**NOTE**:

* This is a commercial lease agreement (*short term for a period of less than 5 years 3 months*) between an individual person (lessor) and a Lessee company, and includes a corporate Guarantor that undertakes to guarantee the performance by the Lessee Company of its obligations under the Lease.
* The Lease Agreement protects the interests of the Lessor.
* A commercial lease agreement is a document used to rent any kind of commercial property (such as an office, store, or warehouse) that will be used to do business

**LEASE**

**DATED 20[\*]**

**-BETWEEN-**

**[\*]**

**(AS THE “LESSOR”)**

**-AND-**

**[\*]**

**(AS THE “LESSEE”)**

**-AND-**

**[\*]**

**(AS THE “GUARANTOR”)**

**-OVER-**

**LEASE AGREEMENT OVER OFFICE SPACE/GODOWN NUMBER {\*} SITUATE ON TITILE NUMBER {\*}**

**(THE “PREMISES”)**

**Form LRA 62 (r. 76(1))**

**REPUBLIC OF KENYA**

**THE LAND REGISTRATION ACT**

**THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017**

|  |  |  |
| --- | --- | --- |
| Date Received | Presentation Book | Official Fees Paid |
| ………………… | No…………………. | KShs. |

**LEASE**

**TITLE NO. [\*]**

|  |  |
| --- | --- |
| **Date of Lease** | **THIS LEASE** is made the **[\*]** day of **[\*]** Two Thousand and **[\*]** |
| **Lessor** | **[\*]** (holderof Kenyan Identification Number **[\*]**)of Post Office Box Number [\*] in the Republic of Kenya (hereinafter called the **“Lessor”** which expression shall where the context so admits include their personal representatives and permitted assigns) of the first part; |
| **Lessee** | **[\*],** a company incorporated in the Republic of Kenya under Certificate of Incorporation Number [\*] and of Post Office Box Number [\*] (hereinafter the “**Lessee**” which expression shall where the context so admits include its successors and assigns) of the second part. |
| **Guarantor** | **[\*],** a company incorporated in the Republic of Kenya under Certificate of Incorporation Number [\*] and of Post Office Box Number [\*] (hereinafter the “**Guarantor**” which expression shall where the context so admits include its successors and assigns) of the other part |
| **Demised Premises** | [\*]. |
| **Term** | [\*] years from [\*] |
| **Annual/monthly Rent / Stand Premium** | Kenya Shillings [\*] |

**WHEREAS:**

1. The Lessor as legal and or beneficial owner of the above noted Title **HEREBY LEASES** to the Lessee the Demised Premises (hereinafter called the “**Premises”**).
2. The Lessor has agreed to grant the Lessee a lease over the Lease Premises to be used solely for businesses purposes for the Term (herein defined) and at the fees and subject to the covenants agreements conditions restrictions stipulations and provisions hereinafter contained.
3. The Guarantor has been enjoined in this Lease to guarantee the performance by the Lessee of its obligations under this Lease.

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

1. **Definitions and Interpretation**
   1. **Definitions**

In this Lease including the Recitals, the following words and expressions shall (unless the context otherwise provides) have the following meanings: -

* + - 1. **“Common Parts”** includes without limitation the areas and amenities made available from time to time by the Lessor for use in common by the Lessee and other occupiers of the Lease Premises and all persons expressly or by implication authorized by them;
      2. **“Deposit”** means the sum equivalent to [\*] months’ Lease fee;
      3. **“Land Act”** means the Land Act (Act No.6 of 2012);
      4. **“Land Laws”** means together the Land Act and the Land Registration Act any subsidiary legislation, rules and regulations promulgated thereunder and any practice directions issued pursuant to the Land Act and the Land Registration Act;
      5. **“Land Registration Act”** means the Land Registration Act (Act No.3 of 2012);
      6. **“Lease”** means this Lease and being the short term Lease over the Lease Premises from the Lessor to the Lessee or its nominee in the form and substance that is in compliance with the Land Laws;
      7. **“Lease Commencement Date”** means the [\*};
      8. “**Property**” means of **ALL THAT** piece of land situate in [\*] in the [\*] Area of the said Republic containing by measurement [\*] hectares or thereabouts known as Land Reference Number [\*];
      9. **“Permitted User”** means the use of the Lease Premises for [\*] purposes;
      10. **“Lease Fee”** means the initial Lease fee of [\*]; and
      11. “**Term**” means the period of [\*] year commencing from the Lease Commencement date.
  1. **Interpretation**

