

LEASE AGREEMENT

BETWEEN

**TANZANIA SISAL BOARD
[LESSOR]**

AND

**MAPEPA KARATASI LTD
[LESSEE]**

Drawn by:

1. Tanzania Sisal Board
Mkonge House,
P. O. Box 277,
Independence Ave/Usagara Street,
Tanga.
2. Mapepa Karatasi Ltd,
P.o Box 39933,
DAR ES SALAAM.

LEASE AGREEMENT

This Agreement (hereinafter referred to as “**Lease Agreement**”) is made this ___ day of ___ 2024

BETWEEN

Tanzania Sisal Board, a body corporate established under the Sisal Industry Act No.2 of 1997, having its headquarters located at Mkonge House, UHURU ROAD/USAGARA STREET, P. O. Box 277, Tanga, United Republic of Tanzania (hereinafter referred to as “**LESSOR**”) of the First part.

AND

Mapepa Karatasi Ltd, a Dar-Es-Salaam based private company of P.O. Box 39933, Dar-Es-Salaam, Tanzania (hereinafter referred to as “**LESSEE**”), of the Second part.

WHEREAS:

- A. **LESSOR** is the registered owner of all that piece or parcel of land known as Plot. No.272....Block.....B..... Kange Area in **TANGA** City, with Title No.....2766.....(hereinafter called “**The property**”).
- B. **The LESSEE** is a local, private Company, registered under the Company Act of Tanzania to carry out the business of, among other things, manufacturing, producing and processing of quality pulp paper and craft products from agri-fiber(Sisal) and recycled waste materials.
- C. **The LESSEE** plans to establish a ‘Center of excellence’ for the purposes of conducting trainings to cooperative groups of women and youths and the disabled on use of sisal waste to make quality pulp paper and craft products, all from agri-fiber (sisal waste).

- D. **The LESSOR** is desirous and willing to lease out ‘the property’ to the LESSEE in order for the LESSEE to establish such a Center of excellence and thus, the LESSEE is ready and in need of securing a lease arrangement with the Lessor for the terms and conditions as shall be stipulated hereunder;
- E. The parties hereto now wish to detail the provisions to apply as between themselves in relation to the rights and duties related to the leased property;

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

CLAUSE 1

1.0 DEFINITIONS AND INTERPRETATIONS

In this Agreement unless the context otherwise requires the following meanings:

- a) **“Act”** means the Sisal Industry Act, No.2 of 1997 and its amendment and any other legislations related to agriculture in Tanzania
- b) **“Government Institutions”** means Ministry of Finance, Ministry of Agriculture, The office of Treasury Registrar, The office of the Attorney General and The office Registrar of Cooperative society
- c) **“Investment purposes”** means Activities stipulated into Business plan as submitted by **LESSEE**
- d) **“Sisal”** means as defined in the Sisal Industry Act and its Regulations
- e) **“TSB”** means the Tanzania Sisal Board.

- 1.1 Headings are included in this Agreement for convenience only and shall not be deemed to affect the interpretation of this Agreement.

CLAUSE 2

2.0 DURATION OF AGREEMENT

2.1. LESSOR AND LESSEE agree that, this Agreement shall be in force for a period of five (5) years (renewable) commencing from **01st** day of **November, 2024**. It shall remain in full force and effect until/unless terminated earlier in accordance with **Clause 11.0** below.

2.2. The LESSOR may, upon execution of the agreement by the **LESSEE** in its fullest, decides to extend the terms of this Agreement. In such case, **LESSOR** shall provide the **LESSEE** with at least three month (3) written notice of its intent to exercise this option.

CLAUSE 3

3.0 RENT

3.1. LESSEE Agreed to pay **LESSOR** the rent equal to **Tanzania shilling 500,000/=** (Five Hundred Thousand only) **per Month** and payable yearly in advance on the 1st day of each December and which shall be chargeable starting the third year from the date of signing. In addition to that the rent referred shall be deemed to be commencement rent and may be renewed at the option of the **LESSOR**.

3.2. Three years After **LESSEE** has made a full installation of sisal pulp processing facilities and start to operate, the parties may review the rent as stipulated in this agreement.

