



CRDB BANK PLC

CRDB Headquarters,
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Plot No.21 Barack Obama Road
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FACILITY LETTER

FROM

CRDB BANK PLC

TO

D.D RUHINDA AND COMPANY LIMITED

Drawn by:

CRDB Bank Plc
Plot No.25 & 26 Ally Hassan Mwinyi Road &
Plot No. 21 Barrack Obama Road
P.O. Box. 268,11101
Dar es Salaam

Dr. Ally Hussein Laay (Board Chairman), Mr. Abdulmajid Mussa Nsekela (Managing Director), Prof. Neema Munisi Mori (Member), Eng. Boniface Charles Muhegi (Member), Mr. Hosea Ezekiel Kashimba (Member), Mr. Jes Klausby (Member), Prof. Faustine Karrani Bee (Member), Mr. Martin Steven Warioba (Member), Dr. Fred Matola Msemwa (Member), Mr. Abdul Ally Mohamed (Member), Ms. Miranda Naiman Mpogolo (Member), Mr. Gerald Paul Kasaato (Member), Mr. John Baptist Rugambo (Secretary)

Initials: Bank..... *A*.....

Borrower..... *RR*..... AGS

Dear Borrower,

This is to inform you that, **CRDB Bank Plc** (hereinafter the Bank) has agreed to issue to **D.D RUHINDA AND COMPANY LIMITED**, a company incorporated under the laws of Tanzania with registration number **18128** and having its registered office at **Plot No. 42/9 Block "B" Independence Avenue , Tanga** (hereinafter the Borrower), the facility (hereinafter the Facility) on the terms and conditions provided in this facility letter (hereinafter the Facility Letter) together with the Standard Terms and Conditions (collectively referred to as the "Facility Agreement").

1. THE FACILITY

S/No.	Type	Amount
	Term Loan Facility	US\$1,500,000 (Say United States Dollars One Million and Five Hundred Thousand Only)
	TOTAL	US\$1,500,000 (Say United States Dollars One Million And Five Hundred Thousand Only)

2. TERMS AND CONDITIONS**2.1. Facility**

a)	Tenor	72 months from the date of first drawdown inclusive of 12 months grace period (the "Grace Period").
b)	Purpose	The Facility shall be used by the Borrower in the following manner: <ul style="list-style-type: none"> (i). Up to the amount of USD 500,000/- shall be used to finance acquisition and development of Kwangwe sisal estate from AMC Limited of Arusha (the "Seller"); (ii). Up to the amount of USD 490,000/- shall be used to finance acquisition of new decorticator, bailing press and brushing machines; and (iii). Up to USD 510,000/- shall be used to finance acquisition of agricultural machineries and equipment (1 unit-cat harrow and 3 units tractors of 80HP). Collectively referred to as the "Project/Purpose".
c)	Interest rate	7.5% per annum.
d)	Grace Period	12 months from the date of first drawdown.
e)	Repayment	Without prejudice to the continuous right of the Bank to demand repayment of all amounts due under this Facility Letter [upon an occurrence of an Event of Default as specified under the Facility Agreement], the outstanding Term Loan Facility and any interest accrued thereon from time to time, shall be repaid in equal monthly instalments as per the indicative repayment schedule attached as Annex II . Interest during the Grace Period shall be paid monthly as it accrues.

f) Drawdown	(i). The Facility shall be disbursed in multiple tranches (or as agreed otherwise by the Bank) and shall be made directly to suppliers/contractors upon submission of invoices/certificates raised by contractors and/or by way of a letter of credit. For the acquisition of Kwangwe estate, funds shall be paid directly to the Seller. (ii). Subsequent disbursements shall be made once the Bank is satisfied that previous disbursements were utilized for the approved purpose.
g) Specific Terms	N/A

3. SECURITY

The Facility shall be secured by the following securities: -

3.1. Security

S/No	Type of Charge and Description of Security	Documents of Title	Owner	Location
a)	A first ranking legal mortgage	CT NO. 26122 Land Registry Moshi LO NO. 225335	D.D Ruhinda and Company Limited	Farm No. 678, Mkumbara , Korogwe District
b)	A first ranking legal mortgage	CT NO. 14638 Land Registry Moshi LO NO. 170464	Damian David Ruhinda	Plot No. 229 Block B, Kange, Tanga Municipality
c)	A first ranking legal mortgage	CT NO. 5627 LO NO. 104177	D.D Ruhinda and Company Limited	Farm no. 70, Handeni District
d)	A first ranking debenture over all assets of the Borrower registered to secure USD 2,911,000/-and TZS 600,000,000/- plus interest, costs and other charges thereon.			
e)	A specific charge over all vehicles, plants and machinery as further listed in Annex -III registered to secure USD 2,911,000/-and TZS 600,000,000/- plus interest, costs and other charges thereon.			
f)	Directors' guarantee executed by Damian David Ruhinda, Rosemary Chimpaye Ruhinda and Deogratias Damian Ruhinda to secure USD 2,911,000/-and TZS 600,000,000/- plus interest, costs and other charges thereon.			
g)	A personal guarantee executed by Damian David Ruhinda to secure USD 2,911,000/-and TZS 600,000,000/- plus interest, costs and other charges thereon.			

