**DATED THE 26TH DAY OF OCTOBER, 2020**

**MUTALL INVESTMENTS COMPANY LTD / LESSOR**

**-to-**

**KENTAGON ENTERPRISES / LESSEE**

**LEASE**

**-of-**

**MUTALL BUSINESS CENTRE OFFICE UNIT NUMBER ……..**

**ON GROUND FLOOR**

**ON L.R. NO. 17140**

**MAGADI ROAD**

**KISERIAN**

**DRAWN BY: -**

MUTALL INVESTMENTS LIMITED

MUTALL BUSINESS CENTRE

MAGADI ROAD

KISERIAN

**REPUBLIC OF KENYA**

**IN THE MATTER OF THE LAND ACT NO. 6 OF 2012,**

**IN THE MATTER OF THE LAND REGISTRATION ACT NO. 3 OF 2012**

**AND IN THE MATTER OF THE GOVERNMENT LANDS ACT (CHAPTER 280) (REPEALED)**

**GOVERNMENT LAND REGISTRY – NAIROBI**

**LEASE**

**THIS LEASE** is made on the 26th day of October, Two Thousand and Twenty

**BETWEEN**

**KENTAGON ENTERPRISES** - registered in the Republic of Kenya - of Post Office Box Number 4079 - 00100, Nairobi, Kenya (hereinafter called “the Lessee/Tenant” which expression shall include their successors and assigns) of the first part;

**AND**

**MUTALL INVESTMENT Co. LIMITED** - registered in the Republic of Kenya - of Post Office Box Number 374 – 00206, Kiserian, Kenya (hereinafter called “the Lessor/Landlord” which expression include its successors and assigns) of the second part;

**WHEREAS**

1. MUTALL is registered as the proprietor of ALL THAT piece of land TITLE NO. LR NGONG/NGONG/17140 together with all buildings and improvements erected and being thereon (hereinafter called the “land").
2. MUTALL has erected a building on the said piece or parcel of land (hereinafter called "the Building") which comprises inter alia offices, shops and the usual conveniences. That floor space comprising by measurement ……… square feet or thereabout of lettable space on the second floor of the Building.
3. MUTALL has agreed to grant a Lease of the premises forming a portion of the building more particularly as it described in section 1 (“hereinafter called "the Demised Premises) to **KENTAGON ENTERPRISES,** under the terms and conditions hereinafter mentioned.
4. The Term will be of Five (5) years from 2020-………/………/………

**NOW THIS LEASE WITNESSES AS FOLLOWS:-**

1. **DEMISE PREMISES AND TERM**
2. **Demise**

The Landlord HEREBY LEASES to the Tenant the Premises for the Term of Five (5) years.

1. **Rights**

The Landlord grants to the Tenant (only in so far as the Landlord is entitled to grant):

1. The right for the Tenant and all other persons expressly or by implication authorized by it to pass and regress to and from the Premises at all times for all purposes connected with the use and enjoyment of the Premises
2. the right for the Tenant and all persons expressly or by implication authorized by it to use the Common Parts for all proper purposes in connection with the use and enjoyment of the Premises
3. the right to the free passage and running (subject to temporary interruption for repair alteration or replacement and to the provisions of this Lease) of water sewerage electricity telephone and other services or supplies to and from the Premises in and through the Pipes that now serve the Premises presently laid in on over or under other parts of the Building and the Property.
4. **Exceptions and Reservations**

There are excepted and reserved from the demise in favour of the Landlord and all others now entitled or who may become entitled:

1. The right at any time during the Term upon a written 7 day notice before the due date (except in cases of emergency) to enter the Premises :-

* To inspect the condition and state of repair of the Premises;
* To carry out work or do anything whatsoever comprised within the Landlord’s obligations within this Lease;
* To take schedules or inventories of fixtures fittings and other items to be yielded up on the expiry of the Term
* To exercise any of the rights granted to the Landlord by this Lease.

1. **RENT**
2. **Reserved Rents**

The rents reserved by this Lease are:

1. The Rent is payable Quarterly in advance without any deduction whatsoever, on or before 10th day of every new Quarter.
2. The first quarter’s payment shall be due before the Lease Term begins.
3. **Rent Payment;**
4. To pay the rent as listed below.
5. That RENT will be paid in the manner tabulated below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TERM** | **MONTHLY RENT**  **(without V.A.T)** | **MONTHLY SERVICE CHARGE** | **SECURITY** | **TOTAL**  **(without V.A.T)** | **TOTAL**  **(with V.A.T)** |
| **Year 1**  **Year 2 Year 3 Year 4 Year 5** | 150,000.00  180,000.00  180,000.00  180,000.00  180,000.00 | 2,500.00  2,500.00  2,500.00  2,500.00  2,500.00 | The lessor provides night security. | 152,500.00  182,500.00  182,500.00  182,500.00  182,500.00 | 173,850.00  208,050.00  208,050.00  208,050.00  208,050.00 |

**NB**

* An addition of 14% V.A.T (Value Added Tax) will be charged against the Lessee/ Tenant.
* The VAT Rate is subject to change at the Government of Kenya’s discretion and when it does the Lessee will be charged at the prevailing rate;

Rent is herein Further broken down to mean:-

|  |  |  |
| --- | --- | --- |
| **1.** | **Quarterly Rent (For Year One)** | KES 450,000.00 |
| **2.** | **Quarterly Rent (For Year Two)** | KES 540,000.00 |
| **3.** | **Quarterly Service Charge (For Year 1 - 5)** | KES 7,500.00 |
| **4.** | **Rent Deposit (2 months)** | KES 300,000.00 |
| **5.** | **Service Charge Deposit (2 months)** | KES 5,000.00 |
| **6.** | **Water Deposit** | KES 5,000.00 |
| **7.** | **Electricity Deposit** | KES 20,000.00 |

