

SALT FARM DEVELOPMENT CONTRACT

LO THIS AGREEMENT made this 18th day of January 2022

between MR. WILLIAM KASI CHOMBO of P.O. BOX 8 CHALINZE, Tanzania (hereinafter referred to as "the Land Lord") of the one part and M/S MEGA BUILDERS LIMITED of P.O. BOX 5767 DAR ES SALAAM, Tanzania (hereinafter referred to as "the Developer") of the other part.

2.0 WHEREAS the Land Lord is the owner of 15 parcels of Primary Mining License (PML) measuring 8 acres each (total 120 acres) located at Kerege Village beach at Bagamoyo District, Coast Region identified as:

S/NO.	PML NUMBER	S/NO.	PML NUMBER
1.	PML 122674/EZ	9.	PML 122979/EZ
2.	PML 122678/EZ	10.	PML 122980/EZ
3.	PML 122680/EZ	11.	PML 122981/EZ
4.	PML 122682/EZ	12.	PML 122982/EZ
5.	PML 122967/EZ	13.	PML 122983/EZ
6.	PML 122972/EZ	14.	PML 122984/EZ
7.	PML 122974/EZ	15.	PML 122986/EZ
8.	PML 122977/EZ		

all situated within the boundaries of KEREGE VILLAGE in BAGAMOYO DISTRICT, COAST REGION, and is desirous of entering into a Joint Venture Partnership with the Developer for financing and managing development of the Salt Farm Project for Production and Sale of Raw Sea Salt thereby constructing Salt Farm pans (ponds) for production of Salt, Storage Facilities, Residential Camp for key staff, Office Buildings, Structure and Procurement of Utility

Vehicles and the necessary Machinery, Equipment and Working (hereinafter referred to as the "Project") on the Agreement that the two Joint Venture Partners will share proceeds from sales of raw salt at the rate of 10% to Landlord and 90% to the Developer after the Developer's deduction of all investment costs incurred in the process of the project development, operational cost and payment of all statutory deductions and;

3.0 WHEREAS the Developer is desirous to invest in Sea Salt Farming by taking charge the abovementioned PMLs for the same development purposes of developing the PMLs into modern Salt Farm for production of Raw Salt for sale, and upon the conditions and the terms hereinafter appearing-

4.0 NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

4.1 For purposes of fulfilling requirements of this contract, the construction period of the Salt Farm herein referred as the "Contractual Period" shall be for FIVE YEAR starting from the FIRST day of MARCH 2022 to the TWENTY EIGHTH day of FEBRUARY 2027

4.2 The rate of construction will be completion of at least 80 Salt Pans (Ponds) per year measuring 50m x50m x 0.6m high, and development will run non-stop for the first three years of the Contractual Period of 5 years, translating into construction of 240 Pans (Ponds) for the 5 years Contractual Period;

4.3 Investment Cost up to completion at year three (construction of ponds/pans, storage facilities, office buildings, residential camp for key staff, structures; procurement and installation of machinery, equipment and working tools; utility vehicles; furniture and initial working capital is agreed at at US\$ 656,000-

4.4 The initial project financing model will involve Developers' equity contribution of US\$ 347,826- (equivalent to TShs 800,000,000/=), equivalent to 53% of total investment cost of the project implementation. The balance of US\$ 308,174- (47%) will be sought from the Developers' Bankers;

4.5 Agreed that the Developer may use the property at project sites as collateral in securing long term as well as short term bank financing;

4.6 The developer to ensure salt produced will all be sold immediately as the market situation allows, and that all proceeds from sales be ploughed back to finance further developments if and when considered necessary.

5.0 THE LAND LORD HEREBY COVENANTS WITH THE DEVELOPER AS FOLLOWS

5.1 Not to assign, sublet or part with the possession of the project land or any part thereof without the written consent of the Land Lord;

5.2 Not to prevent the Land Lord and/or his agent, at reasonable time of the day, after reasonable notice to the Developer in that respect, to enter upon the project site to assess and/or inspect project development progress on the said sites by the Land Lord or appointed Agent or Representative from the Company on that behalf.

5.3 To use the land for development of Salt Farm and related infrastructure strictly on the agreed specifications;

To keep the project site clean and abiding to environmental requirements and local authority building permit and similar conditions pertaining to development of such projects;

5.4 Not to make any alterations or additions to the agreed buildings/salt pans/ponds specifications without the written consent of the Land Lord;

5.5 Either party may terminate the Development Contract by giving the other party three months notice in writing of the desire to do so, any time from 12 months after this lease has become effective, on FIRST day of 2021. Should the Contract terminator be the Land Lord, the terminating Partner should compensate the Developer on all the unrecovered costs incurred in the development process subject to direct negotiations or through arbitration.

6.0 DISPUTE RESOLUTION

All the disputes arising out of the terms of this agreement shall be settled through negotiations or arbitration.

IN WITNESS WHEREOF; the parties hereto have set their respective hands on the day and the year in the manner herein below appearing:

SIGNED and Delivered by the said William Kaisi Chombo known to me personally/identified to me by _____ then later known to me personally.

NAME: WILLIAM KAISI CHOMBO


SIGNATURE: 

POSTAL ADDRESS: BOX 8 CHALINZE

QUALIFICATIONS: PRIMARY MINING LICENCES HOLDER

BEFORE ME

Name: MAGUSU MUGOKA

Signature: 

Address: Box 729 DSM

Qualification: ADVOCATE



SEALED at Dar es Salaam with the Common Seal
of the said MEGA BUILDERS LIMITED

in our presence this 14th day of January 2022.

NAME: BALBIR MALIK

SIGNATURE: Balbir Malik

POSTAL ADDRESS: BOX 5767 DAR ES SALAAM

QUALIFICATIONS: MANAGING DIRECTOR

MEGA BUILDERS LTD.
P. O. Box 5767
DAR ES SALAAM

BEFORE ME

Name: MAGUSU MUGOKA

Signature: [Signature]

Address: Box 729 Dsm

Qualification: ADVOCATE



Drawn by:

Balbir Malik Singh

Managing Director

Mega Builders Limited

P.O. Box 5767

Dar es Salaam