4. SPECIFIC TERMS AND CONDITIONS

4.1. Conditions Precedent

In addition to the Pre-Disbursement Conditions indicated in Clause 4 of the Standard Terms and Conditions, the disbursement of the Facility is subject to the prior fulfillment of the following conditions (in form and substance acceptable to the Bank):-

4.1.1 Submission of: -

Initials: Bank A

Borrower AR NGS

- 4.1.1.1 commercial invoices and/or construction estimates in connection with the Project/Purpose, indicated in Clause 2.1(b), herein above;
- 4.1.1.2 a schedule of work for the farm development of Kwangwe sisal estate; and
- 4.1.1.3 a sales contract between the Borrower and AMC Limited, for the sale and purchase of Kwangwe sisal estate; and
- 4.1.1.4 environmental and social impact assessment (ESIA) for Mkumbara sisal estate, Kwangwe sisal estates and the Sisal spinning plant.

4.2. Subsequent Conditions

The Borrower agrees and undertakes to submit original certificate of title of Kwangwe sisal estate as soon as the transfer process is completed by the Borrower, for the Bank to create a legal mortgage thereof.

5. FINANCIAL COVENANTS-N/A

6. NON-FINANCIAL COVENANTS

6.1. The Borrower agrees to use various products and services of the Bank (**the Bank's Products and Services**). These include but are not limited to internet banking platform for online transactions, trade finance products and services, employees benefit such as payroll system and employee loan scheme, insurance products, foreign exchange transactions and minimum account turnover with the Bank to be at least 85% of the total turnover of the Borrower based on the current financial statements of the Borrower.

6.2. It is hereby agreed that at any point in time the Borrower may choose to exit any of the individual service or product upon issuance of a reasonable notice to the Bank. In that case, the Bank may, at its own discretion revoke and revise the preferential pricing offered to the Borrower, as a result of not using the Bank's Products and Services.

7. FEES AND CHARGES

The Borrower shall pay to the Bank the following fees (which shall be debited to the Borrower's loan account/current account with the Bank:

7.1. Facility Fees (to be collected upon signing of this Facility Letter) exclusive of VAT -;

S/No	Type of Fees	Amount in USD
a)	Facility Fees (1.25%)	18,750/-
b)	Application Fees (0.5%), max USD 10,000/-	7,500/-
c)	Legal Documentation Fees (<i>excluding registration fees</i>)	2,500/-
	(i). Facility Letter;	
	(ii). Directors guarantee;	
	(iii). Mortgage Deed	
	(iv). Specific Debenture deed; and	
	(v). General Debenture	
	TOTAL	28,750

7.2. Third party fees for legal documents, valuation and any other service to this Facility;

7.3. Stamp duty, registration and any government levies charged on loans; and

7.4. Such other fees as may be applicable on the Facility.

8. NOTICES AND COMMUNICATIONS

Save as the Bank may otherwise agree, all communications, notices by the parties, certificates, reports, information and documents given to the Bank in connection with this Facility shall be sent in writing in English or Kiswahili language at the addresses provided by the parties herein and addressed to the designated contact persons:

8.1. For the Bank

The Managing Director
CRDB Bank Plc
Head quarters
Plot No.25 & 26 Ally Hassan Mwinyi Road &
Plot No. 21 Barrack Obama Road
P.O. Box. 268,11101
Dar es Salaam

8.2. For the Borrower

The Managing Director
D.D Ruhinda and Company Limited
P.O. Box 1987
Tanga

9. ACCEPTANCE TO BE PART OF THIS FACILITY LETTER

9.1. Unless agreed otherwise by the Bank, this Facility Letter may, terminate if not accepted and signed by the Borrower within thirty (30) days of the date hereof.

9.2. Upon the Borrower signing the Acceptance Clause provided herein, this Facility Letter together with the Standard Terms and Conditions shall constitute the complete agreement between the Bank and the Borrower and the Borrower shall henceforth be bound by the terms and conditions thereof.

9.3. Please signify acceptance of the foregoing by signing and returning to us the duly signed Facility Letter (3 originals).

Yours Faithfully,

(Signature).....
(Name).....
(Position).....
STANLEY JOSIAH SHIMWELA
SENIOR MANAGER CREDIT
CRDB BANK PLC.
P. O. Box 268
DAR-ES-SALAAM

(Signature).....
(Name).....
(Position).....
ANDREW RWEGOSHEURA RUTTAIHWWA
MANAGER CREDIT
CRDB BANK PLC.
P. O. Box 268
DAR-ES-SALAAM

For and on behalf of CRDB BANK PLC