1. Rent shall be paid on a quarterly basis in advance not later than the 10th of that month when it is due. If paid later than that date, it will attract a charge of 10% per day up to a maximum of one month thereafter to start recovery procedure of the same. **We propose a fixed penalty of KES 5% for the 30 day period.**
2. You shall use water from the common Mutall tap at second floor.
3. It is herein agreed that all payments shall only be remitted through the lessor’s bank account as provided here under.

|  |  |
| --- | --- |
| **Account Name:** | **MUTALL INVESTMENT CO. LTD** |
| **Bank:** | **COOPERATIVE BANK OF KENYA LTD** |
| **Branch:** | **KISERIAN** |
| **Account Number:** | **01148583941800** |

1. **THE TENANT’S COVENANTS**

The Tenant covenants with the Landlord:

1. **Rent**
2. to pay the rents on the days and in the manner set out in the Schedule 2 of this Lease and not to exercise any right or claim to withhold rent or any right or claim to legal or equitable set-off.
3. if so required in writing by the Landlord, to make such payments by banker’s order or credit transfer to the provided bank account that the Landlord may from time to time nominate provided that the Landlord shall each time payment instructions are varied give the Tenant a Thirty (30) days’ written notice of such change.
4. if and whenever during the Term any payment of rents is made by the Tenant by a cheque which is dishonored on presentation by the Landlord, the Tenant shall immediately pay to the Landlord, the rents in cash together with a penalty equivalent to **Twenty Percent (20 %)** of the value of such dishonoured cheque. – **We propose a penalty of KES 10,000.00. Our policies do not allow us to PAY IN CASH, if our cheque is dishonored, we will issue a Bankers’ Cheque or pay through a Bank Transfer.**
5. **Deposit**
6. To pay and maintain the Deposit as security for the performance by the Tenant of its obligations under this Lease.
7. Not to assign or encumber or attempt to assign or encumber as the Landlord shall not in any way be bound by any such assignment encumbrance or attempted assignment or encumbrance.
8. **Outgoings and taxes**

To pay and indemnify the Landlord against:

1. all rates, taxes, assessments, duties, charges, impositions and outgoings which are now or during or in respect of any time falling within the Term charged or assessed or imposed upon the Premises or upon their owner or occupier excluding any payable by the Landlord occasioned by receipt of the rents or by any disposition or dealing with ownership of any interest reversionary to the interest created in this Lease
2. 14% VAT or the prevailing charge imposed on the Landlord by Kenya Revenue Authority on the receipt of the rents during the Term
3. **Electricity and other services consumed**
   * 1. To pay to the suppliers of and to indemnify the Landlord against all charges for electricity, telephone and other utilities consumed at or in relation to the Premises and to pay for the cost of installing and maintaining a meter for measuring electricity consumed at or in relation to the Premises.
     2. To indemnify the Landlord against all actions, proceedings, claims and demands arising from any leakage or overflow of water from the Premises or any Pipes supplying the Premises occasioned by them.
     3. Not to do or carry on any business or install any equipment in the Premises which may abnormally increase the consumption of water consumed in the Premises without the prior written consent of the Landlord who shall be entitled as a condition of giving such consent to require the Tenant to pay such additional charges for the increase in consumption of water as the Landlord or the Landlord’s agent shall determine.
4. **Repair, Cleaning, Decoration and Re-decoration**
5. To repair the Premises.
6. To clean the Premises and keep them in a clean condition and without prejudice to the generality of the above to clean and keep clean both sides of the windows in the Premises.
7. Not to bring keep store stack or lay out on or in any part of the Property and the Building any materials, equipment, plant, bins, crates, cartons, boxes or any receptacle or waste or any other item.
8. Not to deposit or permit to be deposited any waste, rubbish or refuse on or in any part of the Property and the Building other than in the refuse chute or receptacles designated for that purpose.
9. As often as may in the opinion of the Landlord be necessary in order to maintain a high standard of decorative finish and attractiveness and to preserve the Premises and in at least once in a year to paint the Premises in a good and workmanlike manner and with the appropriate materials of good quality to the reasonable satisfaction of the Landlord the tints and colours and patterns of such decoration to be approved by the Landlord (which approval may not be unreasonably withheld).
10. **Waste and alterations**

Neither to commit any waste nor to make any addition or alteration whatsoever to the Premises except as permitted by the provisions of this Clause.

1. **Pre-conditions for alterations**

The Tenant must not make any alterations (including the installation of any internal partitions) to the Premises unless it first: -

* Obtains and complies with the necessary consents of the competent authorities and pays the charges occasioned by the alterations.
* Makes an application to the Landlord for consent supported by drawings and where appropriate a specification in duplicate prepared by an architect or a member of some other appropriate profession who must supervise the work throughout to completion.
* Pays the reasonable to scale fees of the Landlord, any mortgagee and their respective professional advisers.
* Enters into any covenants the Landlord requires as to the execution and reinstatement of the alterations; and
* Obtains the written consent of the Landlord whose consent may not be unreasonably withheld or delayed.

1. **Removal of alterations**

At the end of the Term if so requested by the Landlord, the Tenant must remove any additions, alterations or improvements made to the Premises to return the Premises to the original condition in which they were at the commencement of the Term and must make good any part of the Premises damaged by their removal.

