

**IN THE MATTER OF SECTION 13(2) OF
THE EXPORT PROCESSING ZONES ACT, CAP 373**

AND

IN THE MATTER OF SECTION 19 OF THE LAND ACT, CAP 113

DERIVATIVE RIGHT

*(Made under section 13(2) of the Export Processing Zones Act and
Section 19 of the Land Act)*

C.T. No.PWN 303

L.O. No. 913259

L.D. No. 5476

Made and entered herein the City of Dar es Salaam on this 08th day of
OCTOBER, 2019.

BETWEEN

The Export Processing Zones Authority (EPZA), an autonomous Government Agency established under the Export Processing Zones Act, responsible for establishing and supervising the operations of the Special Economic Zones within the Mainland Tanzania of the United Republic of Tanzania, whose address is Benjamin William Mkapa Special Economic Zone, Mabibo External, Mandela Road, P.O. Box 12112, Dar es Salaam, hereinafter referred to "*the Lessor*", the expression which, unless the context imports to mean otherwise, shall include its mandated and authorized Employees, Representatives and Agents (of one Part);

AND

Tanzania Huafeng Agricultural Development Limited, a Private Company incorporated under the Companies Act, Cap 212, the Company responsible for among other things, production of Cassava Chips, Cassava Starch and other value added Cassava Products for Export whose address is P.O. Box 9984, Dar es Salaam, Tanzania hereinafter referred to as the "*the Lessee*" an impression which, unless the context imports to mean otherwise, shall include its mandated and authorized employees, representatives and agents (of the other Part).

WHEREAS;

- (1) The Lessor is the holder of a Right of Occupancy registered in the Land Registry at Dar es Salaam City under **Title No. PWN 303** in respect of a land referred to as **Plot No. 1, Block "B"**, situated at **Mkenge in Mkuranga District**, in Coast Region and pursuant to section 13(2) of the Export Processing Zones Act and Section 19 of the Land Act, the Lessor is authorized to grant derivative right.
- (2) The Lessee bought the said land and processed the title from the Commissioner for Lands in Dar es Salaam and surrendered it to the Lessor for Derivative Rights;

AND WHEREAS;

The Lessee is, pursuant to the terms and conditions contained in the Agreement, willing to be granted with the rights above referred.

NOW THEREFORE THIS LEASE WITNESSES as follows:

1. Demised Land and Terms of Lease

The Lessor is, subject to the provisions of the Land Act and Regulations made thereunder, hereby demises into the Lessee the land whose fully description is set out in the schedule to this Agreement for the period of Ninety Eighty (98) years commencing from the first day of April, 2019 and expiring on the Second day of April, 2117.

2. Rental Payment

- 2.1 The Lessee having paid rent up to the thirtieth day of **June 2019**, shall thereafter pay rent to the tune of Tanzania Shillings **two million five hundred fifty seven thous and six hundred (2,557,600/=TZS.) only**, to the Ministry of Lands, Housing and Human Settlement Development in advance on the **first day of July** in every year, **plus** the fixed rent in respect of the demised premises at the tune of **Three Hundred Thousand** Tanzanian shillings (TZS. 300,000/=) per annum as the token amount because the Lessee acquired the land at their own cost;
- 2.2 The fixed rent payable under clause 2.1 shall be Tanzanian Shillings **Three Hundred Thousand (TZS. 300,000/=)** by the Lessee through bank after being issued with invoice by the Lessor.

3. Development of Demised Land

- 3.1 The Lessee is hereby allowed to develop the demised premises pursuant to the Business plan submitted to the Lessor by the time the Lessee was applying for Developer's License; and Lessee may improve or change business plan by intimating their intention to Lessor in writing
- 3.2 The Lessee may, for the purposes of developing the demised premises, erect or cause to be erected, any building to be used for production of Cassava Chips, Cassava Starch and other value added Cassava Products the Lessee may wish in such materials and in accordance with the specifications set out in the building plans submitted to, and approved by the Lessor;
- 3.3 The Lessee shall, prior to commencement of erecting any building to the demised premises, submit to the Lessor, for the purposes of obtaining building permit, building plans, drawings, specification and any other information which may be required by the Lessor;
- 3.4 The Lessee shall, within one hundred eighty (180) days of the signing of this agreement, nominate the land consultant who shall liaise with the Lessor regarding the design, construction and development of the buildings and other structures on demised premises ("*the Works*"), and such consultant shall

hand over to the Lessor a project plan setting out the Lessee proposal in respect of the Works, including, the milestones by which certain phases of the Works are to be achieved and the expected completion date;

