**NOTE**:

* This is a commercial lease agreement (*short term for a period of less than 5 years 3 months*) between a company as Lessor and another company as the Lessee.
* The Lease is drafted in a manner that it protects the interests of the Lessee.
* 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”)**

**-OVER-**

**E 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** | **[\*],** a company incorporated in the Republic of Kenya under Certificate of Incorporation Number [\*] and of Post Office Box Number [\*] (hereinafter the “**Lessor**” which expression shall where the context so admits include its successors and assigns) of the first part; 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 |
| **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.

**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. **“Commencement Date”** means [\*]
      2. **“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;
      3. **“Deposit”** means the sum equivalent to [\*] months’ Lease fee;
      4. **“Land Act”** means the Land Act (Act No.6 of 2012);
      5. **“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;
      6. **“Land Registration Act”** means the Land Registration Act (Act No.3 of 2012);
      7. **“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;
      8. **“Lease Commencement Date”** means the [\*};
      9. “**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 [\*];
      10. **“Permitted User”** means the use of the Lease Premises for [\*] purposes;
      11. **“Lease Fee”** means the initial Lease fee of [\*];
      12. **“Retained Parts”** means the Property and the buildings erected thereon (other than the Premises) which are not let out including (but without prejudice to the generality of the foregoing): -

1. the Common Areas;
2. all loading areas within the Premises;
3. office accommodation for the Lessor or any property manager appointed to manage the Premises and any of their ancillary staff;
4. all Pipes on or serving the Premises;
5. all parts of the building including (without prejudice to the generality of the foregoing) its walls foundations and roofs;
6. the boundary walls and fences of the Premises; and
7. the common lavatories; and
   * + 1. “**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. **RIGHTS**

The Lessor grants to the Lessee (in common with the Lessor and all others entitled and only in so far as the Lessor is entitled to grant): -

* + - 1. the right for the Lessee and all other persons expressly or by implication authorised by it to pass and re-pass to and from the Premises at all times with or without vehicles of any description for all purposes connected with the use and enjoyment of the Premises (but not otherwise) over and along the roads driveways and pathways within the Premises;
      2. the right for the Lessee and all persons expressly or by implication authorised by it to use the Common Areas for all proper purposes in connection with the use and enjoyment of the Premises; and
      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.

1. **LESSEE’S COVENANTS**

The Lessee covenants with the Lessor:

* 1. **Payment of Rent** 
     1. To pay the Rent monthly in advance (being the sum of Kenya Shillings [\*] (KShs. [\*] /-) and exclusive of VAT at 16%, on or before the fifth (5th) day of each succeeding month and in the manner set out in this Lease and not to exercise or seek to exercise any right or claim to withhold the Rent or any right or claim to legal or equitable set-off.
     2. The Rent for the first year of the Term amounting to the sum of Kenya Shillings [\*] (KShs. [\*] /-) and exclusive of VAT shall become due and payable in advance upon execution of the Lease;
     3. All payments in respect of the Rent herein shall be paid directly to the Lessor’s bank account whose particulars are as follows:-

Account Name:

Bank:

Branch:

Account No.

Swift Code:

Branch Code:

* 1. **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.
  1. **Services consumed**
     1. 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.
     2. 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.
  2. **Repair Cleaning Decoration and Redecoration**
     1. To keep the Lease Premises in good and Leasable repair and condition (fair wear and tear excepted).
     2. 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.
     3. To ensure that the waste from the operations of the restaurant is disposed of in an efficient and hygienic manner.
     4. 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.
     5. 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.
     6. To paint or decorate the Lease Premises in a good and workmanlike manner in the Lessee’s preferred colour scheme.
     7. 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.
  3. **Waste and alterations**

Not to commit any waste nor to make any addition or alteration whatsoever to the Lease Premises except as permitted by the provisions of this Clause.