1. **Aerials Signs and Advertisements**
2. Not without the prior written consent of the Landlord, erect any pole, mast or wire (whether in connection with telegraphic, telephonic, radio or television communication or otherwise) upon the Premises or the Building.
3. Not to affix or exhibit on the outside of the Building nor display anywhere on the Premises or the Building any placard sign notice fascia board or advertisement except with the written consent of the Landlord who must approve any such placard sign notice fascia board or advertisement.
4. If so required by the Landlordto pay for a suitable sign showing the Tenant’s trading name and business of a size and kind first which conforms with the design and layout selected by the Landlord to be affixed by the Landlord in the reception area of the Building or a board showing the names of and the floors occupied by the Tenant and other lessees in the Building at a point to be specified in writing by the Landlord.
5. **Statutory Obligations**

1. At the Tenant’s own expense to execute all works and provide and maintain all arrangements upon or in respect of the Premises or the use to which the Premises are being put, that are required in order to comply with the requirements of any statute (already or in the future to be passed). Or any government department local authority other public or competent authority, or court of competent jurisdiction regardless of whether such requirements are imposed on the Landlord the Tenant or the occupier
2. Without prejudice to the generality of the above not to do or omit or suffer to be done or omitted any matter in contravention of the statutes, or statutory instruments rules orders and regulations for the time being in force relating to the planning control development or any order directions or notices made or given thereunder and in particular to comply with the conditions attached to any permission for development given or to be given in relation to the Premises the Building and the Property and at all times (without prejudice to any statutory indemnity in that behalf) to indemnify and keep indemnified the Landlord against all action, proceedings, costs, expenses, claims, objections, representations or appeals in respect thereof as the Landlord may reasonably require.
3. **Access of the Landlord and notice to repair**
4. To permit the Landlord and its servants or agents at any time with a written 7 day notice prior to the visit: -

* To enter upon the Premises for the purpose of ascertaining that the covenants and conditions of this Lease have been observed and performed
* To view (and to open up floors and other parts of the Premises where so required in order to view) the state of repair and condition of the Premises
* To give to the Tenant (or leave upon the Premises) a notice specifying any repairs, cleaning, maintenance or painting that the Tenant has failed to execute in breach of the terms of this Lease and to request the Tenant immediately to execute the same including the making good of such opening up (if any).

**PROVIDED THAT** any such opening up shall be made good by and at the cost of the Landlord where such opening up reveals no breaches of the terms of this Lease.

1. Immediately to repair, cleanse, maintain and paint the Premises as required by such notice.
2. If within One (1) month of the service of such notice and without reasonable explanation to the Landlord, the Tenant shall not have commenced and be proceeding diligently with the execution of the work referred to in the notice or shall fail to complete the work within a reasonable period of time or if in the Landlord’s reasonable opinion the Tenant is unlikely to have completed the work within such period to permit the Landlord its servants and agents to enter the Premises to execute such work as may be necessary to comply with the notice and to pay the Landlord the cost of so doing and all expenses incurred by the Landlord (including legal costs and surveyor’s fees) within Fourteen (14) days of demand such expenses to be recoverable as additional rent in the event of non-payment.
3. **Alienation**
4. Not to hold the Premises on trust for another and not to assign sub-let charge, or part with the possession of the Premises or any part thereof without the written consent of the Landlord. AND IT IS HEREBY EXPRESSLY AGREED AND DECLARED THAT upon any breach by the Tenant of this covenant it shall be lawful for the Landlord to re-enter upon the Premises without notice and thereupon the Term shall conclude absolutely.
5. For the purposes of this sub-clause, if the Tenant transfers the beneficial interest in more than 50% of its holding or issued share capital, such transfer shall be deemed to be an assignment and shall require the consent of the Landlord which consent shall not be unreasonably withheld.
6. The Landlord expressly reserves the right in its absolute and uncontrolled discretion and without assigning any reason therefore to withhold its consent absolutely to any assignment or parting with possession of or charging of the Premises by the Tenant.
7. Any consent by the Landlord to any assignment or parting with the possession of or charging of the Premises shall not in any way be construed as relieving the Tenant from the Tenant’s obligation to obtain the express consent in writing of the Landlord to any further assignment parting with the possession of or charging of the Premises.
8. Prior to any permitted assignment the Tenant must procure that, the assignee enters into direct covenants with the Landlord to perform and observe all the Tenant’s covenants and all other provisions during the residue of the Term.
9. The Landlord may impose all or any of the following conditions on giving any consent for any assignment by the Tenant and any such consent is to be treated as being subject to each of the following:-
10. that if reasonably so required by the Landlord on an assignment to a limited company, the assignee must ensure that at least Two (2) directors of the company with the Assignee substituted for the Tenant.
11. within Twenty-eight (28) days of any assignment or any transmission or other devolution relating to the Premises the Tenant must produce a certified copy of any relevant document for registration with the Landlord’s Advocates and must pay the Landlord’s Advocates charges for registration of any such document
12. **User Nuisance and Residential Restrictions**
    * 1. Not to use the Premises for any purpose other than the Permitted User.
      2. Not to do or allow to remain upon the Premises anything which may be or become or cause a nuisance annoyance or disturbance inconvenience injury or damage to the Landlord or its tenants or the owners or occupiers of other parts of the Building or the Property or any adjacent or neighboring premises.
      3. Not to use the Premises for a sale by auction or for any dangerous noxious noisy or offensive trade business manufacture or occupation nor for any illegal or immoral act or purpose.
      4. Not to use the Premises as a sleeping accommodation or for residential purposes nor keep any animal, fish, reptile or bird anywhere on the Premises.
      5. Not to cease carrying on business in the Premises or leave the Premises continuously unoccupied for more than Fourteen (14) days without notifying the Landlord and without providing such caretaking or security arrangements as the Landlord shall reasonably require and any insurers of the Premises shall require in order to protect the Premises from vandalism theft damage or unlawful possession.
      6. To remove at the Tenant’s own expense any vermin that may infest the Premises during the Term and to take every reasonable precaution to ensure that white ants, bees or other destructive insects do not gain access to the Premises and to notify the Landlord forthwith in the event of any infestations appearing and the presence of any dry or wet rot.
      7. Not to introduce nor permit to be introduced into the Demised Premises or any part thereof any package, article or furniture, piece of machinery or other equipment or thing whatsoever having a weight which may strain or damage the Building or the Demised Premises unless and until lie individual weight of each such thing (and in the case of business machines and mechanical equipment also the sling thereof with a view to the absorption and prevention of vibration noise arid annoyance) shall have first been approved in writing by MUTALL's Architect for the time being.
      8. Fire Burning. Not to permit any open or internal combustion fire to be burned within the Demised Premises without the consent in writing of The Lessor first. In addition, should obtain a similar consent to bring or permit to be brought or kept in or on the Demised Premises any Inflammable combustible or explosive fluid, material, chemical or substance nor cause nor permit any objectionable odours to permeate from the Demised Premises.
13. **Landlord’s Costs**