- 3.5 The Lessee shall apply and obtain EPZA's building permit before commencing construction and whenever there shall be any amendment to the plan. The Lessee shall also obtain Lessor's prior written approval for any subsequent alterations, additions or improvements made during the Lease Period to such works;
- 3.6 The Lessee shall, within one hundred and eighty (180) days after obtaining the building permit granted by the Lessor, commence the development of the demised premises;
- 3.7 The Lessee shall not be allowed to commence development of the demised premises until all relevant documents are submitted to the Lessor;
- 3.8 Where the Lessee has not commenced the development of demised premises within One hundred Eighty (180) days from the date the building permit was issued, the Lessor shall, unless the proof is furnished by the Lessee showing that the delay is beyond the Lessee's control and unless the Lessor grants to the Lessee an extension of time within which to commence development of the demised premises, be entitled to terminate this Agreement.

4. Maintenance

- 4.1 The Lessee shall maintain and protect all beacons on the land and be responsible for the cost of replacing any such beacons that may be missing or destroyed;
- 4.2 The Lessee shall be responsible for disposal of solid waste coming out of her premises and for repair of maintenance of sewerage system connecting the demised premises with the main sewerage system provided by the Local Government Authority or Water and Sewerage Authority operating within the areas;

- 4.3 Should the Lessee at any time fail to comply with any of its maintenance obligations stated under clause 4.1 and 4.2, the Lessor shall issue 180 days' notice in writing requiring the Lessee to comply and if not complied within the period of notice the Lessor shall issue a final warning of 180 days' notice then after the Lessor may cancel the licence.

5. Disposition

- 5.1 The Lessee shall not make any disposition to the leased land without prior consent of the Lessor. The Lessee shall not cede, assign, transfer, alienate, give up occupation or sublet any portion thereof or otherwise assign or dispose of or encumber its rights or obligations under this Lease Agreement without prior consent of the Lessor.
- 5.2 Subject to the consent to be given by the Lessor, the Lessee can secure financial facility from any financial institutions by mortgaging the derivative rights of the demised premises.
- 5.3 In obtaining Financial Facility from any Financial Institution, The Lessee shall comply with the provisions of the Land Act Cap 113 R.E 2002 as amended in 2018 and the Land (Procedures for Mortgage of Land) Regulations, 2019, GN 345 of 2019 and any other relevant laws of the Country.

6. Further obligations of the Lessee

The Lessee undertakes to comply with all obligations stipulated in this Agreement and warrants to do the following:

- 6.1 To pay any fees which may be discovered to be payable in connection with the Lease mentioned above;
- 6.2 To pay land rent as per the invoice to be issued by the Commissioner for Lands on annual basis; the rental payments and all other amounts payable by the Lessee to the Lessor under this Agreement shall be inclusive of taxes in as far as the EPZ Act provides.
- 6.3 The Lessee shall, for the duration of the Agreement, ensure compliance with all relevant laws and regulations of the United Republic of Tanzania;
- 6.4 The Lessee shall also comply with the terms of the EPZ License issued by the EPZA;

- 6.5 Where the Lessee violates or in any manner transgresses the terms of any of the applicable laws, regulations, guidelines or policies, the Lessor holds itself harmless and the Lessee will be held responsible for any liability arising thereof.

7. Further obligations of the Lessor

- 7.1 The Lessor holds title of the demised premises and shall not transfer the legal ownership of the demised premises to the Lessee save that if the Lessee becomes the Citizen of United Republic of Tanzania or the demised premises are sold to the third party eligible to hold the title as per the laws of Tanzania or the demised premises are sold by Lessee to any foreign owned company or foreign company, the Lessor shall transfer the same derivative rights to the buyer;
- 7.2 Ensuring that, the Lessee is paying rent and/or other charges in respect of the use of land chargeable pursuant to the provisions of the Land Act and payable to the Government and complying with other terms and conditions hereinbefore contained shall peaceably and quietly hold and enjoy the land and improvements during the said term without interruption from the Lessor or any other person claiming under or in trust for the Lessor;
- 7.3 Upon breach by the Lessee of any of the foregoing terms and conditions the Lessor may cancel the license as per clause 4.3 of this Agreement

8. Termination

The Lessor shall have the right to terminate this Agreement if:

- 8.1 This Agreement has expired or by either party upon serving a three months' notice to the other part informing the other party of the intention to terminate the agreement and the reasons for termination;
- 8.2 the Lessee closes down the project as per the clause 4.3 or ceases operating it due to any reason, and has not within six (6) months after that closure or cessation of operations provided the Lessor with a written explanation acceptable to the Lessor and accompanied by supporting documentation

- showing that those operations will recommence within a reasonable time frame; or
- 8.3 the Lessee is sequestrated, whether voluntarily or compulsorily and whether provisionally or finally; or
 - 8.4 the Lessee is placed in liquidation or under judicial management, whether provisionally or finally; or
 - 8.5 the Lessee commits an act of insolvency within the provisions of the Companies Act; or
 - 8.6 the license issued to the Lessee to conduct its business is terminated in accordance with the provisions of the Export Processing Zones Act, or in terms of the Special Economic Zones Act, or
 - 8.7 the Lessee may, upon serving the Lessor with a Six months' notice, terminate this Agreement on any legally acceptable ground including but not limited to failure to continue the operation of the licenced business; or
 - 8.8 the Lessor commits any breach of the terms of this Agreement, and fails to remedy that breach within one hundred eighty (180) days (or such longer period as may be reasonably required if such breach is not capable of being remedied within one hundred eighty (180) days after written notice requiring it be remedied, provided that no such notice shall be necessary in the case of a third or subsequent breach of the same term then the Lessee shall have the right of terminating this Agreement; or
 - 8.9 The Lessor shall pay the Lessee for all developments on demised premises and expected income during the period of lease if the Lessee has to close down its operations due to the foregoing reason.

9. Dispute Resolution

- 9.1 The Parties shall seek to resolve amicably any dispute or difference arising between them in respect of any matter connected to, related with or arising out of this Agreement.

- 9.2 Any dispute arising out of or in connection with present contract which cannot be resolved amicably shall be finally settled by Arbitration under the Rules of Arbitration acceptable and applicable under the laws of the United Republic of Tanzania, by one or more Arbitrators appointed in accordance with the said Rules and accepted by the Lessee. The Parties hereby agree that, they shall abide by any decision so made by such Arbitrator.
- 9.3 Should either of the Parties institute arbitration proceedings, such arbitration proceeding shall not relieve the Lessee from any of its obligations to make rental payments to the Lessor in terms of this Agreement nor shall it relieve the Lessor from performing any of its obligations to the Lessee under this Agreement.

10. Severability

Any provision in this Agreement which is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be treated as having been severed from the rest of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provisions in any other jurisdiction.

11. General Provisions

- 11.1 This Agreement constitutes the whole agreement between the Parties and no warranties or representations, whether express or implied, not stated herein shall be binding on the Parties;
- 11.2 No modification, amendment or agreement at variance with the terms and conditions of this Agreement and no consensual cancellation hereof or any of the terms hereof shall be binding on the Parties unless reduced to a written agreement signed by or on behalf of the Parties;
- 11.3 No relaxation or indulgence which the EPZA may show to the Company shall in any way prejudice or be deemed to be a waiver of its rights hereunder and, in particular, no acceptance by the EPZA of rental payments after due date (whether on one or more occasions) nor any other act or omission by the EPZA or its

employees shall preclude or stop it from exercising any rights enjoyed by it hereunder by reason of any subsequent payment not being made strictly on due date or by reason of any subsequent breach by the Company;

11.4 The Lessor shall be entitled in its sole and absolute discretion to appropriate any amounts received from the Lessee towards the payment of any cause of debt known or amount owing by the Lessee to the Lessor whatsoever.

12. Governing Law

This Agreement shall, in all respects including, without limitation, its existence, validity, interpretation, implementation, termination and enforcement, be governed by the substantive Laws of the United Republic of Tanzania.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in Dar es Salaam and signed in their respective names and delivered as of the day and year herein appearing.

SEALED with the **COMMON SEAL** of the said **THE EXPORT PROCESSING ZONES AUTHORITY** and **DELIVERED** in the Presence of us

this...08th... day of ...OCTOBER..... 2019

Name: COL (RET) JOSEPH KEON SIMBAKATHA

Signature: [Handwritten Signature]

Postal Address: P.O. Box 12112 DAR ES SALAAM

Qualification: DIRECTOR GENERAL

Name: SARAH D. MWATIPOPO

Signature: [Handwritten Signature]

Postal Address: 12112

Qualification: CORPORATION SECRETARY

SEAL

SEALED with the **COMMON SEAL** of the said
Tanzania Huafeng Agricultural Development
Limited and **DELIVERED** in the Presence of us,

this...10th...day of OCT..... 2019

Name:J.I.E. Q1.....