In this Lease, unless the context or express provisions otherwise require: -

1. words importing the singular number only shall include the plural number also and vice versa and words importing the masculine gender includes the feminine and neuter gender and vice versa;
2. the expression “person” shall include any legal or natural person, partnership, trust, company, joint venture, agency, government or local authority department or other body (whether corporate or unincorporate);
3. clauses shall be construed as references to Clauses of this Lease;
4. any written law includes that law as amended or re-enacted from time to time;
5. any agreement or other document includes that agreement or other document as varied or replaced by the Parties in writing from time to time;
6. any Party includes that Party’s successors and or representatives and assigns; and
7. clause headings are inserted for convenience only and shall be ignored in construing this Lease.
8. **LEASE**

Subject to Clause 3 and 4, the Lessor grants to the Lessee (in common with the Lessor and all others authorised by the Lessor so far as is not inconsistent with the right given):

1. the right for the Lessee to have ingress to and egress from the Premises; and
2. the right to use the Premises for [\*] purposes.
3. **RENT**
   1. The rent payable in respect of the Premises for the first [\*] years of the term shall be Kenya Shillings [\*] (KShs. [\*]/-) per month exclusive of VAT.
   2. The Rent payable shall escalate at the rate of [\*] percent ([\*] %) every [\*] years unless agreed otherwise by the Parties.
4. **EXCEPTIONS AND RESERVATIONS**

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

* 1. the free and uninterrupted passage and running of water sewage electricity telephone and other services or supplies from and to other parts of the Property and the Building in and through the Pipes which now are or may after the date of this Lease during the Term be in under or over the Premises;
  2. the right to construct and to maintain in on under or over the Premises at any time during the Term any Pipes for the benefit of any part of the land and the Building;
  3. the right at any time during the term and upon reasonable notice except in cases of emergency to enter the Premises: -
     + - 1. to inspect the condition and state of repair of the Premises;
         2. to inspect cleanse connect or to repair remove replace with others alter or execute any works whatever to or in connection with the Pipes easements or services referred to in Clause 2.3 (a) and 2.3 (b);
         3. to view the state and condition of and repair and maintain the Premises and any other buildings erected on the land after the date of this Lease;
         4. to carry out work or do anything whatsoever comprised within the Lessor’s obligations within this Lease;
         5. to take schedules or inventories of fixtures fittings and other items to be yielded up on the expiry of the Term;
         6. to exercise any of the rights granted to the Lessor by this Lease.
  4. the right to erect scaffolding for the purpose of inspecting repairing or cleaning the Premises and the Building after the date of this Lease notwithstanding that such scaffolding may temporarily restrict the access to or use and enjoyment of the Premises;
  5. the rights of light air support shelter protection and all other easements and rights now or after the date of this Lease belonging to or enjoyed by other parts of the Premises and any adjoining property owned by or in the possession of the Lessor; and
  6. the right to reasonable access to the Premises for the purpose of cleaning and maintaining in good repair and condition the lifts (if any) that open into the Premises.

1. **LESSEE’S COVENANTS**

The Lessee covenants with the Lessor:-

1. to pay a security Deposit equal to [\*] months’ Rent for the Property to be retained by the Lessor throughout the Term as security for the due performance by the Lessee of the covenants agreements restrictions stipulations and provisions herein contained;
2. to pay the Rent together with any VAT thereon, to the Lessor without any deduction or set off by equal monthly/quarterly payments in advance on the First day of [\*] of the following month the first such payment to be made on the execution of this lease;
3. **Outgoings**