To pay the Landlord on an indemnity basis all reasonable to scale costs, fees, charges, disbursements and expenses charged (including without prejudice to the generality of the above all legal fees and surveyor’s fees) incurred by the Landlord in relation to or incidental to: -

1. Every application made by the Landlord in relation to the Premises and/or for purposes of the Tenant’s operations for a consent or license required by the provisions of this Lease or by any statute enactment or condition on which the Property and the Building are held whether such consent is granted or refused or proffered subject to any qualification or condition or whether the application is withdrawn.
2. The preparation and service of any notice or demand under this Lease.
3. The recovery or attempted recovery of arrears of Rent or other sums due from the Tenant.
4. Any costs arising from the inspection of the Premises upon the expiry or determination of the Term leading to the preparation and service of a schedule of dilapidations during or after the expiration of the Term.
5. The negotiation preparation execution and grant of this Lease as well as stamp duty payable hereon and any counterpart of this Lease.
6. **Plans Documents and Information**

If called upon to do so, to produce to the Landlord all plans, documents and other evidence as the Landlord may reasonably require in order to satisfying itself that the provisions of this Lease have been complied with.

1. **Indemnities**

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

1. Any act omission or negligence or any alleged breach thereof of the Tenant or any persons at the Premises, expressly or impliedly with the Tenant’s authority or under the Tenant’s control; or
2. Any breach or non-observance by the Tenant of the covenants conditions or other provisions of this Lease or any of the matters to which this demise is subject.
3. **Encroachments**
4. Not to stop up, darken, or obstruct any windows or light belonging to the Premises and the Building.
5. To take all reasonable steps to prevent any new window light opening, doorway path passage, pipe or other encroachment or easement being made or acquired in against out of or upon the Premises and to notify the Landlord immediately if any such encroachment or easement shall be made or acquired (or attempted to be made or acquired) and at the request of the Landlord to adopt such means as shall reasonably be required to prevent such encroachment or the acquisition of any such easement.
6. **Yield Up**

At the expiration of the Term:

1. To yield up the Premises in good and satisfactory repair and in accordance with the terms of this Lease.
2. To give up all keys of the Premises to the Landlord.
3. To remove all signs erected by the Tenant in upon or near the Premises and immediately to make good any damage caused by such removal; and
4. To permit the Landlord or the Landlord’s agents during the six months preceding the termination of the Term and at any time thereafter and whenever the rents or any part of them shall be in arrears and unpaid for longer than Fourteen (14) days to fix and retain without interruption on any suitable part of the Premises a notice or board for selling or re-letting the same and during such period to permit persons after a written 7 day notice prior to the visit by the Landlord or the Landlord’s agents to view the Premises during normal business hours without interruption
5. **Interest on Arrears**
6. Without prejudice to any right of re-entry or distress conferred by law or by this Lease if the Tenant shall fail to pay the rents or any other sum due under this Lease within Seven (7) days of the date due whether formally demanded or not the Tenant shall pay to the Landlord Interest on the rents or other such sum at the Interest Rate from the date when they were due to the date on which they are paid and such Interest will be recoverable by the Landlord as additional rent
7. Nothing in the preceding Clause shall entitle the Tenant to withhold or deny any payment of the rents or other sum due under this Lease after the date upon which they fall due or in any way prejudice affect or derogate from the rights of the Landlord in relation to such non-payment (but without prejudice to the generality of the above) under the proviso for re-entry contained in this Lease
8. **Office Covenants**

To perform and observe the Office Covenants

1. **Unloading and Parking**

Not to unload any goods or materials from vehicles and convey them into the Premises except through the approved entrances provided for the purpose and not to cause congestion to adjoining parking areas or inconvenience to any other user of them

1. **The selling in and access to Common Parts:**

1. Not to place in the Common Parts or expose on the same for sale any goods or things whatsoever.
2. Not to do or permit or suffer to be done anything which may affect or obstruct the free and easy access, exit and passage for the Landlord and anyone deriving title from it to and from the fire escape and staircase in the Common Parts and in the case of emergency to and from the lifts
3. **Regulations**

To comply with any regulations made by the Landlord from time to time for the management of the Property and the Building

1. **Statutory Notices**

To give full particulars to the Landlord of any notice direction order or proposal for the Premises made given or issued to the Tenant by any local or public authority forthwith upon receipt or as soon as practically possible and if so required by the Landlord to produce it to the Landlord and without delay to take all the necessary steps to comply with the notice direction or order and at the request of the Landlord but at the cost of the Tenant to make or join with the Landlord in making such objection or representation against or in respect of any notice direction order or proposal as the Landlord shall deem expedient

1. **Key holders**

To ensure at all times the Landlord has written notice of the name home address and home telephone number of at least Two (2) key holders of the Premises

1. **Viewing on sale of reversion**

On reasonable notice at any time during the Term to permit prospective purchasers of the Landlord’s reversion or any other interest superior to the Term or agents instructed in connection with the sale of the reversion or such an interest to view the Premises without interruption provided they have the prior written authority of the Landlord or its agents

1. **Defective Premises**

To give notice to the Landlord of any defect in the Premises which might give rise to any obligation on the Landlord, to do or refrain from doing any act or thing in order to comply with the provisions of this Lease or any duty of care imposed on the Landlord by statute or otherwise and at all times to display and maintain all notices which the Landlord may from time to time reasonably require to be displayed at the Premises.