3.3. RENT PAYMENT MODE:

LESSOR and **LESSEE** agreed that Lessee shall pay rent having being issued Control Number by **LESSOR** every 1st December of the third year from the date of signing this agreement or **LESSEE** shall request control Number from the **LESSOR** as the case may be.

CLAUSE 4

4.0 OWNERSHIP OF THE PROPERTY

LESSOR and **LESSEE** agreed that during the entire period of the Agreement, **LESSOR** shall remain the owner of the leased property and the **LESSEE** shall have the right to enjoy the usufructuary right of the property and where necessary to develop the leased land by way of renovation, facelifting or upgrading the leased property to suit use of the Lessee, in accordance with the terms and conditions of this agreement.

CLAUSE 5

5.0 THE PURPOSE

LESSOR and **LESSEE** agreed that, the leased property is mainly for establishment of the 'Center of Excellence Facility' purposes only, and the envisaged investment into the property shall be installation of some Sisal Pulp and paper Processing Machines and related facilities.

CLAUSE 6

6.0 ESSENCE OF LEASE

LESSOR and **LESSEE** agreed that the essence of this lease Agreement is for the **LESSEE** to establish the 'Center of excellence' as stipulated under **Clause 5.0**, thus the project implementation period as mentioned under **Clause 8.0** shall be adhered to, and If **LESSEE** within the period specified under **Clause**

8.0 fails to submit the detailed report then unless prove to the contrary, the LESSEE shall be deemed to have committed material breach to this Agreement and LESSOR shall take possession to the leased land and claim damages as the case may be.

CLAUSE 7

7.0 RENOVATION COSTS

It is the duty of the LESSOR to do renovation and/or face lifting of the buildings in the leased property. However, due to some reasons and upon written approval of the LESSOR, the LESSEE may undertake renovation of the building(s). Where the LESSEE undertakes the renovation, the cost for such renovation born by the LESSEE shall be reimbursable by way of deduction of 60% of the monthly rent untill all cost is reimbursed. The renovation cost shall be vetted and accepted by the LESSOR before the said renovation is undertaken by the LESSEE.

CLAUSE 8

8.0 OBLIGATION OF LESSOR

LESSOR and LESSEE agreed that so long as LESSEE abides to the terms and conditions of this lease Agreement, LESSOR covenant to LESSEE to do the following obligation:

1. That at all reasonable times, to enter either personally or by agents, the leased land or buildings for the purpose of inspecting their condition
2. To ensure that the Lessee peaceful and quietly enjoys the property during the term of the lease without any unlawful interruption by the lessor or any person rightfully claiming through him.

3. To ensure issues of compliance in relation to any government institution or governing bodies is sought and obtained accordingly prior to the implementation of the establishment of the Center of excellence.

8.1 OBLIGATION OF LESSEE

LESSOR and **LESSEE** agreed that, without jeopardize the terms and conditions of this lease agreement, **LESSEE** Covenant to **LESSOR** to do the following:

1. To pay all electricity, water and other charges which are payable in respect of the land leased during the continuance of the lease
2. To ensure not to transfer, mortgage, charge, sublease or otherwise part with the possession of the leased land or buildings or any part of it without the previous written consent of the lessor;
3. To permit the lessor or his agent or employees at all convenient times and after reasonable notice to enter on the leased land
4. To keep all boundary marks in repair;
5. To use land in a sustainable manner and in accordance with any conditions imposed on use of that land by the lease,
6. To pay the rent reserved by the lease at the times and in the manner specified in this Agreement
7. To make sure that no structure or building other than the existing buildings in terms of this agreement shall be constructed without the prior permission in writing of the **LESSOR**
8. That within (6) six months of being put in possession of the said plot/land commence construction of factory buildings after securing necessary clearances from the competent authorities, like building plan approvals.

9. To ensure any prior written approval from government institution or governing bodies is sought and granted accordingly to the implementation of this Agreement.

