

LEASE AGREEMENT

BETWEEN

MWENGA HYDRO LIMITED

AND

3R3K COMPANY LIMITED

**In respect of the Coffee Farm situated on part of
Farm 822 Land Office number 178880 under Certificate of Title number 24755 MBYRL in
Mufindi District, Iringa REGION**

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LEASE AGREEMENT

This Lease is made on this 28 day of JANUARY, 2022.

BETWEEN:

MWENGA HYDRO LIMITED, Ifupira Village, Godauni Street, PO Box 555, Mafinga, Tanzania (hereinafter referred to as the "**Lessor**") which expression shall, where the context so admits, include their successors, and assigns in title of the one part;

AND

3R3K COMPANY LIMITED of FM Hotel Building, Chaungingi, Njombe (hereinafter referred to as the "**Lessee**") which expression shall where the context so admits include its successors and assigns in title of the other part.

WHEREAS:

- A. The Lessor is the registered owner of all that parcel of leasehold land known as as Farm number 822, Land Office number 586645 under Certificate of Title number 47961-MBYRL in Iringa District, together with the buildings and erections thereon, the water rights attaching thereto and all fixtures and fittings of a permanent nature pertaining thereto (hereinafter referred to as "**the Property**"), with a total of about 384.3 hectares.
- B. The Lessee and Lessor acknowledge that the Property consists of the following subsections:
- (i) the leasehold property of 375.3 hectares ("**the Coffee Farm**") subdivided from the Property on completion of the Subdivision (as defined below), as described in the Survey of Subdivision of 22 May 2015 (attached at Annexure 2), together with the buildings and erections thereon, all fixtures and fittings of a permanent nature pertaining thereto, including without limitation:
 - (a) A four-room guest house and related infrastructure but excluding furniture and kitchen appliances; a servant house; two room coffee manager office; timber storage house; timber coffee drying facility and concrete coffee preparation facility;
 - (b) Established water systems;
 - (c) 445 acres of eucalyptus trees; 70 acres of pine trees; 125 acres of coffee and other planted commercial trial plants, including without limitation 150

hectares of managed timber plantation inclusive of related road access (hereinafter referred to as the "Forestry Land");

excluding moveable machines, chemicals and any other moveable equipment that may belong to previous tenants of the Property, as determined by the Lessor, and excluding the Excluded Hydro Land (as defined below).

(ii) 9 hectares (22 acres) of hydro land (the "Excluded Hydro Land"), as described in the Survey of Subdivision from 22nd of May 2015 (Annexure 2), including all assets related to hydro power station, and related water use permit (No. RBWBO201) issued by the Rufiji Basin Water Office on 29.1.2013, inclusive of related road access, power line wayleaves and hydro water use rights.

C. The Lessee and the Lessor acknowledge that the Property is in the process of being subdivided such that the Excluded Hydro Land will be demarcated from the Coffee Farm (which process is hereafter referred to as the "Subdivision"), following which the Property will be used as follows:

- (i) Excluded Hydro Land: electricity production, and
 - (ii) Coffee Farm: farming activities.
- (iii) The Lessee and the Lessor intend to enter into a property purchase agreement whereby the Lessee will purchase the Coffee Farm from Lessor (the "Property Purchase Agreement"), which will complete subject to various conditions being fulfilled.
- (iv) Prior to the completion of the transaction contemplated by the Property Purchase Agreement, the Lessee has expressed the intention to lease the Coffee Farm, subject to the terms and conditions stipulated under this Lease.
- (v) The Excluded Hydro Land is manifestly excluded from the Coffee Farm and is not the subject matter of the lease contained in this Lease.

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1. COMMENCEMENT AND DURATION OF THIS AGREEMENT

This Lease shall be with effect from 1st January 2022 (Effective Date) until the earlier of:

- (i) the completion of all matters under the Property Purchase Agreement including the issue of a Certificate of Occupancy in the name of the Lessee; or

- (ii) the expiry of a period 12 months from the Effective Date, and will be automatically renewed for one further 12 month, in the event that unanticipated delays are encountered in the completion of the Property Purchase Agreement

based on the conditions prescribed in this Lease.