1. **Landlord’s Rights**

To permit the Landlord at all times during the Term to exercise without interruption or interference any of the rights granted to it by virtue of the provisions of this Lease.

1. **THE LANDLORD’S COVENANTS**

The Tenant paying the said rents and performing and observing all and every one of the covenants clauses conditions and agreements hereinbefore respectively reserved and contained and on the part of the Tenant to be performed and observed and unless prevented by any cause beyond the control of the Landlord the Landlord HEREBY COVENANTS with the Tenant as follows:

1. **Payment of Rents, rates and outgoings**

Subject to Clause 4 hereof to pay all rates, taxes, charges, head rents and outgoings whatsoever which now are or hereafter may become payable in respect of the Premises or any part thereof

1. **To keep in good and tenantable repair and condition**
2. To paint the exterior walls of the premises, keep in good and tenantable repair and condition the main structure of the Building including the roof timbers foundations external and load-bearing internal walls (but not the exterior and interior faces of such parts of external or internal walls as bound the Premises or the area therein)
3. All drains gutters drainpipes, water pipes, sanitary apparatus, wires and cables in or under the Building, which serve the same (excluding nevertheless, any which lie within the Premises and exclusively serve the same.)
4. The Common Parts of the Building enjoyed or used by the Tenant in common with others
5. **Structural Repairs**

To carry out any repairs to the interior of the Premises or to the Landlord’s fixtures fittings and fastenings therein which may become necessary at any time during the Term by reason of structural repairs to, or defects in the Building, or by reason of any breach or non-performance of the obligations of the Landlord under this Clause but so that the liability of the Landlord hereunder shall only extend to repairs which may become necessary other than by reason of damage caused by the Tenant or the servants licensees or invitees of the Tenant PROVIDED THAT the Landlord shall not be liable for damage caused by or resulting from or arising out of default of any tenants or occupiers of the Building and the Property their servants licensees or invitees with reference to the maintenance or user of any pipes or sanitary water or electrical apparatus therein or caused by any such persons permitting the maximum floor stress of any part of the Premises or the Building to be exceeded and

1. **Deposit**
2. Within Fourteen (14) days of the expiry or determination of the Term and after delivery up of the Premises in proper condition and in accordance with the Tenant’s covenants herein the Landlord will refund to the Tenant the Deposit free of any interest

The Lessor shall hold the deposit reserved in clause 2.1 above to the credit of Kentagon Enterprises (lessee’s) account (without payment of interest thereon) upon the following terms and conditions:

The Lessor shall return the said sum to the Lessee upon the expiration of the term subject as hereinafter provided.

* 1. PROVIDED ALWAYS that in the event that the lessee shall make default in paying any instalment of rent as hereinbefore provided or, shall commit any breach of any of the covenants conditions and previsions herein contained, resulting in any loss, damage or expenses to the building then such sum as aforesaid or so much thereof as may be necessary may be applied by the Lessor in making good any such loss, default or damage or expense but without prejudice to any right of action or remedy of the Lessor against the Lessee in respect of such non-payment or breach on the part of the Lessee.
  2. The Landlord shall be entitled at any time to apply the whole or any part of the Deposit towards the Tenant’s obligations and the Tenant shall forthwith pay to the Landlord an amount equal to the sum so applied to restore the Deposit in full.
  3. In the event of any sale of the Building or the Property or the leasing of the Building in its entirety, the Landlord shall upon notifying the Tenant transfer the Deposit to the Purchaser or the lessee thereof and the Landlord shall thereupon be deemed to have been released by the Tenant from all liability for the return of the Deposit and the Tenant shall henceforth look solely to the new landlord for the return of the Deposit.

1. **Quiet Enjoyment**

The Tenant paying the rents hereby reserved and observing and performing the several covenants and stipulations on the part of the Tenant herein contained or implied shall peaceably hold and enjoy the Premises during the Term without any interruption by the Landlord or any person rightfully claiming under or in trust of the Landlord.

1. **INSURANCE**
2. **Landlord to insure**

Subject to the provisions of this Lease, the Landlord covenants with the Tenant to insure and keep insured the Premises and the Building against the Insured Risks to the full insurable value thereof (including loss of rental income) and to pay all premia necessary for that purpose AND to rebuild or reinstate the Premises including the means of access thereto so far as the same may be damaged or destroyed AND to apply all moneys received by virtue of such insurance in making good the loss or damage in respect of which the same shall have been received but without prejudice to the liability of the Tenant to pay or contribute towards the cost of such making good in the event of the insurance money being wholly or partially irrecoverable by reason of any proven act or default of the Tenant or the servants licensees or invitees of the Tenant.