* + 1. **Pre-conditions for alterations**

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

* + - 1. obtains and complies with the necessary consents of the competent authorities and pays their charges for them;
      2. pays the fees of any mortgagee and their respective professional advisers, if in the Lessee’s view the consultants or professional service providers are needed;
      3. enters into any covenants the Lessor requires as to the execution and reinstatement of the alterations; and
      4. obtains the consent of the Lessor whose consent may not be unreasonably withheld or delayed.
  1. **Aerials Signs and Advertisements**
     1. Not without the prior written consent of the Lessor which consent should not be unreasonably withheld or delayed erect any pole mast or wire (whether in connection with telegraphic telephonic radio or television communication or otherwise) upon the Lease Premises.
     2. To pay for a suitable sign showing the Lessee’s trading name and business and to only affix or exhibit the sign at the designated space within the Lease Premises a placard sign notice fascia board or advertisement advertise in the Lessee’s business.
  2. **Statutory Obligations**
     1. At the Lessee’s own expense to execute all works and provide and maintain all arrangements upon or in respect of the Lease 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 in existence or to be passed in future) or any government department county government other public or competent authority or Court of competent jurisdiction regardless of whether such requirements are imposed on the Lessor, the Lessee 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 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 Lease Premises and at all times (without prejudice to any statutory indemnity in that behalf) to indemnify and keep indemnified the Lessor against all action proceedings costs expenses claims objections representations or appeals in respect thereof as the Lessor may reasonably require.
  3. **Access of the Lessor and notice to repair**
     1. Upon giving the Lessee two (2) days’ notice (except in cases of emergency) to permit the Lessor and her servants or agents: -
        1. to enter upon the Lease Premises for the purpose of ascertaining that the covenants and conditions of this Lease have been observed and performed;
        2. to enter upon the Lease Premises for the purpose of ascertaining that the structures erected within the Lease Premises by the Lessee are maintained at such standard as is generally required of such structures.
     2. Within ninety (90) days attend to rectification of any breach identified by the Lessor pursuant to Clause 4.9 (a) above, upon such terms as shall be required by such notice.
     3. If within ninety (90) days of the service of such notice the Lessee shall not have commenced and be proceeding diligently with implementation of the terms of the notice or if the Lessee shall fail to comply with the notice within a reasonable period of time or if in the Lessor’s reasonable opinion the Lessee is unlikely to have complied with the terms of the notice and failure by the Lessee to comply thereof will subject the Lessor to a penalty, the Lessee shall permit the Lessor her servants and agents to enter the Lease Premises to execute such work as may be necessary to comply with the notice and the Lessee shall thereafter reimburse the Lessor the cost of so doing and all expenses incurred by the Lessor (including any legal costs and other consultant’s fees) within Fourteen (14) days of demand such expenses to be recoverable as additional rent in the event of non-payment.
  4. **Alienation**
     1. Not to assign sub-let or part with the possession of the Lease Premises or any part thereof without first obtaining the Lessor’s written consent (which consent shall not be unreasonably withheld) **AND IT IS HEREBY EXPRESSLY AGREED AND DECLARED THAT** upon any breach by the Lessee of this covenant it shall be lawful for the Lessor to re-enter upon the Lease Premises without notice and thereupon the Term shall determine absolutely.
     2. For the purpose of this sub-clause, if the Lessee is a partnership firm business or limited liability company the transfer of the beneficial interest in more than 50% of its holding or issued share capital shall be deemed to be an assignment.
     3. The Parties hereby agree that the Lessor’s consent required under this Clause shall not be unreasonably withheld and where consent is denied, the Lessor shall promptly notify the Lessee of the reasons of such rejection and where applicable indicate conditions, if any that the Lessee should meet before such consent is granted.
  5. **User Nuisance and Residential Restrictions**
     1. Not to use the Lease 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 Lessor or its Lessees or the Lease Premises or any adjacent or neighbouring premises.
     3. Not to use the Lease 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 cease carrying on business in the Lease Premises or leave the Lease Premises continuously unoccupied for more than Fourteen (14) days without notifying the Lessor and without providing such caretaking or security arrangements as the Lessor shall reasonably require and any insurers of the Lease Premises shall require in order to protect the Premises from vandalism theft damage or unlawful possession.
  6. **Lessor’s Costs**

