

LEASE AGREEMENT

BETWEEN

ILULA ORPHAN PROGRAM

AND

FARM FOR THE FUTURE TANZANIA LIMITED

PREPARED JOINTLY BY:

**ILULA ORPHAN PROGRAM
P.O.BOX 151
MAZOMBE –IRINGA, TANZANIA**

&

**FARM FOR THE FUTURE TANZANIA LIMITED
P.O.BOX 181,
MAZOMBE- IRINGA, TANZANIA**



THIS LEASE AGREEMENT is made at Mazombe –Iringa this 01 April 2020

BETWEEN

ILULA ORPHAN PROGRAM (IOP) a Non-Government Organisation with Registration No.00NGO/R2/000374 of P.O. Box 151 MAZOMBE, IRINGA TANZANIA (hereinafter called “the IOP”)

AND

FARM FOR THE FUTURE TANZANIA LIMITED, a Company incorporated under the Laws of Tanzania with Registration No.136366610 of P.O. Box 181, MAZOMBE IRINGA, TANZANIA (hereinafter called “the FFF”).

WHEREAS the IOP is the registered owner of the land property title no 10658 hereinafter referred to as “the leased area located along Image ROAD, Masukanzi Village, Kilolo District, Iringa Region” or “the leased area”.

WHEREAS the IOP in consideration of the rents to be paid and the covenants and agreements to be performed and observed by the tenant does hereby lease to the FFF and the FFF hereby lease from the IOP the above-mentioned Leased area.

1. **NOW THIS AGREEMENT WITNESSED** as follows:

- 1.1. The lease is granted and accepted in exchange for the following base annual rent: -
 - (a) From 1st July 2018 until 30th June 2022, Tsh. 8,000,000 (Tanzania shilling eight million) per year.
 - (b) From 1st July 2022 until 30th June 2038, Tsh. 20,000,000 (Tanzania shillings twenty million) per year.
- 1.2. The annual rent shall be paid in full at every 1st day of July for the preceding twelve-month term, directly to the IOP Bank Account Number which shall be provided in due course. The first payment for the period July 2018 to June 2019 shall be paid within one week of signature by both parties of this agreement. For the avoidance of doubt the payment for the period July 2019 to June 2020 shall be made on 1st July 2020.
- 1.3. The amount of rent as provided for in article 1.1 is linked to the National Consumer Price Index (“NCPI”) of Tanzania as published by the Tanzania National Bureau of Statistics considering the figure of 112.81 for June 2018 as being the base figure (“Base Index”).

- 1.4. On the first of July each year and for the first time in July 2022 a proportional adjustment shall automatically be made to the annual rent on the basis of the prices index for June of the current year ("New Index"), according to the following formula:

$$\frac{\text{BASE RENT X NEW INDEX}}{\text{BASE INDEX}} = \text{ADJUSTED RENT}$$

Accordingly, any modification in the said index shall automatically and without formal notice entail a proportional modification in the rent. The adjusted rent may not at any time drop below 20,000,000 Tsh per year.

- 1.5 In the event that the reference basis for calculating the index or the index itself should be abolished, the parties expressly agree to do everything in their power to agree the use of a replacement formula.

2. USE OF LEASED AREA BY FFF:

- 2.0 The leased areas shall be occupied and used by FFF to carry out its business activities as shown in the Memorandum and Articles of Association and any other activities that shall be passed and resolved by the Board of Directors of FFF.
- 2.1 The IOP and FFF shall sign a Memorandum of Understanding or a Deed of Trust that will guarantee to sell in due course the land around the buildings that FFF has already constructed and will construct during the term of this lease agreement. The executed Memorandum of Understanding or Deed of Trust will form annexure of this agreement.
- 2.2 It is understood and agreed that FFF shall use the buildings constructed in the leased areas as security for securing loans in various financial institutions.
- 2.3 FFF shall not allow any waste or nuisance on the leased area or use or allow the leased area to be used for any unlawful purpose.
- 2.4 FFF shall keep the leased area free from erosion, environmental pollution or land damage caused by man-made activities.
- 2.5 IOP in the course of signing this agreement shall furnish to FFF a certified copy of the Title Deed of the leased area.



