Job Kannonyele

ADDRESS: Box 55076

TITLE: Advocate



SIGNED AND DELIVERED for the Said  
**TANZANIA HUNAN AFRICA INVESTMENT CO.  
LTD. or CHEN XIAOYE (nominee) in person**  
in my presence  
This 07<sup>th</sup> day of September, 2025

  
Signature/Common Seal

In the presence of:

WITNESSES:

SIGNATURE: 

NAME: Chen Xiaoye

ADDRESS: Box 55076 DSM

TITLE: Director

SIGNATURE: 

NAME: Andrew Job Kannonyele

ADDRESS: Box 55076 DSM

TITLE: Advocate

