

THE LAND REGISTRATION ACT, CAP 334.
LEASE AGREEMENT

BETWEEN

POVERTY GULCH LIMITED

AND

AVIAGEN EAST AFRICA LIMITED

CONCERNING THE LEASE OF A FARM MEASURING 1769 ACRES, BEING FARM NUMBER
2 HELD UNDER CERTIFICATE OF TITLE NUMBER 8969 SITUATED AT OLMOLOG,
KILIMANJARO - TANZANIA.

Drawn by:

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LEASE AGREEMENT

THIS LEASE made the 21 day of November 2019

Between

POVERTY GULCH LIMITED a limited liability company incorporated and registered in Tanzania (incorporation number 2357) with P.O. Box 11584, Arusha, Tanzania (hereinafter referred to as the "**Lessor**") which expression shall where the context so admits include its successors and assigns of the one part which expression shall include and extend to persons deriving title under the **Lessor**, its successors and assigns of the one part;

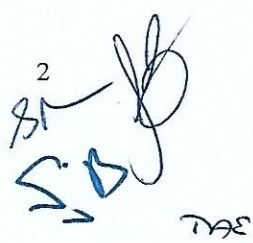
AND

AVIAGEN EAST AFRICA LIMITED a limited liability company incorporated and registered in Tanzania (incorporation number 140405302) with P. O. Box 534, Arusha, Tanzania (hereinafter referred to as "**Lessee**") which expression shall where the context so admits include its successors and assigns and extend to persons deriving title under the Lessee, its successors and assigns of the other part,

each a "**Party**" and together the "**Parties**".

PREAMBLE:

- A. WHEREAS**, the Lessor is the legal and registered owner of **Farm No 2** measuring approximately **1769 acres**, situated at Olmolog Area, in Moshi District, Kilimanjaro Region, currently registered under a **Certificate of Title Number 8969** together with all developments affixed to the land (hereinafter called the "**Property**");
- B. AND WHEREAS**, the Lessor and the Lessee entered into a Lockout Agreement on [insert date] 2019 (the "**Lockout Agreement**") concerning the sale and purchase of the Property. Under the Lockout Agreement the Lessor is referred to as the Seller and the Lessee is referred to as the Buyer.
- C. AND WHEREAS**, in the said Lockout Agreement it, was agreed that a part payment of United States Dollars Three Hundred and Seventy Five Thousand (USD 375,000) will be paid by the Lessee to the Lessor. This payment is equivalent to fifteen percent (15%) of the Consideration of United States Dollars Two Million Five Hundred Thousand (USD 2,500,000), inclusive of all taxes.



D. **AND WHEREAS**, it was further agreed in the Lockout Agreement, subject to the satisfaction of the Buyer's Conditions (as therein defined) and written notification to the Lessor of the Lessee's wish to proceed with the land acquisition and making the part payment, the Seller (Lessor) will sign and execute a Lease Agreement in favour of the Buyer (Lessee) who shall Lease the Land. This Lease shall act as security, against the part payment, for the Buyer during the process of registering the sale and transfer of Certificate of Title No. 8969.

NOW THEREFORE this **LEASE AGREEMENT** witnesses' as follows;

1. THE PROPERTY

a) The Property which is the subject matter of this Agreement is all that parcel of land in the **Farm No.2** measuring approximately **1,769 acres**, situated at Olmolog, in Moshi District, Kilimanjaro Region, currently registered under a **Certificate of Title Number 8969** and all developments thereon.

2. MUTUAL AGREEMENT

(a) This Lease shall act as security and a fall back option in favor of the Buyer (Lessee), against the part payment of USD 375,000 to the Seller (Lessor), during the process of registering the sale and transfer of Certificate of Title No. 8969.

(b) The Lessor and Lessee shall sign and execute this Lease following written notice from the Lessee in accordance with the Lockout Agreement. However, the Lessee will only register this Lease Agreement with the Land Registry at such time when the sale and transfer process can't be completed and has failed (upon denial of sales and transfer approval by the Authorized Land Officer in Tanzania) as provided under clause 4 (b) below.

3. TERM AND TERMINATION OF THE LEASE

(a) The term of this Agreement (the Lease Term) is from the date of signing this Agreement for the remainder of the term of the Right of Occupancy. For the avoidance of doubt, the remainder of the term of the Right of Occupancy is thirty years and therefore the term of the Lease expires on the [30th day of June 2049].

(b) Notwithstanding clause 3 (a) above, both the Lessor and Lessee agreed that this Agreement shall be terminated by the upon completion of the sale and transfer process in favour of the Buyer by obtaining sale and transfer approval from the Authorized Land Office and registration of surrender of Certificate of Title No. 8969 to the Tanzania Investment Center (TIC) for allocation to the Lessee.