To pay and indemnify the Lessor against: -

1. The proportionate 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 Lessor occasioned by receipt of the Rent or by any disposition or dealing with ownership of any interest reversionary to the interest created in this Lease; and
2. any VAT or similar charge imposed on the Lessor on the receipt of any amounts payable hereunder during the Term.
3. **Services consumed**
4. To pay to the suppliers and to indemnify the Lessor against all charges for telephone, water and electricity used at or in relation to the Lease Premises.
5. To indemnify the Lessor against all actions proceedings claims and demands arising from any leakage or overflow of water from the Lease Premises or any Pipes supplying the Lease Premises if such leakage or overflow is due to the negligence of the Lessee.
6. **Repair Cleaning Decoration and Redecoration**
7. To keep the Lease Premises in good and Leasable repair and condition (fair wear and tear excepted).
8. To clean the Lease 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 Lease Premises.
9. To ensure that the waste from the operations of the restaurant is disposed of in an efficient and hygienic manner.
10. Not to bring keep store stack or lay out on or in any part of the Lease Premises any materials equipment plant bins crates cartons boxes or any receptacle or waste or any other item.
11. Not to deposit or permit to be deposited any waste rubbish or refuse on or in any part of the Lease Premises other than in receptacles designated for that purpose.
12. To paint or decorate the Lease Premises in a good and workmanlike manner in the Lessee’s preferred colour scheme.
13. As often as may be necessary in order to maintain a high standard of decorative finish and attractiveness and to preserve the Lease Premises and in the last year of the Term to redecorate the Lease Premises in a good and workmanlike manner and with the appropriate materials of good quality to the reasonable satisfaction of the Lessor the tints and colours and patterns of such decoration to be approved by the Lessor.
14. to perform and observe such rules and regulations governing the terms of access to and from the use of the Property as may be made by the Lessor from time to time;
15. not to use the Property in such a way as to cause any nuisance, damage, disturbance, annoyance, inconvenience or interference to the Building or adjoining and or neighbouring property or to the owners, occupiers or users of any adjoining or neighbouring property;
16. not to do anything that will or might constitute a breach of any statutory requirement affecting the Property or that will or might wholly or partly vitiate any insurance effected in respect of the Property from time to time;
17. to indemnify the Lessor against all losses claims demands actions proceedings damages costs or expenses or other liability arising in any way from this Lease or any breach of any of the obligations on the part of the Lease contained in this Clause or the exercise or purported exercise of the rights given in Clause 3; and
18. to idemnify the Lessor against all losses claims demands actions proceedings damages costs or expenses or other liability arising in any way from any fire, damage or action whatsoever caused by an Authorised Vehicle or by the Lessee or his/her/its servants or agents.
19. **THE LESSOR ’S COVENANTS**

The Lessee paying the Rent 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 Lessee to be performed and observed and unless prevented by any cause beyond the control of the Lessor HEREBY COVENANTS with the Lessee as follows: -

* 1. **Compliance with Grant**

To pay the rent (if any) reserved by and to perform and observe the covenants contained in the Titles under which the Properties are held and to indemnify the Lessee from and against all actions proceedings damages claims and demands in respect thereof.

* 1. **Quiet Enjoyment**

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

1. **PROVISOS**
   1. **Re-entry**

If at any time the Lessee is in breach of any term of this Lease including delayed payment of the rent hereby reserved for seven (7) days’, the Lessor shall give the Lessee at least fourteen (14) days’ notice to rectify the breach. If such default is not rectified or remedied to the satisfaction of the Lessor, the Lessor shall be entitled at its discretion and upon giving notice to the Lessee of the intention to terminate the Lease proceed to terminate this Lease and eject the Lessee from the Properties and to take possession thereof as full and absolute owner thereof.

* 1. **Entire understanding**

The Lessor and his/her/their agents having made no representations or promises with respect to the Property except as herein expressly set forth the taking possession of the Property by the Lessee shall be conclusive evidence as against the Lessee that the Lessee accepts the same as it was and that the Property was in a good and satisfactory condition at the time such possession was so taken.