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

* + 1. the preparation and service of any notice or demand under this Lease;
    2. the recovery or attempted recovery of arrears of rent or other sums due from the Lessee;
    3. any costs arising from the inspection of the Lease 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;
    4. the negotiation preparation execution and grant of this Lease as well as stamp duty payable hereon and any counterpart of this Lease; and
    5. To pay to the Lessor’s advocates legal fees in respect of the preparation of this Lease.
  1. **Plans Documents and Information**

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

* 1. **Indemnities**

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

* + 1. any act omission or negligence or any alleged breach thereof of the Lessee or any persons at the Premises expressly or impliedly with the Lessee’s authority or under the Lessee’s control; or
    2. any breach or non-observance by the Lessee of the covenants conditions or other provisions of this Lease or any of the matters to which this demise is subject.
  1. **Yield up**

At the expiration of the Term: -

* + 1. yield up vacant possession of the Lease Premises in good and tenantable repair and condition and in accordance with the terms of this Lease. Accordingly, the Lessee will be required to remove all immovables and movables within the Lease Premises at the determination of the Term;
    2. give up all keys, if any of the buildings on the Lease Premises to the Lessor;
    3. remove all signs erected by the Lessee in upon or near the Lease Premises and immediately to make good any damage caused by such removal; and
    4. permit the Lessor or the Lessor’s agents during the three (3) months preceding the termination of the Term to fix and retain without interruption on any suitable part of the Lease Premises a notice or board for selling or re-letting the same and during such period to permit persons by order in writing of the Lessor or the Lessor’s agents to view the Lease Premises during normal business hours without interruption.
  1. **Arrears**
     1. The Parties hereby agree that if the Rent or any other sum due under this Lease shall remain unpaid for a period of Twenty one (21) days from the due date of payment and whether formally demanded or not, the Lessor, her agents or representatives shall without prejudice to any right of re-entry or distress conferred by law or by this Lease, immediately upon expiry of the Twenty One days and without further notice to the Lessee exercise her right of re-entry into the Premises.
     2. Nothing in the preceding clause shall entitle the Lessee to withhold or deny any payment of the Rent 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 Lessor 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.
  2. **Covenants**

To perform and observe the Covenants.

* 1. **Unloading and Parking**
     1. Not to unload any goods or materials from vehicles and convey them into the Lease 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.
     2. To only use the parking spaces allocated and or designated to the particular Lease Premises by the Lessor.
     3. The Lessee shall only allow overnight parking of vehicles including trucks and trailers on its designated parking spaces. However, in the event that such trucks do not fit within the Lessee’s designated parking space, then the Lessee will have to first obtain the prior written consent of the Lessor which consent shall be given solely at the Lessor’s discretion.
  2. **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 Lessor and anyone deriving title from it to and from the fire escape and staircase in the Common Areas.
  3. **Statutory Notices**

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

* 1. **Defective Premises**

To give notice to the Lessor of any defect in the Lease Premises which might give rise to any obligation on the Lessor 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 Lessor by statute or otherwise and at all times to display and maintain all notices which the Lessor may from time to time reasonably require to be displayed at the Lease Premises.

* 1. **Lessor’s Rights**

To permit the Lessor 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 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. **Payment of rents, rates and outgoings**

Subject to Clause 3 hereof, to pay all rates taxes charges head rents and outgoings whatsoever which now are or hereafter may become payable in respect of the Lease Premises or any part thereof.