2. DATE OF POSSESSION

The date of commencement for the purpose of this Lease shall be considered as the Effective Date.

3. LEASED AREA

- 3.1 The Lessor hereby demises unto the Lessee the Coffee Farm. The Lessee expressly acknowledges that the Coffee Farm excludes the Excluded Hydro Land. A Sketch Plan of the Property clearly demarcating the Coffee Farm, the Excluded Hydro Land and the the Forestry Land is annexed to this Lease (ANNEXURE 1).
- 3.2 The Lessor shall, during the lease period, permit the Lessee to have uninterrupted access to and enjoyment of the Coffee Farm.

4. RENT PAYABLE

- 4.1 The rental charges shall only accrue from the Effective Date.
- 4.2 It is hereby agreed that the Lessee shall pay a fixed base rent of Tanzania Shillings TWENTY-FIVE MILLION (TZS 25,000,000) per annum.
- 4.3 The rent shall be payable in two installments with the first installment due on the Effective Date and the second instalment due on the 1st July 2022. In the event that this Lease is terminated prior to the expiry of a 6 months period, the Lessor shall reimburse to the Lessee the amount of rental charges proportionate to the unused term, other than in circumstances of the Lessee's breach.
- 4.4 The Lessee shall pay the property tax, land rent, levies, and statutory impositions whatsoever which now are or shall at any time hereafter during the said period be charged, assessed or imposed upon in respect of the Coffee Farm.

5. REGISTRATION OF THIS AGREEMENT



The parties shall, to the extent required by law and practice, properly register this Lease with the relevant land registry office, and any other relevant government office that may serve as a place for registering or recording leases, within 45 days from the date that this Lease is executed.

6. THE LESSEE COVENANTS WITH THE LESSOR

The Lessee covenants with the Lessor as follows:

- 6.1 To pay the agreed rent to the Lessor at the times and in the manner aforesaid clear of all deductions.
- 6.2 To maintain the Coffee Farm and appurtenances thereof including without limitation the ways and tenable repairs such that the condition of the Coffee Farm is maintained in its current status up until the expiry of the lease period under this Lease.
- 6.3 To pay all charges for water, electricity and other utilities which may be assessed on the Coffee Farm during the lease period under this Lease together with any crop related land fees including but not limited to District or village fees, fees and rates and any other levies imposed by the Mufindi District in relation to the Coffee Farming activities on the Coffee Farm.
- 6.4 To keep the Coffee Farm in clean, tidy and sanitary condition at all times and not to assign, sublet or part with the possession of the Coffee Farm without the prior written consent and permission of the Lessor.
- 6.5 To use best endeavors to avoid loss or damage by fire for the duration of the lease period and to restoring the Coffee Farm or such part thereof as might be destroyed or damaged by fire to its former state.
- 6.6 To be responsible for and to indemnify the Lessor against all damages occasioned to the Coffee Farm or any part of a building on the Coffee Farm, or any other part of the adjacent premises or to any person caused by any act, default or negligence of the Lessee or the servants, licensees or invitees of the Lessee.
- 6.7 Not to assign, sublet, underlet or part with possession of the Coffee Farm or any part thereof without the prior written consent of the Lessor.
- 6.8 Not to undertake any harvesting activities on the Forestry Land and, in the event, the Lessor deems it necessary for harvesting activities to be undertaken on the Forestry



Land, the parties shall agree in good faith a mutually acceptable plan of activities to undertake and complete such harvesting in a timely and productive manner;

- 6.9 Not to do or permit to be done anything whereby the policy of insurance of the Coffee Farm may become void or voidable.
- 6.10 At all times during the continuance of the lease hereby created to comply with all laws, acts, rules, regulations or by-laws now or hereafter enacted, passed, made or issued by the Government of the United Republic of Tanzania or any local or other authority in relation to the occupation conduct or user of the Coffee Farm.
- 6.11 To promptly execute and deliver such documents and perform such acts and to use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as the Lessor may reasonably require from time to time for the purpose of completing the transaction envisaged by the Property Purchase Agreement.
- 6.12 To allow the Lessor and the Lessor's agents, employees and designated representatives unfettered access to the Excluded Hydro Land and the Forestry Land (if applicable) throughout the lease period.