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

Any notice or other communication bill or statement provided for by this Lease shall be in writing. Any notice communication bill or statement to the Lessee shall be sufficiently served if addressed to the Lessee and delivered to the Property or sent by registered post to the Lessee’s last known address in the said Republic notified to the Lessor in writing **PROVIDED THAT** any notice that is delivered to the Property or shall also be sent by registered post to the Lessee’s last known address. Any notice or communication to the Lessor shall be sufficiently served if sent by registered post to its aforestated postal address. 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.

* 1. **Exclusion of use warranty**

Nothing in this Lease or in any consent granted by the Lessor under this Lease shall imply or warrant that the Properties may lawfully be used under any enactment or statute for the purpose authorised in this Lease (or any purpose subsequently authorised).

* 1. **Option to renew term of lease**

1. If the Lessee shall be desirous of taking a lease of the Property for a further term from the expiration of the Term hereby granted at the rent and on the terms and conditions hereinafter mentioned it shall within [\*] months’ before expiry of the Lease hereby granted give to the Lessor notice in writing of its desire and if it shall have paid the rent hereby reserved (hereinafter called the current rent) and shall have reasonably performed and observed the several stipulations herein contained and on his part to be performed and observed Property to the Lessee for the further term and rent as may from time to time be agreed by the parties provided that if any difference shall arise between the parties as to the rent payable on renewal of the lease the dispute shall be determined by the Valuer and the Valuer shall be deemed to be acting as an independent expert and not an arbitrator and his decision shall be final and binding on both parties. The Valuer’s costs and all costs to be incurred thereto shall be borne by the Lessee.
2. If the Lessee shall not opt to renew the Lease at the expiration of the Term hereby granted, the Parties hereby agree that the Lessee shall be allowed to remove all movable assets on the Property within fourteen (14) days’ from expiration.
3. **Guarantee**

In consideration of this Lease having been given to the Lessee at the request of the Guarantor made to the Lessor the Guarantor hereby guarantees to the Lessor the payment by the Lessee of the rent hereby reserved and all sums payable by the Lessee hereunder at the respective times and in the manner hereinbefore appointed for payment thereof and the due performance and observance by the Lessee of all the provisions and conditions hereof during the continuance of the term created by the lease herein and in the event of any default by the Lessee, the Guarantor hereby **COVENANTS AND AGREES** with the Lessor to pay the said rent and any sums becoming due to the Lessor from the Lessee hereunder and all losses damages expenses and costs suffered by the Lessor as a result of non-payment or breach or non-performance or non-observance of any of the provisions and conditions hereof. The Guarantor further guarantees to ensure that the Lessee duly performs observes and keeps the several agreements and covenants hereinbefore made on the part of the Lessee and the Lessor and in the event that the Lessee defaults in making any payments as aforesaid the Guarantor shall make good such payment to the Lessor and further indemnify the Lessor against any costs and expenses incurred by the Lessor by reason of default of the Lessee in respect of any of its obligations herein mentioned.

1. **Section 65 of the Land Act, 2012**

The provisions of section 65 of the Land Act, 2012 shall not apply to this Lease.