3. UTILITIES:

- 3.1 FFF shall be responsible to pay water, electricity and security bills for the entire leased area.
- 3.2 FFF shall insure the buildings on the leased area against fire.

4. RIGHTS OF RE-ENTRY:

- 4.1 It is hereby agreed that at any time after commencement of this agreement the IOP after consultation with the FFF shall have the right of entering in the leased area for conducting inspections related to the use of the leased area.

5. TERM:

- 5.1 **Initial Term:** The initial term of this agreement will begin on 1st July 2018 and continue for 20 years, unless terminated earlier.
- 5.2 **Automatic Renewal:** At the end of each term this agreement shall automatically renew for an additional period of nineteen 19 years, unless either party gives the other written notice of termination at least six (6) months prior to expiration of the then current term.

6. FORCE MAJEURE:

The FFF shall not be liable to the IOP nor shall the IOP have any claim against the FFF in respect of any interruption in any of the services hereinbefore mentioned by reason of necessary repair or maintenance of any installations or apparatus or damage thereto or destruction thereof that is arising from the act of God or other cause beyond the human nature.

7. CHOICE OF LAW:

- 7.1. This agreement shall be governed exclusively by and construed in accordance with the laws of the United Republic of Tanzania.
- 7.2. In the event of breach of this agreement both Parties shall make best reasonable efforts to reach an amicable settlement thereof. If the Parties cannot reach an amicable settlement all disputes arising in connection with this agreement shall be settled by courts of law of Tanzania.



8.2. Should any portion of this agreement be contrary to, or in violation of any such law, said portion shall be void and of no effect. The remainder of this agreement shall be valid and remain in force notwithstanding the invalidity of such offending portion. Such portion shall be amicably amended by parties to conform with the Law.

9. AMENDMENTS:

Any amendments to the agreement can only be made if agreed in writing by both parties to this agreement.

10. BREACH AND TERMINATION

In the event of a breach by either party the parties shall make best efforts to reach an amicable settlement as described in clause 7.2. Should such efforts not be successful any breaching Party shall have thirty (30) days from the date of written Notification to cure such breach before the aggrieved party may terminate this agreement in writing with a notice of three months.

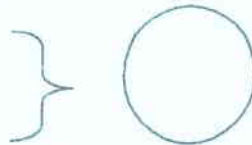
11. TERMINATION:

Termination of the lease contract will be done in writing with a notice period of three months if the either parties violates terms and condition of this agreement and the law of the land too.

12. SIGNATURES:

IN WITNESS WHEREOF the parties have duly executed these presents in the manner, place, day, month and year hereinafter appearing;

SEALED with a COMMON SEAL of
ILULA ORPHAN PROGRAM (IOP)
This 02nd day of April 2020



SIGNED BY:

- Name: Rev. GREGORY WAKOLOZE
Signature: [Handwritten Signature]
Position in the Organization: BOARD CHAIR PERSON
Postal Address: BOX 395 LUSAKA
- Name: EDSON MSIGWA
Signature: [Handwritten Signature]
Position in the Organization: MANAGING DIRECTOR
Postal Address: BOX 151 MAZOMBE.



[Handwritten Initials]

[Handwritten Initials]

BEFORE ME:

Name MWAKIBOLWA DAVID
Signature [Signature]
Postal Address 1821 IRINGA



Qualification: NOTARY PUBLIC & COMMISSIONER FOR OATHS

SEALED with a COMMON SEAL of
FARM FOR THE FUTURE TANZANIA LIMITED in
this 01th day of April 2020



SIGNED BY:

Name OSMUND LIELAND
Signature [Signature]
Position in the Company BOARD CHAIR PERSON
Postal Address Furubundtoppen 19, 0282 OSLO, NORWAY

BEFORE ME:

Name MOSES AMBINDWILE
Signature [Signature]
Postal Address 2564-IRINGA



Qualification: NOTARY PUBLIC & COMMISSIONER FOR OATHS

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