3
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- (c) If the sale and transfer of the Property in favour of the Lessee fails, then the Lease shall continue to subsist, but subject to the provisions of the Lockout Agreement.
- (d) Upon expiry of the term of the Right of Occupancy, the Lessee shall have a right to renew the Right of Occupancy for a further ninety nine year term with the Lease subsisting.

4. RENT PAYABLE

- (a) For the purposes of ascertaining stamp duty and registration fees of this Agreement, the rent payable shall be Twelve Thousand Five Hundred United States Dollars (USD 12,500) per annum.
- (b) If the sale of the Property and registration of transfer of Certificate of Title No. 8969 in favour of the Lessee (as Buyer under the Lockout Agreement) fails and completion does not occur and this Lease is registered for the remaining period of the Lease Term, then the rent payable by the Lessee to the Lessor for the entire Lease Term for the lease of the Property shall be the amount agreed between the Lessor and Lessee in accordance with clause 4.6 of the Lockout Agreement.

5. OCCUPATION

Subject to clause 3.1 of the Lockout Agreement, occupation and vacant possession of the Property shall take effect upon obtaining sale and transfer approval from the land office and registration of surrender of Certificate of Title No. 8969 to the Tanzania Investment Center (TIC) or upon failure to obtain this [upon registration of this Agreement].

6. LAND RENT

The Lessor shall be liable to pay any outstanding Land Rent before the signing and execution of this Agreement. After the signing and execution of this Agreement, the Lessee shall pay any Land Rent, as shall be imposed by the Government from time to time.

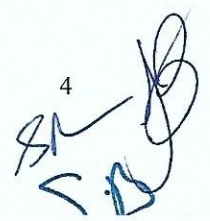
For avoidance of doubt, the current land rent is Tsh 5,000 (USD 2.5) per acre per annum as per the Land Rent Regulations, 2015.

7. STAMP DUTY AND REGISTRATION FEES

The Lessor shall pay stamp duty and registration fees in connection with registering this Agreement.

8. GOVERNING LAW

All matters arising from and in connection with this Agreement shall be governed and construed in accordance with the laws of the United Republic of Tanzania.

4


9. DISPUTE RESOLUTION

Should any dispute or difference arise between the Parties in connection with this shall be settled amicably by the Parties, failing which any Party can seek redress in a court of competent jurisdiction in the United Republic of Tanzania

10. MISCELLANEOUS PROVISIONS

(a) Each Party to this Agreement undertakes to take all steps necessary for its implementation and to sign, from time to time, all documents, contracts or writings and to do, or to see done, all which is considered necessary to be done in order to fulfill the object of this Agreement and in order to give full effect to its provisions.

(b) This Agreement constitutes the entire contract between the Parties in relation to its subject matter and no representation, terms or warranties not contained herein shall be binding on the Parties.

(c) No agreement varying, adding to, deleting from or canceling this Agreement shall be effective unless reduced in writing and signed by or on behalf of the Parties.

(d) Except in the case of express waiver, the fact that one Party does not exercise all or any part of its rights, which are conferred upon it by this Agreement, shall not constitute in any event the waiver, or abandonment of the rights not exercised.

IN WITNESS HEREOF, the Parties hereto have executed Four (4) originals of this Agreement on the date and year first herein above written in the following manner: -

SIGNED and SEALED with the COMMON SEAL
of POVERTY GULCH LIMITED and
DELIVERED in our presence on this
...21... day of November... 2019.



NAME: Sjouke Bruinsma

SIGNATURE: [Signature]

POSTAL ADDRESS: P.O. Box. 11584 Arusha

QUALIFICATION: DIRECTOR

NAME: Johanna Leunje van Liere

SIGNATURE: [Signature]

POSTAL ADDRESS: 11584 Arusha

5
[Signature]

QUALIFICATION: DIRECTOR

SIGNED and SEALED with the COMMON SEAL
of AVIAGEN EAST AFRICA LIMITED and
DELIVERED in our presence on this
..21.. day of November 2019.



LESSEE

NAME: Thomas Alan Exler

SIGNATURE: [Signature]

POSTAL ADDRESS: 11 Lochan Road, Newbridge, Midlothian EH28 8SZ
Edinburgh Scotland

QUALIFICATION: DIRECTOR

NAME: STEPHEN ROBERT MCPHILLIPS

SIGNATURE: [Signature]

POSTAL ADDRESS: 11 Lochan Road, Newbridge, Midlothian EH28 8SZ
Edinburgh Scotland

QUALIFICATION: DIRECTOR

[Signature]
6
[Signature]