1. **Dispute Resolution**
   1. If there is any dispute arising from or in connection with this Agreement or its interpretation thereof, the Parties shall in the first instance attempt to resolve such dispute by amicable negotiation.
   2. Should such amicable negotiations fail to achieve a resolution within fifteen (15) days, either party may refer the dispute to mediation and such mediation shall take place in accordance with the Nairobi Centre for International Arbitration – Mediation Rules as shall be obtaining at the time of the dispute.
   3. Should such mediation fail to achieve a resolution within thirty (30) days or such other time as may be agreed between the parties, either Party may declare a dispute by written notification to the other, whereupon such dispute shall be referred to arbitration under the following terms:-
      1. such arbitration shall be resolved under provisions of the Kenyan Arbitration Act 1995 (as amended from time to time);
      2. the tribunal shall consist of one arbitrator to be agreed upon between the Parties failing which such arbitrator shall be appointed by the Chairman for the time being of the Law Society of Kenya upon the application of any Party;
      3. the place and seat of arbitration shall be Nairobi and the language of arbitration shall be English;
      4. the award of the arbitration tribunal shall be final and binding upon the Parties to the extent permitted by law and any Party may apply to a court of competent jurisdiction for enforcement of such award. The award of the arbitration tribunal may take the form of an order to pay an amount or to perform or to prohibit certain activities; and
      5. notwithstanding the above provisions of this Clause, a party shall be entitled to seek preliminary injunctive relief or interim or conservatory measures from any court of competent jurisdiction pending the final decision or award of the arbitrator.
2. **Force Majeure**
   1. Neither Party shall not be liable in respect of any delay in performing, failure to perform, or failure to adequately perform any of his or its obligations hereunder in consequence of any act, cause or event which:-
3. was not within his or its control;
4. was not caused or precipitated by his or its negligence; and
5. could not have been prevented by his or its reasonable diligence, including without limitation:
6. any act of God;
7. any war or hostilities (whether war be declared or not);
8. any sabotage, riots or other act of civil disobedience, civil commotion, rebellion, act of a public enemy or invasions;
9. any judicial actions, strikes, lockouts, industrial disputes or actions of such nature;
10. any actions or inactions of any government or any agency or department;
11. any act of terror;
12. any storms, floods or other inclement, weather, earthquakes, subsidence, epidemics or other natural physical disasters; and
13. fire, accident, explosion or shortage of labour

(hereinafter called a “**Force Majeure Event**”) for so long as and to the extent that the effects of the Force Majeure Event continue.

* 1. The Party which claims that a Force Majeure Event has prevented it from fulfilling any of his or its obligations under this Agreement shall, within fourteen (14) days of the occurrence of a Force Majeure Event, notify the other Party (the “**Force Majeure Notice**”) of the Force Majeure Event in sufficient detail including the nature and effect of the Force Majeure Event. Similarly, Such Party shall notify the other Party when the Force Majeure Event ceases.

* 1. Where the Force Majeure Event continues for more than one (1) months after the date of the Force Majeure Notice either party may terminate this Agreement but without prejudice to any accrued rights either party may have against the other but subject to agreement, such affected Party undertakes to continue its performance of obligations under this Agreement immediately the Force Majeure event ceases.

1. **GENERAL**
   1. The Rent may be revised by the Lessor at any time by the Lessor giving the Lessee not less than [\*] calendar month’s prior written notice and at least [\*] month before the date of the next monthly/quarterly payment and any increase of such fee shall be payable forthwith on the expiration of such notice for the period then preceding the date for the next monthly/quarterly payment.
   2. The benefit of this Lease is personal to the Lessee, not assignable and the rights given in Clause 3 may only be exercised by the Lessee and any attempt to assign such benefit or permit any other person (other than the servants or agents of the Lessee) to use the Property shall be a breach by the Lessee of its undertakings contained in this Lease.
   3. All costs, charges and expenses of and incidental to and the preparation and completion of this Lease including the Lessor’s Advocate’s fees, stamp duties and other disbursements shall be paid by the Lessee on the execution of this Agreement.

**IN WITNESS WHEREOF** this Agreement has been duly executed the day and year first hereinbefore written.

**===================***Space deliberately left blank***===================**

**SIGNED** by the Lessor the said )

**[\*]** )\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

) **[\*]**

) ID No. [\*]

)PIN No. [\*]

)

)

)

In the presence of:

**Name:           [\*]**

**Address**:       **[\*]**

**Occupation**: **[\*]**

**Signature**:    **[\*]**

**SIGNED** by the duly authorized )

Representative of the lessee: - )

)

**Name**  **[\*]** )

Signature **[\*]** )

)

**Name [\*]**  )

Signature: **[\*]** )

)

**Before me:-** )

)

Name: **[\*]** )

Address:       **[\*]** )

Occupation:  **[\*]** )

Signature:    **[\*]** )

**SIGNED** by the duly authorized )

Representative of the **Guarantor**: - )

)

**Name**  **[\*]** )

Signature **[\*]** )

)

**Name [\*]**  )

Signature: **[\*]** )

)

Before me:- )

)

Name: **[\*]** )

Address:       **[\*]** )

Occupation:  **[\*]** )

Signature:    **[\*]** )