* 1. **To keep in good and Leasable repair and condition**

To keep in good and leasable repair and condition: -

* + 1. all drains gutters drainpipes water pipes sanitary apparatus wires and cables in or under the Land (excluding nevertheless any which lie within the Lease Premises and exclusively serve the same) and **PROVIDED THAT** as agreed between the Parties the Lessee shall maintain the drains gutters drainpipes water pipes sanitary apparatus wires and cables serving the Premises;
    2. the Common Parts enjoyed or used by the Lessee in common with others **PROVIDED THAT** the Lessor shall only be responsible for Thirty percent (30%) of the costs incurred herein and the Lessee shall cater for Seventy percent (70%) of such costs.
  1. **Compliance with Grant**

Subject to Clause 3 hereinabove to pay the rent (if any) reserved by and to perform and observe the covenants contained in the Title under which the Lease Premises 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 Lease Premises during the Term without any interruption by the Lessor or any person rightfully claiming under or in trust of the Lessor.

1. **INSURANCE**
   1. **Lessor to insure**

Subject to the provisions of this Lease the Lessor covenants with the Lessee to insure and keep insured the Lease Premises against risks as the Lessor may from time to time in her absolute discretion think fit to insure **PROVIDED THAT** the parties agree that the Lessor will not be responsible for the insurance of the Lessee’s assets, any building erected on the Premises by the Lessee, goods, working equipment and any other effects belonging to the Lessee and the Lessor may furnish copies of the relevant cover or policy of insurance to the Lessee or any person claiming under him upon demand in writing.

* 1. **Lessee’s insurance covenants**

The Lessee covenants with the Lessor:-

* + 1. to comply with all the reasonable requirements and recommendations of the Lessor ’s insurers;
    2. not to do or omit anything that could cause any policy of insurance on or in relation to the Property to become void and voidable wholly or in part nor (unless the Lessee shall have previously notified the Lessor and have agreed to pay the increased premium) anything by which additional premiums may become payable;
    3. to pay directly or reimburse the Lessor on demand and fully indemnify the Lessor in respect of any additional premiums payable under any policy of insurance covering the Premises arising from a dangerous nature of any goods stored on the Premises by the Lessee and to comply with the requirements and recommendations of any fire authority and the requirements of the Lessor in connection with fire precautions relating to the Premises;
    4. not to obstruct the access to any fire equipment or the means of escape from the Premises and the Property and not to lock any fire door while the Premises or any part of the Premises is occupied;
    5. to give notice to the Lessor immediately upon the happening of any event which might affect any insurance policy on or relating to the Land or upon the happening of any event against which the Lessor may have insured under this Lease;
    6. immediately to inform the Lessor in writing of any conviction judgement or finding of any court or tribunal relating to the Lessee (or any director other officer or major shareholder of the Lessee) of such a nature as to be likely to affect the decision of any insurer or underwriter to grant or to continue such insurance;
    7. if at any time the Lessee 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 the loss or damage in respect of which such money shall have been received;
    8. if and whenever during the Term the Lease Premises 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 Lessor pursuant to its obligations contained in this Lease is by reason of any act or default of the Lessee or anyone at the Premises expressly or by implication with the Lessee’s control wholly or partially irrecoverable immediately in every such case (at the option of the Lessor) either:-
       1. to rebuild and reinstate at his own expense that part of the Premises destroyed or damaged to the reasonable satisfaction and under the supervision of the Lessor the Lessee being allowed towards the expenses of so doing upon such rebuilding and reinstatement being completed the amount (if any) actually received in respect of such destruction or damage under any such insurance policy; or
       2. to pay to the Lessor on demand the amount of such insurance money so irrecoverable.