7. THE LESSOR COVENANTS WITH THE LESSEE

The Lessor covenants with the Lessee as follows:

- 7.1 That the Lessee paying the rent hereinbefore reserved, producing evidence of the relevant insurance cover and performing and observing the several covenants conditions and agreements herein contained and, on its part, to be performed and observed may peaceably occupy and enjoy the Coffee Farm during the term hereby granted without any interruption or disturbance from the Lessor or any person or persons lawfully claiming under or in trust for the Lessor.
- 7.2 From the Effective Date, to deliver up the possession of the Coffee Farm to the Lessee on an as is basis.
- 7.3 The Lessor hereby agrees to pay and discharge the property rates, assessments, impositions, excluding those charges which the Lessee is liable to pay under clause 6.3 above.

7.4 That upon every payment of the rent by the Lessee, a duly stamped receipt should be given to the Lessee in confirmation of the payment made.

7.5 Whenever the Coffee Farm or any essential part thereof shall be destroyed by fire, (for which the Lessee is not responsible), storm, war, civil disturbance or other calamity this lease shall, in case of total destruction, terminate automatically. In case of partial destruction or injury the Lessee, with Lessor's consent, shall repair and restore at his own cost the Coffee Farm to its former state and condition within a reasonable time and the lease shall continue to remain in effect unless terminated by mutual consent of the Lessor and the Lessee PROVIDED THAT during the said period of repair and restoration, if the Coffee Farm shall be deemed unfit for tenancy, no rent shall be paid under the terms of this Lease for the said period of repair.

8. THE LESSOR AND LESSEE MUTUALLY AGREE AND DECLARE

- 8.1 If the rents hereinbefore reserved or any part thereof shall at any time be in arrears and unpaid for sixty (60) days after the same shall have become due (whether legally demanded or not) or if the Lessee shall at any time fail or neglect to perform or observe any of the covenants or agreements herein contained and on the Lessee's part to be performed and observed then and in any such case it shall be lawful for the Lessor, upon giving reasonable notice of not less than thirty (30) days to the Lessee to re-enter into the Coffee Farm or any part thereof and thereupon to absolutely determine the lease but without prejudice to any right of action or remedy of the Lessor in respect of any antecedent breach by the Lessee of any of the covenants or agreements herein contained.
- 8.2 Subject to clause 6.8 and with a prior consent of the Lessor, the Lessee is free to conduct any developments on the Coffee Farm at their own expense with prior consent in writing from the Lessor and the Lessor will not be obliged to refund the Lessee for any developments on the Coffee Farm. Any developments on the Coffee Farm will form part of the Coffee Farm and remain as properties of the Lessor at the end of the lease period. The Lessor shall not withhold such consent unreasonably and there shall be no additional rental as a result of such developments.
- 8.3 Notwithstanding anything to the contrary herein contained, this Lease may (subject to the provisions of any law in force to the contrary) be modified by written agreement of the parties and such agreement shall form an addendum to this Lease.
- 8.4 Stamp duty, registration charges in respect of this Lease shall be borne by the Lessor.
- 8.5 The parties agree and acknowledge that it is their intention to enter into the Property Purchase Agreement. In the event that the parties do not complete the transaction



envisaged by the Property Purchase Agreement within 24 months, the Lessor shall be entitled to dispose of the Coffee Farm as it sees fit.

- 8.6 Notwithstanding any provision in this Lease, any sale or assignment envisaged under the Property Purchase Agreement shall recognize the existence of this Lease and any third party buyer of the Coffee Farm shall be bound by the provisions of this Lease, if applicable, and shall immediately following the transfer of the Coffee Farm or any part of it execute a novation, if applicable, confirming that it has been furnished with a copy of this Lease and covenants with the Lessee or its successor in title to observe, perform and be bound by all the terms of this Lease.