CLAUSE 9

9.0 DEFAULT

- a. A party shall be a defaulting party in terms of this agreement if the said party shall default in the due observance of performance of any covenant, condition or provision contained in this Agreement and such default shall continue for more than three month (3) months after written notice from the other parties specifying the default and demanding the same to be remedied.
- b. Any such default if not remedied within the provided period, may be determine in accordance with terms and conditions as provided under **clause 11.0**

CLAUSE 10

10.0 TRANSFERABILITY AND VARIATION OF TERMS OF THE LEASE

The lease is subject to the LESSEE adhering to the terms, conditions and covenants of the lease. The Lease is not transferable.

10.1. The LESSOR and LESSEE may at time subsequent to the registration of this lease Deed vary any terms thereof any such variation shall be by a Deed of variation duly executed by the LESSOR and the lessee and registered as part of this Deed and shall be read together with it.

FOR THE LESSOR

Director General,
Tanzania Sisal Board
P. O. Box 277,
Tanga, Tanzania
Tel/Fax. +255 27 2645060
Email : dg@sisalboard.go.tz

FOR THE LESSEE

Managing Director,
Mapepa Karatasi Ltd,
P.O.Box 39933,
DAR-ES-SALAAM
Tel:
E-mail:.....*faraji.z@mapepa-karatasi.com*

CLAUSE 11

11.0 TERMINATION OF THE LEASE AGREEMENT

This Agreement shall be terminated in any or all of the following circumstances:

- a) In the event that this Agreement come to an end ;
- b) If the party commits material breach of this Agreement and having being issued with three (3) month written notice fails to rectify the stated breach as stipulated in the referred notice
- c) In the event of force majeure For avoidance of doubt in this Agreement "force majeure" shall mean any event beyond the control of either party that shall prevent or delay the performance of the Agreement and these shall include:-
 - (i) An act of God;

- (ii) War or hostility whether declared or not;
- (iii) Civil commotion or riot;
- (iv) Earthquake, flood, fire or other natural disasters;
- (v) Strikes, lockouts or other industrial actions (other than among the parties, own employees);
- (vi) Any Government order prohibiting performance of this Agreement.
- (vii) Any other reason govern by the laws of Tanzania
- (viii) By operation of the Law

CLAUSE 13

12.0 GENERAL PROVISION

12.1 GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws for the time being in force in the United Republic of Tanzania.

13.0 WAIVER

13.1 No delay or omission to exercise any right, power or remedy accruing to any party upon any breach or default by any other party under this Agreement shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default.

13.2 Any waiver, agreement, consent or approval of any kind or character on the part of any party of provisions or condition of this Agreement must be in writing and shall be effective only to the extent it is in writing.

14. SEVERABILITY OF PROVISIONS

Should one or more of the provisions of this Agreement prove to be invalid and/or unenforceable, this will not affect the validity/or enforceability of the other provisions of this Agreement. In case of such invalidity and/or unenforceability the parties to this Agreement shall replace such invalid and/or unenforceable provisions.

15. AMENDMENTS AND ALTERATIONS

All or any of the provision of this Agreement may be amended, altered, added to or replaced by the parties by mutual agreement.

16. DISPUTE SETTLEMENT


1. The Parties shall amicably settle all disputes arising out of or in connection with this Agreement or its interpretation through mutual dialogue and consultation.
2. In case Parties to this Agreement fail to mutually resolve the dispute, they may appoint an arbitrator. The arbitration award shall be final and binding on the parties.
3. This Agreement shall be governed by the laws of United Republic of Tanzania.

IN WITNESS WHEREOF, the duly authorized representatives of the Parties affix their signatures below:

SIGNED and DELIVERED by for and on behalf of TANZANIA SISAL BOARD

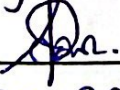
Full Name : Jaddy H. Kambona
Signature : JMK
Postal Address : 277, New G/A
Qualification : DIRECTOR GENERAL

In the presence of;


Full Name : Walter Josia Shayo
Signature : 
Postal Address : P.O. Box 14282
Qualification : Commissioner for Oaths



SIGNED and DELIVERED by for and on behalf of MAPEPA KARATASI LTD.

Full Name : Farajif L. Ziswa
Signature : 
Postal Address : P o Box 39933,
Qualification : DIRECTOR MANAGING.

In the presence of

Full Name : Walter Josia Shayo
Signature : 
Postal Address : P.O. Box 14282
Qualification : Commiisioner for Oaths