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

If and whenever during the Term:-

* + 1. the Rent (or any part of it) under this Lease is outstanding for Twenty One (21) days after becoming due whether formally demanded or not; or
    2. there is a breach by the Lessee of any covenant or other term of this Lease or any document supplemental to this Lease; or
    3. the Lessee: -
       1. enters into liquidation whether compulsory or voluntary (but not if the liquidation is for amalgamation or reconstruction of a solvent company); or
       2. has a receiver appointed; or
    4. the Lessee enters into an arrangement for the benefit of his creditors; or
    5. the Lessee has any distress or execution levied on its goods, the Lessor 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 Lessor against the Lessee 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).
  1. **Exclusion of Liability**
     1. The Lessor shall not be liable for any loss damage or injury to the Lessee or the servants licensees or invitees of the Lessee caused by: -
        1. any lack or shortage or electricity water or drainage;
        2. any burglary or theft howsoever occurring;
        3. any fire howsoever occurring; or
        4. any act or default of any Lessee of the Lease Premises 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 Lessee shall indemnify the Lessor against all claims actions and proceedings by the servants licensees or invitees of the Lessee in respect of such loss damage or injury,

**PROVIDED HOWEVER THAT** the Lessor shall bear responsibility for any loss, damage or injury suffered by the Lessee solely as a result of negligence on the part of the Lessor, his agents, servants or representatives.

* + 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 Lessor or the Lessee 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 Lessor or the Lessee 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 Lessee not having been remedied before the expiration or sooner determination of the Term the Lessee shall forthwith upon such expiration or sooner determination pay to the Lessor such an amount as shall be necessary to remedy such breach as aforesaid.
  1. **Repairs effected by Lessor**

The Lessor shall be liable to the Lessee by reason of any inconvenience annoyance or injury to business arising from the Lessor or its representatives or others making any repairs alterations additions or improvements in or to any portion of the Premises or in or to any fixtures appurtenances or equipment thereof and the Lessor shall procure that such repairs, alterations, additions or improvements are done in a reasonable manner and within a reasonable time.

* 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 Land 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 Lease Premises or sent by registered post to the Lessee’s last known address in the said Republic or sent by email to the email address notified to the Lessor in writing **PROVIDED THAT** any notice that is delivered to the Lease Premises or sent by email 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. **Licences etc. under hand**

Whilst the Lessor is a limited company or other corporation all licences consents approvals and notices required to be given by the Lessor shall be sufficiently given under the hand of a director the secretary or other duly authorised officer of the Lessor.

1. **Option to renew term of lease**
   * 1. If the Lessee shall be desirous of taking a lease of the Lease Premises 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 three (3) 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 its part to be performed and observed up to the termination of the term hereby created, then the Lessor will lease the demised Premises 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 Lease Premises.
2. **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. **Termination by the Lessee**

Notwithstanding anything contained in this Lease or under the Law, if it becomes impossible or unprofitable for the Lessee to continue running the business on the Lease Premises, the Lessee may terminate the Lease and vacate the Lease Premises after giving a ninety (90) days’ notice to the Lessor, and in such a case:-

1. The Lessee shall pay all rent arrears if any up to the expiry of the termination notice;
2. The Lessee shall be at liberty to remove all movable assets, equipment and machinery on the Premises on or before the expiry of the termination notice**.**
3. **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:-
4. was not within his or its control;
5. was not caused or precipitated by his or its negligence; and
6. could not have been prevented by his or its reasonable diligence, including without limitation:-

(i) any act of God;

(ii) any war or hostilities (whether war be declared or not);

(iii) any sabotage, riots or other act of civil disobedience, civil

commotion, rebellion, act of a public enemy or invasions;

(iv) any judicial actions, strikes, lockouts, industrial disputes or actions

of such nature;

(v) any actions or inactions of any government or any agency or

department;

(vi) any act of terror;

(vii) any storms, floods or other inclement, weather, earthquakes,

subsidence, epidemics or other natural physical disasters;

(viii) any directives by any government authority and/or agency to compulsorily acquire the Property; and

(ix) 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 Lease 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.
  2. Where the Force Majeure Event continues for more than one (1) month after the date of the Force Majeure Notice, either party may terminate this Lease 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 Lease immediately the Force Majeure event ceases.
  3. Any payment obligations arising during the subsistence of the Force Majeure event shall be deemed to be suspended. In the event that this Lease is terminated in accordance with the terms of this Clause 12, the Lessor shall refund to the Lessee the Deposit and any other monies paid as advance rent within Thirty (30) days of such termination.

