

AGREEMENT ON THE SALE OF ASSETS

BETWEEN

ALLURE FLOWERS LIMITED

ARTHUR F. ANDREASEN

AND

AVOAFRICA FARMS TANZANIA LIMITED

FARM NO. 898 NJOOMLOLE AREA IN THE NJOMBE REGION.

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AGREEMENT ON THE SALE OF ASSETS

This Agreement is made on the 10th APRIL 2023

BETWEEN

ALLURE FLOWERS LIMITED, whose registered Office was in Njombe (hereinafter referred to as the "Seller" or Lessor, as the case may be), which term, where the context permits, includes and includes his successors and assignees and the persons entitled to him and **ARTHUR F. ANDREASEN** shareholders of the seller and lessor of the premises, collectively referred to as "the Seller or Sellers" as the case may be; on the first part;

AND

AVOAFRICA FARMS TANZANIA LIMITED, whose registered Office is in Njombe (hereinafter referred to as "the Buyer"), the term for which the context permits and includes their successors and assignees and the persons who own them; on the second part;

PREAMBLE

TAKING INTO CONSIDERATION, the Seller is the legally registered holder of the land under the deed registered as certificate of occupancy title No. 13719-MBYLR, L.O No. 361455 L.D. No. NFJ/10395, located at Njoomlole Village in Njombe District of the Njombe region of Tanzania. (hereinafter referred to as the "Farm" and/or the "Premises" as the case may be and collectively referred to as the "Property")

Whereas the said Farm was pledged to IFU for a loan of 600,000 Euros an amount that has since accrued interest, so that the total debt to IFU totals 1,770,817 Euros. Seller and IFU have reached an agreement whereby IFU have sold the total debt to Revisionsanpartsselskabet Arthur F. Andreasen ApS, who can now execute this agreement and the transfer of the land title to the purchaser free of any encumbrance

Whereas pursuant to the said agreement between Seller and IFU (hereinafter attached as part of this Seller Agreement), Buyer has agreed to purchase the Property on terms acceptable to both parties.

Whereas the said Property contains farm land, assortments of remnants of planted trees, flowers and other natural vegetation, office buildings and other residential structures of work, furniture and greenhouses, as well as irrigation system and electrical and other installations;

Whereas the Seller made an offer to sell to the Buyer the entire Property and the Buyer has agreed to accept the said offer in accordance with the terms and conditions set forth hereinafter;



Whereas part of the Farm measuring 40 acres was spun off and separate infrastructure was developed and leased separately by the Seller's director in the name of Arthur Andreasen on long-term lease and that the said Lease will terminate upon signing of this Agreement followed by a handing over of a clean title deed to the Buyer.

Whereas the Seller and the Buyer have conducted negotiations for the sale of the entire property, now wanting and requiring a formal contract to embody the terms and conditions of their negotiations;

Now, therefore, in view of the parties' premises and reciprocal covenants as set out below, it has been agreed as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Agreement, unless the context requires otherwise:

"Agreement" means this Agreement for the Sale of Property as originally executed and all instruments supplementing and including any amendments to this Agreement;

"Deed of Settlement" means the Deed of Settlement entered between Allure Flowers Co. Ltd and SHF Holdings and Farms Ltd entered on 23 January 2023.

"Government" means the Government of the United Republic of Tanzania and/or any Ministry of Government of the United Republic of Tanzania or, if the context so requires, another body or person controlled by, or accountable to, or representing the Government of the United Republic of Tanzania;

"Party" means one of the Parties to this Agreement;

"Premises" means the land under which part of the land that was under a long-term lease is dated 14 February 2019.

"Purchase price" means only U.S. dollars two hundred thousand (USD 200,000);

"Written" means any representation of words in a legible and non-transient form;

- 1.2 References to singular include, where context permits, references to plurals and vice versa, and references to clauses are references to the clauses in this Agreement.
- 1.3 References to Statutes shall include any statutes, statutes, regulations or delegated acts amending, sub-issuing or making known them, or amending, resuming or extending the same, or under which the same is made out.
- 1.4 Words importing the masculine gender shall include the feminine sex and vice versa, and word-importing persons shall include any corporation, individual, corporation, joint venture, association, limited liability company, unincorporated organization or government, or any agency or political subdivision thereof.
- 1.5 The headings used in this Agreement are for reference only and do not affect the construction of any of the terms and provisions herein.
- 1.6 References to any document or agreement include references to such document or agreement as amended, enjoyed, replaced or supplemented from time to time.
- 1.7 Reference to a person or party includes that person's or party's successors or permitted assignees.
- 1.8 If for any reason any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not invalidate any other provision hereof, and the invalid, unenforceable, or unenforceable provision shall be deemed never to have been contained herein. In the event of such invalidity, illegality or non-enforcement, the parties shall use their best efforts to achieve the purpose of the relevant provision by amending this Agreement and establishing a new enforceable provision.