9. MAINTENANCE AND REPAIR

The Lessee will keep in good order repair and condition all buildings and chattels, fences, electric fences, gates, bridges, erections, culverts, drains, water systems, internal races and vehicle accesses and every other description of improvements which now are or which hereafter during the said term may be made on the land and will use adequate lubricating oils and greases on all moving parts of machinery fixed or installed upon the land and will renew all such parts of the said improvements which shall become worn out decayed or unserviceable and in the said order repair and condition will at the end or sooner determination of the said term deliver up the same together with the land to the Lessor. Should damage occur to the buildings and chattels through negligence on behalf of the Lessee the Lessee will make good any damage and shall indemnify, defend and hold Lessor, its employees, directors, officers and agents harmless from and against, any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees and expert witness fees) which arise out of or relate to the above.

10. GOOD HUSBANDRY

- 10.1 The Lessee agrees that at all times during the said term to cultivate use and manage in a proper and husbandry like manner all such parts of the land constituting the Coffee Farm which are or shall be broken up or converted into tillage and will not impoverish or waste the land or permit the land to be wasted including but not limited to:

10.1.1 Ensure trees remain planted all around the Coffee Farm boundaries;

10.1.1.1 demarcate the boundaries of the Coffee Farm to the satisfaction of the Mufindi District Council, and to maintain such demarcation such that the boundaries are always easily identifiable;

- 10.1.1.2 do everything necessary to preserve the environment and protect the soil and prevent soil erosion on the Coffee Farm, and to do all things which may be required by the authorities responsible for environment, and to achieve such objective; and
- 10.1.1.3 be responsible for the protection of all beacons on the Coffee Farm throughout the term of the lease under the agreement on the understanding that missing beacons will be replaced at the Lessee's expense as required by the relevant authority.
- 10.2 That the Lessee will during the whole of the term ensure that all drains and culverts and watercourses are kept open and reasonably clear and unobstructed and unpolluted at all times during the said term.
- 10.3 That the Lessee will throughout the said term in all respects in a satisfactory manner observe and comply with the directions of the Lessor from time to time issued to the Lessee by the Lessor or by the Lessor's offices agents or servants or otherwise relating to the use and management of the land and the operations conducted or to be conducted by the Lessee on the said land and will during the said term carefully tend manage and care for all stock and chattels on the land owned by the Lessee or otherwise in the custody or control of the Lessee.
- 10.4 That (and notwithstanding anything hereinbefore contained) the Lessee will keep any native bush and any shrubbery and any timber shelter ornamental or other trees in good order and condition and will not without the prior written consent of the Lessor cut down, damage or destroy or permit to be cut down damaged or destroyed all or any of the said bush shrubbery or trees at any time growing or standing on the land and will use all proper and reasonable means to preserve the same and will not without the like consent remove or permit to be removed from the land any timber fencing posts or firewood. Further the Lessee shall not remove any soil or stone from the land nor shall the Lessee deliver and deposit to the land and soil or stone unless it is suitable for the maintenance of the land, entrances and tracks.
- 10.5 The Lessee will during the term hereof pay all electricity, water charges and other utilities levied against the Coffee Farm.

11. INDEMNIFICATION, WAIVER, AND RELEASE

- 11.1 From and after the Effective Date, Lessee assumes all risks of its own operations, and those of its agents, independent contractors, and any licensees, and shall indemnify,

defend and hold Lessor, its employees, directors, officers and agents harmless from and against, any and all demands, claims, causes of action, fines, penalties, damages (including consequential damages), liabilities, judgments, and expenses (including, without limitation, reasonable attorneys' fees and expert witness fees) which arise out of or relate to:

- 11.1.1 the use or occupancy or manner of use or occupancy of the Coffee Farm by Lessee or any person claiming under Lessee;
 - 11.1.2 any activity, work, or thing done or permitted by Lessee in or about the Coffee Farm;
 - 11.1.3 any breach by Lessee or its employees, agents, contractors or invitees of this Lease; and
 - 11.1.4 any injury, loss or damage to the person, property or business of Lessee, its employees, agents, or contractors or any invitees entering upon the Coffee Farm under the express or implied invitation of Lessee.
- 11.2 If any action or proceeding is brought against Lessor or its employees, directors, officers or agents by reason of any such claim for which Lessee has indemnified Lessor, Lessee, upon written notice from Lessor, will defend the same at Lessee's expense with counsel reasonably satisfactory to Lessor. Lessee's obligations under this clause shall survive the expiration or other termination of this Lease.
- 11.3 Lessee, as a material part of the consideration to Lessor for this Lease, by this section waives and releases all claims against Lessor, its directors, officers, employees and agents with respect to all matters for which Lessor has disclaimed liability pursuant to the provisions of this Lease and which claims arise from actions taken or happening after the registration of this Lease.
- 11.4 The waiver by either Lessor or Lessee of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease.