1. **Dispute Resolution**

This Agreement embodies the entire understanding of the parties relating to the Lease Premises and to all matters dealt with by any of the provisions of this Agreement.

* 1. Should any dispute arise between the parties hereto with regard to the interpretation, rights, obligations and/or implementation of any one or more of the provisions of Lease, the parties shall in the first instance attempt to resolve such dispute by amicable negotiation.
  2. Should such negotiations fail to achieve a resolution within fifteen (15) days, either party may declare a dispute by written notification to the other, whereupon such dispute shall be referred to mediation.
  3. If mediation fails then arbitration follows under the following terms;

(a) Such arbitration shall be resolved under the provisions of the Kenya Arbitration Act 1995 (as amended from time to time);

(b) The tribunal shall consist of a single Arbitrator to be appointed by agreement between the parties or in default of such agreement within Fourteen (14) days of the notification of such dispute, by either party to the other then, upon application by either party to the Chairman for the time being of the Kenya Branch of Chartered Institute of Arbitrators of Kenya (“the Institute”) who shall appoint an arbitrator;

(c) Such Arbitration shall take place in Nairobi and every award made under this Clause shall be subject to and in accordance with the provisions of the Arbitration Act 1995 (Act No. 4 of 1995) or any statutory modification or re-enactment thereof or such other Act or Acts for the time being in force in Kenya in relation to arbitration and the Rules of Arbitration of the Institute.

1. **General**
   1. This Lease contains the whole agreement and understanding between the Parties relating to the matters provided for in this Lease and supersedes all previous agreements (if any) whether written or oral between the Parties in respect of such matters.
   2. No failure or delay to exercise any power, right or remedy shall operate as a waiver of that right, power or remedy and no single or partial exercise of any right, power or remedy shall preclude its further exercise or the exercise of any other right, power or remedy. The rights and remedies provided in this Lease are cumulative and not exclusive of any rights or remedies provided by law.
   3. If any term or condition in this Lease shall to any extent be invalid or unenforceable, the remainder of this Lease shall not be affected and each other term and condition shall be valid and enforceable to the full extent permitted by law.
   4. No variation of this Lease shall be valid or effective unless such variation shall have been made in writing and signed for by both the Lessor and the Lessee, provided always that the expression "variation" shall include any variation, supplement, deletal, amendment or replacement, however effected.
   5. Each of the Parties hereby agrees and confirms for the purposes of the Law of Contract Act (Chapter 23, Laws of Kenya) that it has executed this Lease with the intention of binding themselves fully to the contents hereof.
   6. No person who is not a party to this Lease shall be made a party to this Lease or shall have any right to rely on or enforce any term of this Lease.
2. **Governing Law and Jurisdiction**

This Lease shall be governed by and construed in accordance with the Laws of Kenya and the parties submit to the exclusive jurisdiction of Kenyan courts.

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

**SIGNED** by the duly authorized )

Representative of the lessor: - )

)

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

Signature **[\*]** )

)

**Name [\*]**  )

Signature: **[\*]** )

)

Before me:- )

)

Name: **[\*]** )

Address:       **[\*]** )

Occupation:  **[\*]** )

Signature:    **[\*]** )

**SIGNED** by the duly authorized )

Representative of the lessee: - )

)

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

Signature **[\*]** )

)

**Name [\*]**  )

Signature: **[\*]** )

)

Before me:- )

)

Name: **[\*]** )

Address:       **[\*]** )

Occupation:  **[\*]** )

Signature:    **[\*]** )