2. SALE OF PROPERTY AND PRICE

On and subject to the terms and conditions of this Agreement, Seller has sold and shall assign the Property to Buyer free from any encumbrance whatsoever for a consideration of United States dollars two hundred thousand only (USD 200, 000) (hereinafter referred to as the "Purchase Price") paid in two installments, namely One hundred fifty thousand (USD150, 000) allocated for the loan repayment and fifty thousand (USD 50,000) as set forth below.

2.1 The Buyer shall pay the Purchase Price to the Seller as follows:



2.1.1 (i) The amount of United states dollars one hundred and fifty thousand only (USD 150, 000) will be deposited as an irrevocable deposit with a reputable bank in Denmark. This amount will only be released by the bank in favour of the designated recipient when the encumbrance on the title deed is discharged and relevant duly signed land forms are handed over to the Buyer. The deposit shall be done as agreed in the bank not later than 7 days after signing this agreement unless otherwise agreed by the parties. Subject to (ii) below, if the deposit is not made as provided herein, the agreement could be cancelled.

(ii) In the alternative, an amount of USD seventy five thousand (USD 75,000) will be deposited as an irrevocable deposit with a reputable bank in Tanzania in favour of the Attorney designated by IFU or in bank account designated by IFU. This amount will only be released by the bank in favour of the designated recipient when encumbrance on the title deed is discharged and relevant duly signed land forms are handed over to the Buyer.

(iii) If payment of purchase price is made pursuant to clause 2.1.1(i) then the balance of fifty thousands (USD 50, 000) will be deposited with a reputable bank and will ultimately be paid to an account designated by the Seller when the Title has been transferred to the Buyer or a tax clearance certificate has been granted to the Seller by the Revenue Authority, which ever comes first. In case payment of purchase price is made pursuant to clause 2.1.1(ii) above then balance of one hundred twenty-five thousands (USD 125, 000) will also be deposited with a reputable bank and released to an account designated by the Seller once the Title has been transferred to the Buyer or a tax clearance certificate has been granted to the Seller by the Revenue Authority, whichever comes first. Both Parties will cooperate and take all necessary steps so that the transfer is finalised within two months from the date the agreement has been signed by both parties. This transaction being an asset sale, the Seller will use part of this deposit to pay creditors which will not be taken over by Purchaser.

2.2 In addition to the Purchase Price, the Buyer shall pay United States Dollars Ten Thousands (USD10, 000) or Tanzania shillings Twenty five million (Tsh. 25, 000,000) to Mr. Yusuf Mulla upon production of the Settlement agreement that proves that a land dispute that existed for or against the Seller has been mutually settled, withdrawn and recorded as such to, signify end of the dispute with the Seller. Immediately after the signing of this agreement and recording of the settlement followed by payment of the amount stated herein, the Property shall be handed over to the Buyer to ensure its security.

3. TRANSFER, ASSIGNMENT OR TRANSFER OF OWNERSHIP



- 3.1 The parties hereby agree that Yusuf Mula, who has hitherto occupied the property, shall upon signing of the purchase price hand over all records, receipts, documents and material relating to the Farm in compliance with terms of Deed of Settlement.
- 3.2 That Seller and Buyer shall each bear their own costs, charges and other payment incurred by this part and/or in connection with the drafting and execution of this Agreement.

4.0 REPRESENTATIONS AND WARRANTIES OF SELLERS

- 4.1 The Seller represents and warrants to the Buyer from the date of signing this Agreement that each representation and warranty as it applies to it is true, accurate, complete and not misleading.
- 4.2 That Seller warrants that from the date of signing of this Agreement, other than the debt to Revisionsanpartsselskabet Arthur F. Andreasen ApS of USD 150,000.00 which shall be paid off as part of this transaction, the Property is being sold free from any encumbrance and further that its description is assumed and deemed to be correct as stated by the Seller.
- 4.3 The Seller warrants that the copy of the Sellers identification documents, the proxy signed by other shareholders and all such documents as necessary for this transaction are all authentic and accurate and the Seller shall be liable to the Buyer in the event that said documents do not meet the authenticity standards presented and as stipulated by law.
- 4.4.1 Original title deed no. Certificate of Occupancy Title No. 13719- MBYLR, L.O No. 361455, L.D. No. NFJ/10395 located at Njoomlole Village in Njombe District of the Njombe Region of Tanzania.
- 4.4.2A duly signed land transfer forms (three copies) of the premise that the notary has witnessed in favor of the Buyer.
- 4.4.3Valid land commissioners' consent to the transfer in relation to the premise in favour of the Buyer.
- 4.4.5Annual General Meeting (AGM) resolution of the Seller or proxy of shareholders to transfer or approve the sale of the farm/property.

