

AGREEMENT OF LEASE

Made and entered into by and between

ABUBAKAR SALEH MLILIMA

A Citizen of United Republic of Tanzania

With National Identification Number 19780825-11101-00003-29

(hereinafter referred to the as the 'LESSOR')

and

AGRI COMMODITIES TANZANIA LTD

(with company registration number 129605 hereinafter referred to as the 'LESSEE')

represented herein, by Dumisani Ndebele in his capacity as Director, duly authorised hereto as the
'LESSEE.'

WHEREAS

1. The **Lessor** is a holder of an integrated farming piece of land in **Kihanga Village, Mlowa Ward, Makambako Town, Njombe Region measuring 19.07HA.**
2. The **Lessee** is entitled in terms of the Resolution of the **Board of Directors of Agri Commodities Tanzania Ltd**, a copy whereof is annexed hereto to rent the integrated farming piece of land mentioned in 1. above from the **Lessor.**
3. The **Lessor** has agreed to let the integrated farming piece of land to the **Lessee** who has agreed to hire the same.

NOW THEREFORE IT IS HEREBY AGREED.

The **Lessor** hereby lets to the **Lessee** who hereby hires from the **Lessor**, the integrated farming piece of land upon the following terms and conditions:

1.
 - 1.1. Notwithstanding the date of signing thereof and/or occupation of the integrated farming piece of land, the **Lease** shall commence from the 1 February 2020.
 - 1.2. The **Lease** shall continue for a period of **240 (TWO HUNDRED AND FORTY)** months from such date of commencement which shall be renewable.
2.
 - 2.1 The rent payable per annum by the **Lessee** for the hire of the integrated farming piece of land shall be negotiated and agreed and set out in an addendum to this **Lease Agreement.**

2.2 The **Lessee** shall bear the cost of installing its water and electricity including the security.

2.3 The **Lessor** hereby grants to the **Lessee** an option to renew this **Lease** for a further period of **240 (TWO HUNDRED AND FORTY)** months on the same terms and conditions herein set out provided that the option is exercised in writing not less than 4 months before the termination of this **Lease** and provided further that the **Lessee** is not in default of any of its obligations in terms of this **Lease** as at the date of giving notice and as at the date of termination or expiry of the initial period.

2.4 The rental payable in terms of this **Lease** shall be paid on invoice within 30 days from date of invoice.

2.5 It is hereby agreed that the **Lease Period** of **240 (TWO HUNDRED AND FORTY)** months will enable the **Lessee** to enjoy the full benefit of any improvements that it will make on the hired integrated farming piece of land.

2.6 In the event that the **Lease** is terminated for whatever reason, the **Lessee** will have no claim from the **Lessor** for the open market value of the improvements made on the hired integrated farming piece of land.

3.

3.1. The leased integrated farming piece of land are let to the **Lessee** for the purposes of conducting the business the agreed legal business that has to comply with all the relevant Laws of the **United Republic of Tanzania**.

3.2 The **Lessee** shall not use the leased integrated farming piece of land or any part thereof or allow the same to be used for any purposes other than that stated herein without the **Lessor's** prior written consent, which consent shall not be unreasonably withheld.

5.

The **Lessee** shall not:-

5.1. Cede, transfer, assign, alienate, mortgage, pledge, encumber, hypothecate or otherwise dispose of any rights and/or obligations under this Agreement; or

5.2. Sublet the leased integrated farming piece of land or any part thereof; or

5.3. Give up occupation or possession of the leased integrated farming piece of land or any part thereof to any person; without the **Lessor's** prior written consent which shall not be unreasonably withheld provided that the **Lessor** shall not be required to grant its consent to any sub lease unless:-

5.4. The sub tenant interposes itself in such form as the **Lessor** may require, and at the sub tenant's expense as surety for and co-principal debtor with the **Lessee** in favour of the **Lessor** for the due and proper fulfilment by the **Lessee** of all its obligations in terms hereof; and

5.5. Should the **Lessee** permit any other person to occupy all or portion of the leased integrated farming piece of land without the consent of the **Lessor** it shall be deemed to have ceded to the **Lessor** the rent and/or any other amount/s payable by such occupant to the **Lessee**. No such occupancy or collection shall be deemed to be a waiver of any provision of this **Lease** or of any other right of the **Lessor** or the acceptance of the occupant as a tenant or a release of the **Lessee** from the further performance of any of the **Lessee's** obligations in terms hereof, and provided further that the number of sub tenants not exceed two

6.

6.1. The **Lessee** shall not store, harbour or permit the storage or harbouring of any articles on the leased integrated farming piece of land or do or permit anything to be done as a result whereof the **Lessor's** fire insurance of the integrated farming piece of land may be voided or the premiums in respect of such fire insurance may be increased, and if such increase is occasioned by the harbouring or any such articles or by any act or omission in conflict with the provisions hereof (whether with or without the **Lessor's** consent), the **Lessee** shall be liable and shall pay to the **Lessor** on demand the amount of such increase:-

6.2. In determining whether any increased premiums are the result of the **Lessee's** breach of any of the provisions 6.1. above, a certificate issued by the **Lessor's** insurance company showing that increased premiums are the result of the **Lessee's** use of the leased integrated farming piece of land and the extent to which they are attributable to the **Lessee**, shall be conclusive evidence of the matters dealt with in such certificate.

8.

8.1. The **Lessee** shall at all times and at his own expense keep and maintain the integrated farming piece of land and all parts thereof in good order and repair, fair wear and tear excepted, and shall on the termination of the **Lease** redeliver the leased integrated farming piece of land to the **Lessor** in the same good order and repair as at the commencement of this **Lease**, fair wear and tear excepted. The **Lessee** shall at all times keep the integrated farming piece of land in a clean, tidy and sanitary condition.