1. **Tenant’s insurance covenants**

The Tenant covenants with the Landlord:

1. To insure the plate glass.
2. To comply with all the requirements and recommendations of the Landlord’s insurers.
3. Not to do or omit anything that could cause any policy of insurance on or in relation to the Premises or any part of the Building to become void or voidable wholly or in part nor (unless the Tenant shall have previously notified the Landlord and have agreed to pay the increased premium) anything by which additional premiums may become payable.
4. Not to store or bring into the Property the Building or the Premises any articles substance or liquid of a specially combustible inflammable or explosive nature and to comply with the requirements and recommendations of the fire authority and the requirements of the Landlord as to fire precautions relating to the Premises.
5. Not to obstruct the access to any fire equipment or the means of escape from the Building and the Property and not to lock any fire door while the Premises or any part of the Property or the Building is occupied.
6. to give notice to the Landlord immediately upon the happening of any event which might affect any insurance policy on or relating to the Premises or the Property and Building or upon the happening of any event against which the Landlord may have insured under this Lease.
7. Immediately to inform the Landlord in writing of any conviction judgement or finding of any court or tribunal in Kenya relating to the Tenant (or any director other officer or major shareholder of the Tenant) of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue such insurance.

1. if at any time the Tenant shall be entitled to the benefit of any insurance on the Premises (which is not effected or maintained in pursuance of any obligation contained in this Lease) to apply all money received by virtue of such insurance in making good all the loss or damage in respect of which such money shall have been received.
2. if and whenever during the Term the Building or any part of it is damaged or destroyed by an Insured Risk and the insurance money payable under the policy of insurance effected by the Landlord pursuant to its obligations contained in this Lease is by reason of any proven act or default of the Tenant or anyone at the Premises expressly or by implication with the Tenant’s control wholly or partially irrecoverable immediately in every such case (at the option of the Landlord) either:
3. To rebuild and reinstate at its own expense that part of the Building destroyed or damaged to the reasonable satisfaction and under the supervision of the Landlord the Tenant being allowed towards the expenses of so doing upon such rebuilding and reinstatement being completed after six (6) months from the date of damage or destruction the amount (if any) actually received in respect of such destruction or damage under any such insurance policy or,
4. To pay to the Landlord on demand with interest the amount of such insurance money so irrecoverable
5. **PROVISOS**
6. **Re-entry**

If and whenever during the Term:

1. the rents (or any of them or any part of them) under this Lease are outstanding for Fourteen (14) days after becoming due whether formally demanded or not; or
2. there is a breach by the Tenant of any covenant or other term of this Lease or any document supplemental to this Lease; or
3. a company Tenant:
4. enters into liquidation whether compulsory or voluntary (but not if the liquidation is for amalgamation or reconstruction of a solvent company); or
5. has a receiver appointed or the Tenant enters into an arrangement for the benefit of its creditors, the Landlord may re-enter the Premises (or any part of them in the name of the whole) at any time (and even if any previous right of re-entry has been waived) and then the Term will absolutely cease but without prejudice to any rights or remedies which may have accrued to the Landlord against the Tenant in respect of any breach of covenant or other term of this Lease (including the breach in respect of which the re-entry is made) PROVIDED ALWAYS THAT in the event of any breach of any of the covenants or other terms of this Lease or occurrence of any of the other events stipulated in sub-clause 7.1 above the Landlord shall not be entitled to exercise the said right of re-entry unless the Landlord shall first give the Tenant a Twenty-One (21) days’ notice of the breach complained of and the Tenant shall fail to remedy such breach on the expiration of such notice
6. **Section 65 of the Land Act No. 6 of 2012**
   * 1. If at any time the Premises or any part thereof or the means of access thereto or the Landlord's fixtures and fastenings therein shall be damaged or destroyed by fire or other risks against which the Landlord shall have insured so as to render them unfit for occupation or use, the Landlord shall (unless the insurance moneys shall be wholly or partially irrecoverable by reason solely or in part of any act default or omission of the Tenant) until such time as the same shall again be rendered fit for occupation and use allow to the Tenant after six (6) months from the date of damage or destruction a total or proportionate abatement of the rents and any contribution payable by the Tenant as the case may be PROVIDED THAT the Landlord shall in no circumstances be liable for any damage or loss suffered by the Tenant by reason of such loss of occupation and use of the Premises.
     2. If the premises are not restored within Six (6) Months of destruction the tenant shall have the right to terminate the Lease.
     3. Where in accordance with sub-clause 6 b) ii hereof a question arises as to the amount of abatement to be made in the said rents the same shall be determined by surveyors appointed by the Landlord for such purpose and in determining the amount the said surveyors shall be instructed to have regard to the extent of the damage and the extent to which the Premises are unfit for use
7. **Exclusion of Liability**
8. The Landlord shall not be liable for any loss damage or injury to the Tenant or the servant’s licensees or invitees of the Tenant caused by:-
9. Any lack or shortage of electricity water or drainage.
10. Any burglary or theft howsoever occurring
11. Any fire howsoever occurring; or
12. Any act or default of any tenant of the Building or any portion thereof or of their servants licensees or invitees with reference to the maintenance or use of any pipes or sanitary water or electrical apparatus therein or the overloading of any floor of any part of the Building

AND the Tenant shall indemnify the Landlord against all claims actions and proceedings by the servant’s licensees or invitees of the Tenant in respect of such loss damage or injury

1. No liability shall attach in respect of any breach of any positive covenant or agreement (other than covenants and agreements for the payment of money) on the part of the Landlord or the Tenant herein contained or implied so long as they shall be prevented from performing the same by statutory restrictions non-availability of labour or materials or matters beyond their control except that if such breach shall occur as aforesaid the Landlord or the Tenant as the case may be shall remedy such breach immediately conditions permit and in the event of any such breach of a covenant or agreement on the part of the Landlord or the Tenant not having been remedied before the expiration or sooner determination of the said term the Landlord or the Tenant as the case may be shall forthwith upon such expiration or sooner determination pay to the Landlord or the Tenant as the case may be such an amount as shall be necessary to remedy such breach as aforesaid
2. **Repairs effected by Landlord**