12. TERMINATION

12.1 This Lease shall terminate:

- 12.1.1 on the expiry of the lease term herein reserved, unless the parties shall mutually agree in writing to renew it;

- 12.1.2 if the Parties fail to enter into the Property Purchase Agreement by 31 May 2022;
- 12.1.3 if the Parties fail to complete the transaction contemplated by the Property Purchase Agreement within 24 months of signature of the Lease Agreement;
- 12.1.4 on issue of a Certificate of Occupancy in the name of the Lessee, as envisaged by the Property Purchase Agreement;
- 12.1.5 by written consent of both parties; or
- 12.1.6 if the Lessee or Lessor commits a breach of the terms of this Lease or the Property Purchase Agreement which is incapable of being rectified in accordance with the provisions of the relevant agreement or is not rectified in the time periods provided by the relevant agreement. Breach will include but not be limited to amongst other things any activity that impedes or interferes with access to or operations of the Lessor on the Excluded Hydro Land.
- 12.2 In case of breach or default on any term of the Lease by the Lessee or Lessor, excluding any unforeseen reasons such as natural disasters, any non-defaulting party may, without prejudice to any rights that it might have including a right to refund of any paid rent received for that period which has not been spent for the remaining months before another payment of the following period falls due give the other party a three (3) months' notice in writing of the intention to terminate this Lease.

13. INTEREST TO SELL BY LESSOR AND PURCHASE BY LESSEE

In line with clause 8.5 herein the parties agree and acknowledge that it is their intention to enter into the Property Purchase Agreement.

14. RENEWAL OF LEASE

The Lessor shall at its sole discretion and at the written request of the Lessee made one (1) months before the expiration of the lease period hereby created, and if there shall not at the time of such request be any existing breach or non-observance of any of the covenants on the part of the Lessee herein contained at the expense of the Lessee, grant to it a lease of the Coffee Farm for a further term to be agreed by both parties containing the like covenants and provisions as are herein contained and at a rent fixed at the time.

15. LESSOR'S RIGHT OF ENTRY

The Lessor and/or designated persons of the Lessor shall, with prior reasonable notice of not less than 24 hours or at the request of the Lessee, be entitled to enter the Coffee Farm at all reasonable times for the purpose of inspecting the Coffee Farm.

16. ASSIGNMENT

The Lessee will farm and occupy the land exclusively for its own use and benefit of the Lessee and shall not be permitted to sublet any part of the land for the whole or any part of the said term.

17. WHOLE AGREEMENT

This Lease 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. No party shall be bound by any express or implied term representation, warrant, promise or the like recorded herein, whether it included the contract or not.

18. FORCE MAJEURE

18.1 In relation to an act of God, the Lessor shall not be entitled to any compensation and the Lessee shall not be liable to the Lessor for any damage, loss or inconvenience suffered as a result of that act.

18.2 For the purpose of this Lease, an act of force majeure shall mean:

18.2.1 natural disasters such as earthquake, landslide, floods, which prevent the continued use of the premises for a period of at least 6 months; or

18.2.2 terror attacks, civil unrest, violence or political activity which restrain the activities of the Lessee or causes unproductivity.

19. NOTICES

19.1 The parties choose as their places of domiciles for their respective addresses set out in this clause for purposes of giving of any notice, the serving of any process, the payment of any monies and for any other purposes arising from this Lease, as follows:

The Lessor:

Mwenga Hydro Ltd

P.O. Box 555, Mafinga, Tanzania.