8.1. Should the **Lessee** fail to effect such repairs or maintain any items as required, the **Lessor**, without prejudice and in addition to its other rights, shall be entitled, but not obliged, to carry out such work. Upon completion of such work and a request for payment of the said costs therefore, the **Lessee** shall effect payment of all costs incurred, inclusive of legal and professional costs incurred.

8.2. The **Lessor** shall procure that:-

8.2.1. The land and the buildings erected thereon are insured against such risks and for such amount as accords with good business practice;

8.2.2. The concealed electrical wiring and conduiting, plumbing installations and piping, air reticulation, air conditioning and telephone trunking area maintained in good order and repair;

8.2.3. The building is kept secure as accords with sound business practice by similar building owners;

8.2.4. The parking areas and gardens surrounding the buildings on the property, are kept in a neat and tidy condition;

8.2.5. Disposal of any refuse on and in the integrated farming piece of land is promptly undertaken;

8.2.6. No other tenant on the integrated farming piece of land acts in a manner which is likely to cause nuisance, obstruction or annoyance to the **Lessee**;

8.2.7. The structure, roof and exterior walls of the building erected on the property are maintained in good order and repair;

8.3. The **Lessor** shall procure that no part of the integrated farming piece of land is hired by any other tenant for an operation incompatible with the **Lessee's** operations, for so long as this **Lease** is in force.

9.

No relaxation or indulgence which the **Lessor** may extend to the **Lessee** with regard to the payment of rental shall in any way prejudice its rights hereunder.

The Parties hereto choose as their respective addresses for service of all notices, process and documents under this agreement, the following:-

The Lessor

P O Box 367, Makambako, Njombe Region, Tanzania

The Lessee

C/o P O Box 367, Makambako, Njombe Region, Tanzania

Any notice under or in terms of this agreement shall be deemed to be received by and to be duly given to the party such notice is addressed to, on the day of delivery thereof or on the 5th (FIFTH) business day after posting by registered mail.

10.

If the **Lessor** cancels this **Lease** and the **Lessee** disputes the right to cancel and remains in occupation of the leased integrated farming piece of land, the **Lessee** shall, pending the determination of such dispute by litigation or otherwise continue to pay the **Lessor** an amount equivalent to the rental and other sums payable in terms hereof, on the date or dates on which such rental and other sums would have been due, and the **Lessor** shall be entitled to accept and so recover such payments and the acceptance thereof shall be without prejudice to and shall not in any way whatsoever affect the **Lessor's** cancellation or other contention then in dispute. If the dispute is determined in favour of the **Lessor**, the payment made and received in terms of this Clause shall be deemed to be amounts paid by the **Lessee** on account of damages suffered by the **Lessor** by reason of the cancellation of the **Lease** and/or the unlawful holding over by the **Lessee**.

11.

11.1. Should the rental or any other amount payable by the **Lessee** not be paid on due date and remain unpaid for **14 (FOURTEEN)** days thereafter, or should the **Lessee** commit or suffer or permit the commission of a breach of any of the material terms and/or conditions and or stipulations of this **Lease**, and fail to remedy such material breach within **14 (FOURTEEN)** days after having been required in writing so to do (provided that the **Lessor** shall be entitled to exercise its rights to cancel or vary the **Lease** under this Clause without notice if it has given such notice previously in the Calendar year in question and in respect of a like material breach) the **Lessor** shall be entitled, but not obliged, notwithstanding any previous waiver or anything to the contrary herein contained either:-

11.1.1. Forthwith to cancel the **Lease** and to resume possession of the integrated farming piece of land, but without prejudice to its claim for arrears of rent and other amounts owing hereunder or for damages which it may have suffered by reason of the **Lessee's** breach of contract; or

11.1.2. To vary the **Lease** by making it thereafter terminable by **1 (ONE)** month's written notice given by the **Lessor**;

12.

Unless otherwise stated by the **Lessor** in writing, the receipt by the **Lessor** or its agents of any rent or other payment shall in no way whatsoever prejudice or operate as a waiver, rescission or abandonment of any cancellation or right of cancellation effected or acquired prior to such receipt.

13.

Any warranties or representatives whether express or implied, not stated herein shall not be enforceable. No agreement at variance with the terms and conditions of this **Lease** shall be of any force or effect unless reduced to writing and signed by the duly authorized signatories of the parties as an addendum to this agreement.

14.

The **Lessee** shall:-

14.1. Maintain any sign, awning, canopy, decoration, lettering, as may be approved by the **Lessor** in good order, condition and repair at all times;

14.2. When it vacates the leased integrated farming piece of land, if so required by the **Lessor**, remove any extras built specifically to its requirements and for its purposes and the fittings and fixtures provided by it and make good any damage to the leased integrated farming piece of land arising out of such installation and/or removal, such restoration to be carried out prior to the expiry of the **Lease**.

14.3. Ensure that at all times no nuisance emanates from the leased integrated farming piece of land;

15.

The leased integrated farming piece of land shall be used by the **Lessee** for the purpose of conducting its practice of integrated farming subject to compliance with the relevant statutes.

16.

It is further recorded that the **Lessor** is solely responsible for the service fees and rates from any regulatory authority. Such fees and rates shall be payable as and when they are billed by the respective regulatory authority.

THUS DONE AND SIGNED BY THE LESSOR IN NJOMBE ON THIS 4TH DAY OF FEBRUARY 2020 IN THE PRESENCE OF THE UNDESIGNED WITNESS

AS WITNESS



.....



.....

LESSOR

THUS DONE AND SIGNED BY THE LESSEE IN GABORONE ON THIS 4TH DAY OF FEBRUARY 2020 IN THE PRESENCE OF THE UNDESIGNED WITNESS

AS WITNESS



.....



.....

LESSEE