Except as is provided by sub-clause 6 b) iii, of this Clause, no allowance shall be made to the Tenant for a diminution of rental value and no liability shall fall on the Landlord by reason of any inconvenience annoyance or injury to business arising from the Landlord or the Tenant or others making any repairs, alterations, additions or improvements in or to any portion of the Building or the Premises or in or to any fixtures appurtenances or equipment thereof

1. **Entire understanding**

The Landlord and its agents having made no representations or promises with respect to the Building or the Premises except as herein expressly set forth the taking possession of the Premises by the Tenant shall be conclusive evidence as against the Tenant that the Tenant accepts the same as they are and that the Premises the Building and the Property were in a good and satisfactory condition at the time such possession was so taken

1. **Waiver**
2. The failure of the Landlord or the Tenant to seek redress for violation of or to insist upon the strict performance or any covenant agreement condition restriction stipulation or provision of this Lease or of any of the rules and regulations from time to time promulgated by the Landlord shall not prevent any subsequent act which would have originally constituted a violation from having all the force and effect of an original violation.
3. The receipt by the Landlord of any rents with knowledge of the breach of any covenant agreement condition restriction stipulation or provision of this Lease shall not be deemed to be a waiver of such breach nor shall the failure of the Landlord to enforce any such rule or regulation as aforesaid against the Tenant and/or any other tenants of the Building be deemed to be a waiver of any such rules and regulations.
4. No provision of this Lease shall be deemed to have been waived by the Landlord or the Tenant unless the Landlord or the Tenant in writing expressly make such waiver.
5. No payment by the Tenant or any receipt by the Landlord or the Tenant of a lesser amount than the rents hereby reserved shall be deemed to be other than on account of the earliest stipulated rents nor shall any endorsement or statement on any cheque or any letter accompanying any cheque or payment as rents be deemed to be an accord and satisfaction and the Landlord may accept any such cheque or payment without prejudice to its rights to recover the balance of such rents or pursue any other remedy in this Lease provided.
6. **Notices**

Any notice or other communication bill or statement provided for by this Lease shall be in writing and any notice communication bill or statement to the Tenant shall be sufficiently served if addressed to the Tenant and delivered to the Premises or sent by registered post to the Tenant's last known address in the said Republic or if sent by facsimile to the facsimile number in the said Republic as the Tenant may hereafter notify the Landlord in writing and any notice or communication to the Landlord shall be sufficiently served if sent by registered post to its aforestated postal address or if sent by facsimile to the facsimile number in the said Republic as the Landlord may hereafter notify the Tenant in writing. Any notice communication bill or statement served by registered post shall be deemed to have been served within Seven (7) days following the day on which it is posted and if served by hand or facsimile transmission shall be deemed to have been served at the time of actual delivery or transmission

1. **Additional Building**

The Landlord shall have the right at any time as it may think fit during the Term to rebuild or to execute any other works alterations additions or improvements and to erect scaffolding and boarding in connection herewith in or to any portion of the Building or in or to any fixtures appurtenances or equipment thereof notwithstanding any interference with the access to light and air to the Building or the Premises or to the timbers walls floors ceilings doors windows fixtures or fittings thereof provided that prior to erecting such scaffolding and boarding the Landlord shall notify the Tenant and take into consideration the Tenant’s operations to ensure that access is not denied

1. **Exclusion of use warranty**

Nothing in this Lease or in any consent granted by the Landlord under this Lease shall imply or warrant that the Premises may lawfully be used under any enactment or statute other than for the purpose authorized in this Lease (or any purpose subsequently authorized)

1. **Licenses etc. under hand**

Whilst the Landlord and the Tenant are registered organizations in Kenya, all licenses, consents, approvals and notices (as the case may be) required to be given by the Landlord or the Tenant shall be sufficiently given under the hand of a director or the secretary or other duly authorized officer of the Landlord or the Tenant as the case may be.

1. **Change of arrangements etc.**

The Landlord shall have the right at any time without the same constituting an actual or constructive eviction and without incurring any liability to the Tenant therefore to change the arrangement and/or location of the Retained Parts and to change the name and designation by which the Building is commonly known

1. **Amendments**

No provision of this Lease shall be waived or varied by either party hereto except by agreement in writing which agreement shall if the case so requires be duly registered in the Land Titles Registry at Nairobi at the sole cost and expense of the party requiring the waiver or variation.

1. **Inability to perform**

This Lease and the obligation of the Tenant to pay the rents hereunder and to perform all the other covenants hereunder on the part of the Tenant to be performed, and observed shall not in any manner be excused because the Landlord is unable to fulfil any of its obligations under this Lease or to supply, or is delayed in supplying any of the Service expressly or implied to be supplied or is unable to make or is delayed in supplying any equipment or fixtures if the Landlord is prevented or delayed in so doing by reason of necessary repairs replacement maintenance addition alteration or decoration of any installations or apparatus or their damage or destruction or by reason of mechanical or other defects or breakdown or inclement weather conditions or shortage of fuel, materials, water or labour or any other cause beyond the Landlord’s control

1. **Tenant’s property**

If after the Tenant has vacated the Premises on the expiry of the Term any property of the Tenant remains in or on the Premises and the Tenant fails to remove it within Seven (7) days after being requested in writing by the Landlord to do so or if after using its best endeavours the Landlord is unable to make such a request to the Tenant within Fourteen (14) days from the first attempt so made by the Landlord:

* + 1. the Landlord may as the agent of the Tenant sell such property and the Tenant will indemnify the Landlord against any liability incurred by it to any third party whose property shall have been sold by the Landlord in the mistaken belief held in good faith (which shall be presumed unless the contrary be proved) that such property belonged to the Tenant.
    2. if the Landlord having made reasonable efforts is unable to locate the Tenant the Landlord shall be entitled to retain such proceeds of sale absolutely unless the Tenant shall claim them within Six (6) months of the date upon which the Tenant vacated the Premises; and
    3. the Tenant shall indemnify the Landlord against any damage occasioned to the Premises and any actions claims proceedings costs expenses and demands made against the Landlord caused by or related to the presence of the property in or on the Premises

AND the Tenant hereby accepts this Lease subject to the covenants conditions provisions stipulations and agreements contained herein.