Signature:[Signature].....

Postal Address.....DIRECTOR 9984 DSM.....

Qualification:DIRECTOR.....

Name:SHUWEI Q1.....

Signature:[Signature].....

Postal Address:P.O. Box 9984.....

Qualification:DIRECTOR.....


SEAL

SCHEDULE

(Made Under Clause 1)

All that land known Plot No. 1, Block "B", situated at Mkenge in Mkuranga District, in Coast Region containing seventy nine thousand nine hundred and twenty five decimal point two four (79,925.24) square metres shown for Identification only edged red on the plan and defined on the registered Surveys Plan Numbered 104873 deposited at the office of the Director for Surveys and mapping at Dar es Salaam.

FILED DOCUMENT No: EO 203913
REGISTERED ON: 15-10-2019
AT: 10:20 AM



[Signature]
Registrar of Companies

TANGANYIKA STAMP DUTY ACT.
Stamp Duty Shs: 1000/=
Receipt No: 99027889791
of: 15-10-2019

[Signature]
Stamp Duty Officer

TANGANYIKA STAMP DUTY ACT.
Stamp Duty Shs: 500/=
Receipt No: 99027889791
of: 15-10-2019

[Signature]
Stamp Duty Officer

THE UNITED REPUBLIC OF TANZANIA
THE LAND REGISTRATION ACT (CAP 334)

APPLICATION FOR LEASE HOLD TITLE

CT. No. PWN 303
PLOT No. 1, BLOCK "B"
Mkenge,
MKURANGA AREA

We, the **Export Processing Zones Authority** of Benjamin William Mkapa - Special Economic Zone, Mabibo External, Mandela Road, P.O. Box 12112, **DAR ES SALAAM** (hereinafter referred as "The Landlord") on one part,

AND

Tanzania Huafeng Agricultural Development Limited of P.O. Box 9984, Dar es Salaam (Hereinafter referred as "The Tenant") on the other part have entered into Lease Agreement in respect of Plot No. 1, Block "B", located at **Mkenge in Mkurunga District**, in Coast Region. Pursuant to that, we hereby **SUBMIT** the Lease Agreement for registration and **APPLY** for the issuance of a **Lease Hold Title** to the said Company, in respect of the said Land which is registered title under the above Certificate of Title.

SEALED with the **COMMON SEAL** of the said **EXPORT PROCESSING ZONES AUTHORITY** And **DELIVERED** in the presence of us, this^{08th} day of ..OCTOBER.., 2019

Name: COL (M) JOSEPH LEON SIMBAKALIA
Signature: [Signature]
Postal Address: P.O. Box 12112 DAR ES SALAAM
Qualification: DIRECTOR GENERAL

Name: SARAH D. NWAIPPO
Signature: [Signature]
Postal Address: 12112
Qualification: CORPORATION SECRETARY

SEAL

SEALED with the COMMON SEAL of the said
Tanzania Huafeng Agricultural Development Limited
and DELIVERED in the presence of us,
this ..10th.. day of ...OCT.....,2019

Name: J. E. QI

Signature: [Handwritten Signature]

Postal Address: .. P.O. Box 9984 Dsm

Qualification: DIRECTOR

Name: SHE WEI QI

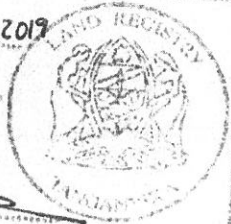
Signature: [Handwritten Signature]

Postal Address: .. P.O. Box 9984 Dsm

Qualification: DIRECTOR

SEAL

FILED DOCUMENT No. **FO 203912**
REGISTERED ON: **15-10-2019**
AT: **10:20 AM**



[Signature]
Secy or Asst Registrar of Titles

TANGANYIKA STAMP DUTY ACT.
Stamp Duty Shs: **1000/=** Paid
Receipt No: **99027889791**
of: **15-10-2019**

[Signature]
Stamp Duty Officer

TANGANYIKA STAMP DUTY ACT.
Stamp Duty Shs: **500/=** Paid
Receipt No: **99027889791**
of: **15-10-2019**

[Signature]
Stamp Duty Officer