Tel: +255 685 739 999

E-mail: info.rvetz@riftvalley.com / mgratwicke@riftvalley.com
Attn: Mr Michael Gratwicke

The Lessee:
3R3K Limited
FM Hotel Building, Chaugingi, Njombe

Tel: +27 832437771
E-mail: 3r3k@lyle.co.za
Att: Robert Rawlins

20. NON-VARIATION

That the terms and condition of this Lease shall be fixed for the duration of the lease and should either party wish to modify and/or amend any term or condition of this Lease the same shall be confirmed in writing and mutually signed and accepted by both the parties.

21. SEVERABILITY

If any provision of this Lease is held to be void or unenforceable by or as a result of the determination of any court or other authority, which decision is binding upon the parties, the parties agree that such determination shall not result in the nullity or unenforceability of the remaining provisions of this Lease. The parties further agree to use their mutual best efforts to replace such void or unenforceable provision in a manner that will achieve, to the extent possible, the economic, business or other purposes of the said void or unenforceable provision.

22. INDULGENCES

No relaxation, extension of time, latitude or indulgence which either party may show, grant or allow to the other shall in any way constitute a waiver by the grantor of any of the grantor's rights in terms of this Lease and the grantor shall not thereby be prevented or stopped from exercising of any of its rights against the grantee which may have then already arisen or which may arise thereafter.

23. GOVERNING LAW

This Lease shall be governed by and construed in accordance with the Laws for the time being in force in Tanzania.

24. DISPUTE RESOLUTION

24.1 If any dispute or differences whatsoever shall arise between the parties hereto at any time during the continuance of the lease or upon or after its discharge or determination touching or concerning this Lease or its construction or effect or as to the rights, duties or liabilities of the parties hereto or any of them under or by virtue of this Lease or otherwise or as to any other matter in any way connected with or arising out of or in relation to the subject matter of this Lease, the parties shall use their best efforts to settle such disputes or differences amicably within twenty one (21) days from the date a party receives a notification of a dispute from another party; to this end they shall consult and negotiate with each other, in good faith and understanding of their mutual interests, to reach a just and equitable solution.

24.2 If the matter cannot be settled amicably under the clause above, the dispute shall be referred to one arbitrator who will be mutually appointed by the parties in accordance with the Arbitration Act, Cap. 15 or any statutory modifications or re-enactment thereof for the time being in force. If the Parties fail to appoint one arbitrator, each party shall, within a period of 15 days following failure to appoint one arbitrator, appoint an arbitrator and the two arbitrators shall within 14 days following their appointment, appoint a third arbitrator who shall act as an umpire.

24.3 The decision of the arbitrator(s) shall be final and binding on the parties and shall forthwith be carried into effect. The arbitrator's award may be made an order of any court of competent jurisdiction.

24.4 The arbitration shall be held in Dar-es-Salaam, Tanzania.

24.5 The language of the arbitration shall be English.

25. COUNTERPART SIGNING

This Lease may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have respectively executed this Lease on the day and year first above written.

SEALED with the Common Seal of
MWENGA HYDRO LIMITED
and DELIVERED in our presence
this 28 day of JANUARY 2022.

Signature: _____

Name: MICHAEL CRADOCKE

Address: PO Box 555, MAFINGA

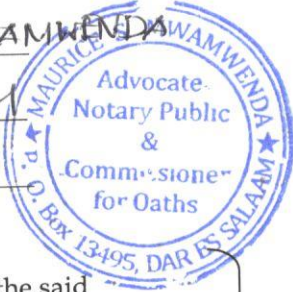
Designation: DIRECTOR

Signature: _____

Name: MAURICE S. MWAMWENDA

Postal Address: 13495, DDM

Designation: ADVOCATE



SEAL



SEALED with the Common Seal of the said
3R3K Company Limited
and DELIVERED in our presence
this _____ day of _____, 2022.