**IN WITNESS WHEREOF** the Lessor has hereunto caused its common Seal to be affixed and the Lessee has hereunto set their hands the day and year hereinabove stated.

**SEALED with Common Seal of MUTALL investments COMPANY LIMITED (LESSOR)**

In the presence of: -

|  |  |  |
| --- | --- | --- |
| ………………………………………... | **Name** | ……………………………………….... |
| **Director** | **Designation** | **Director** |
| ………………………………………... | **Date** | ……………………………………….... |

**i hereby certify** that the above ……………………………………….., a director and ……………………………………….., another Director herein appeared before me and being known to me acknowledged the above signatures to be theirs.

Signed:

**ADVOCATE OF THE HIGH COURT OF KENYA**

**SEALED with Common Seal of KENTAGON ENTERPRISES (LESSEE)**

In the presence of: -

|  |  |  |
| --- | --- | --- |
| ………………………………………... | **Name** | ……………………………………….... |
| **Director** | **Designation** | **Director** |
| ………………………………………... | **Date** | ……………………………………….... |

**i hereby certify** that the above ……………………………………….., a director and ……………………………………….., another Director herein appeared before me and being known to me acknowledged the above signatures to be theirs.

Signed:

**ADVOCATE OF THE HIGH COURT OF KENYA**

**MEMORANDUM HEREINBEFORE REFERRED TO THE THIRD SCHEDULE**

|  |  |  |
| --- | --- | --- |
| **1.** | **The Premises** | **ALL THAT** area of floor space on part of the Ground **Floor** of the Building measuring approximate................**……………… (\*\*\*\*.\*\*)** **square feet** shown or the purpose of identification only on the Plan and thereon bordered in red and includes: |
|  |  | * + - 1. the floor and ceiling finishes but not any other part of the floor slabs and ceiling slabs that bound the Premises;       2. the inner half severed medially of the internal non-load bearing walls that divide the Premises from any other premises;       3. the interior plaster and decorative finishes of all walls bounding the Premises;       4. the doors and windows (including external and internal plate glass windows and shop front windows) and door and window frames and shutters at the Premises;       5. all additions and improvements to the Premises;       6. all the Landlord’s fixtures and fittings and fixtures of every kind that are from time to time in or on the Premises whether originally fixed or fastened to or on the Premises or otherwise except any fixtures installed by the Tenant that can be removed from the Premises without defacing them;       7. the Conduits exclusively serving the Premises; but excludes the use of roof and the roof space, the foundations and all external structural on load bearing walls columns beams and supports |
| **2.** | **The Term** | Five (5) years and three (3) months from and including the First day of 1st November, Two Thousand and Twenty. |
| **3.** | **The Monthly Rent** | 1. For the First year of the Term the sum of Kenya Shillings 150,000.00 per Month (without V.A.T) 2. For the Second, Third, Fourth and Fifth years of the Term the sum of Kenya Shillings 180,000.00 per Month (without V.A.T) 3. The Monthly Rent payable above is exclusive of Value Added Tax (V.A.T) which shall be paid by the Tenant upon payment of its RENT. |
| **4.** | **Service Charge** | To pay to the LESSOR by way of additional rent, a Service Charge which is proportional to the operating expenses of the Building that the floor space of the Premises bears to the floor space of the lettable area of the Building.  Such Service Charge is to be paid with the Rent monthly in advance and shall be in respect of the amount from time to time expended by Lessor.  The Lessee shall pay Service Charge at the monthly rate of Kenya Shillings 2,500.00 per Month.  Service charge is reviewed bi-annually at the rate of 10% of the pre-existing amount.  **The Gardener/Cleaner -** The services of such gardeners and cleaners as MUTALL shall consider necessary for cleaning and keeping tidy the Common Parts of the Building and the windows plus the toilets therein and the costs of the materials used by such cleaners  The amount of the operating expenses of the Building shall be computed annually for the period ending 30th day of June in each year. |
| **5.** | **Deposit** | On or before execution of this Lease, the tenant/lessee shall deposit with the Landlord a sum of **Kenya Shillings 300,000.00** being a security deposit for this agreement. The sum, there being no claims upon it shall be refunded in full without interest on termination of the Lease. |

**MEMORANDUM**

1. The Land Act No. 6 of 2012;
2. The Land Registration Act No 3 of 2012;
3. The Government Lands Act (chapter 280 of the Laws of Kenya) (Repealed);
4. The Registration of Title Act (Chapter 281 of the Laws of Kenya) (Repealed

**NOTES**

* You will pay bills directly to KPLC when due through A/C No. ……………..
* Your electricity meter number is ……………………..,.
* You will pay a deposit of KES 20,000 for electricity.

**Signed by**

|  |  |  |
| --- | --- | --- |
| ………………………………………... | **Signature** | ……………………………………….... |
| **LESSOR** | **On behalf of** | **LESSEE** |
| ………………………………………... | **Date** | ……………………………………….... |