Signature: _____

Name: Robert B. Rawlins

Postal Address: PO Box 613 Njombe

Designation: Managing Director

Signature: _____

Name: Kyla Rawlins

Postal Address: PO Box 613 Njombe

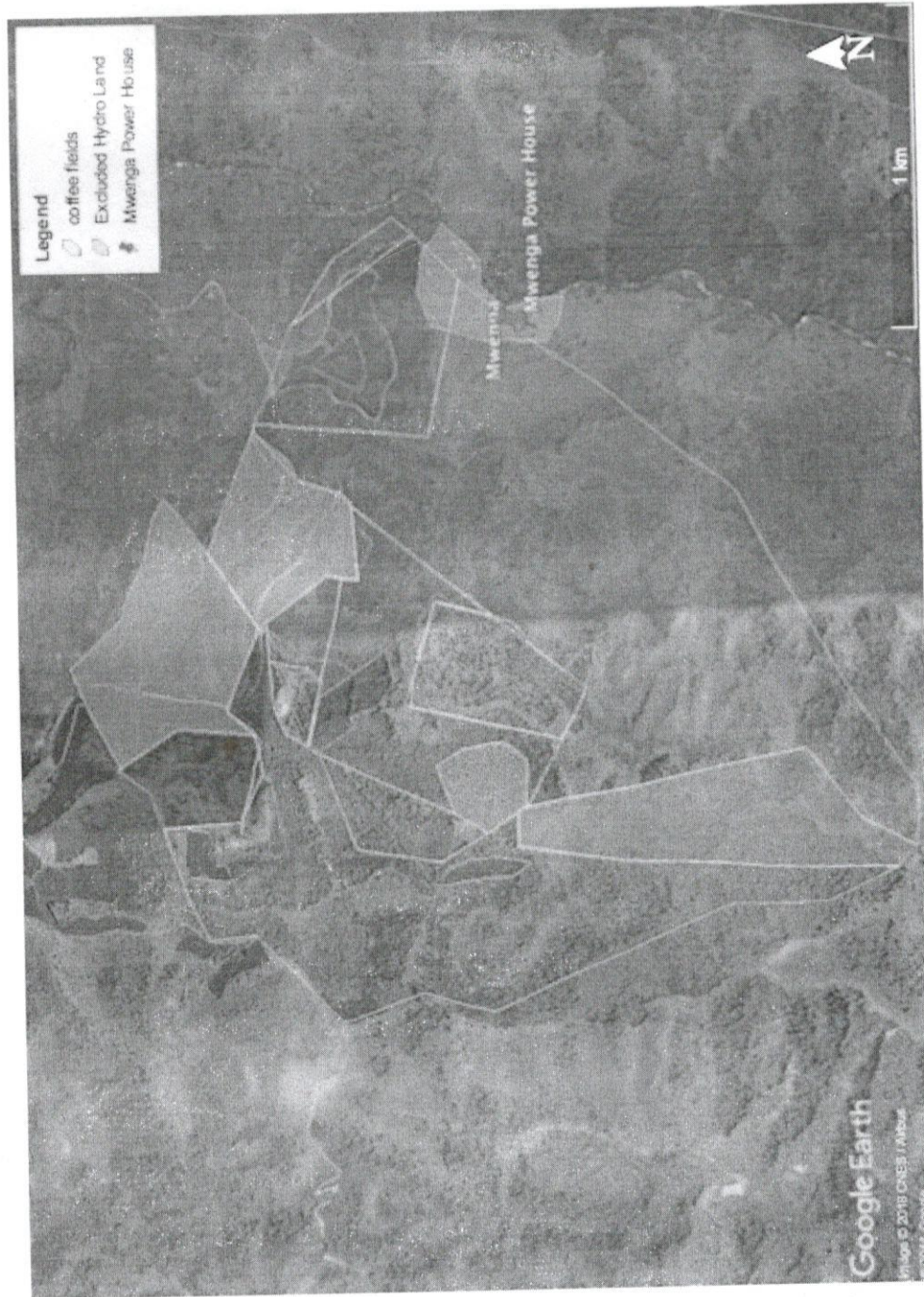
Designation: Secretary

SEAL



Stamp Duty
Shs: 250,000/- Collected
Receipt No: 998415891320 Date: 19/02/2022
[Signature]
District Manager - Mufindi

Annexure 1: Map of Property Showing Location of the Coffee Farm, Excluded Hydro Land and the Forestry Land



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Annexure 2: Survey Map of Excluded Hydro Land