4.5 Notwithstanding that Seller represents and warrants to Buyer that:



- 4.5.1 The Seller enters into this Agreement in his capacity as registered holder of the land/Property and has full and unlimited power to sell and transfer the Property to the Buyer.
- 4.5.2 The Property is not subject to any other terms and conditions except for any special conditions approved by the Buyer;
- 4.5.3 There are no circumstances known to Seller that (without taking any other action) would entitle any third party to exercise any right or power to enter or take possession, or that would otherwise affect or limit the continued possession, enjoyment or use of the Property for its present purpose.
- 4.5.4 The Property is not the subject of any family or community dispute;
- 4.5.5 There are no border disputes concerning or relating to the premise
- 4.5.6 The description of the premise and its scope is correct in all aspects
- 4.5.7 No payments or deposits have been received from other persons with respect to the Property;
- 4.5.7 The condition is not on a buffer zone, road reserve or public land, and its ownership thereof is not subject to any challenge whatsoever from the Government of Tanzania and any local authority or third party whatsoever.
- 4.5.8 There is no law or decree or similar enactment binding on Sellers, as far as they are aware, that would conflict with or prevent them from entering into or executing and complying with the terms of this Agreement.
- 4.5.9 Seller is not engaged in or, to the best of its knowledge, threatened by any arbitration or administrative proceeding regarding the Property.
- 4.5.10 There is no negative claim or dispute against the premise regarding easement rights or other such matters;
- 4.5.11 The Seller has not granted any rights of way, easement or any overriding interest over the premise;
- 4.5.12 The Seller has, to the best of its knowledge, disclosed to the Buyer all essential information relating to the Property.
- 4.5.13 The Seller has not received any notification from the government or the state body or local authority or from owners of adjacent properties that remain compliant;
- 4.5.14 The Seller shall promptly inform the Buyer in writing of any events or circumstances that may arise or become known to Seller prior to the date of signing this Agreement, which are inconsistent with any of the warranties, or



which had occurred on or before the date of this Agreement and would have constituted a breach of the warranties or would be material to the Buyer.

- 4.6 The representation and warranties in this clause shall be deemed to be repeated by the Seller on and from each day this Agreement remains in effect.
- 4.7 The Seller hereby agrees that the Buyer enters into this Agreement in reliance on each of the Warranties and undertakes to pass on to the Buyer everything that is or may be incompatible with any of the Warranties as soon as it comes to his notice.
- 4.8 The parties herein agree that if any of the warranties are untrue or misleading or have been breached, the Buyers shall be entitled, after serving a written notice to the Seller or Seller's representative and without prejudice to any other rights or remedies available to the Buyer, to consider the same as a breach of this Agreement.
- 4.9 The Seller hereby undertakes at all times and from time to time, however, max. 3 years from the date of purchaser to indemnify buyer (on a full and unqualified basis) at the first written request of buyer, from and against claims and demands that buyer may incur or suffer, or for which buyer may be or become liable as a result of or pursuant to seller's breach warranty other than those that relate or emanated during the period that the Property was under the occupation of Yusuf Mula.

5. APPLICABLE LAW AND DISPUTE RESOLUTION

- 5.1 This Agreement shall be governed by and construed in accordance with the laws of Tanzania.
- 5.2 Any dispute arising out of or in connection with this Agreement shall be settled amicably by the parties, otherwise the aggrieved party may bring an action before the court having jurisdiction to hear the dispute.

6.0 TAXES AND CAPITAL GAINS TAX

- 6.1 It is the Sellers obligation to pay any value added tax and/or capital gains tax on the purchase price should it be applicable.
- 6.2 The Buyer is responsible for stamp duty registration fees and other fees and disbursement payable upon registration of the transfer. The Buyer must also pay for registration fees on the release or any encumbrances registered on the title.
- 6.3 Accidental and incorrect description of the property or errors in the measurement of the land do not encumber the agreement, but the irregularity must be corrected and the agreement must continue as intended.
- 6.4 In the event of a breach of this Agreement which is not material any money that has changed hands will not be refunded and the defaulting party shall pay the



costs and expenses that such party will have spent/incurred under this Agreement with interest at market rates.

7. BREACH OF CONTRACT

- 7.1 If any representation or warranty mentioned in this agreement is incorrect, or if a party breaches or fails to perform any of its obligations hereunder, any other party shall have the right to notify the defaulting party in writing with appropriate information, and if such other party cannot be satisfied with any corrective action; taken in connection therewith, or if the inaccuracy is not corrected or the obligation is executed within fourteen (14) days from the date of written notice, such other party shall have the right to exercise any remedies available by law.
- 7.2 In the event of a breach, all rights and remedies granted under this Agreement shall be additional and without prejudice to any other rights or remedies under general law, including any right to specific performance, to claim damages or compensation, any right of termination and other statutory remedies.

8. BETTER INSURANCE

The Seller shall perform such other documents and perform such other acts as the Buyer may reasonably require to perfect the Buyer's right, title and interest in the property, however, taking into account that there has been someone else who has attempted to purchase the property and obtained materials from the Premises.

9. WAIVER OF RIGHTS

Except as otherwise provided in this Agreement or in the event of an express written waiver, the fact that either Party does not exercise all or part of its rights conferred by this Agreement shall in no event constitute a waiver or waiver of the rights not exercised.

10. SUCCESSORS AND ASSIGNEES

This Agreement shall govern and be binding on the parties and their respective successors and assigns.

11. ANNOUNCEMENTS

- 11.1 All notices, requests, consents, claims for waiver or other communications under or in connection with this Agreement must be in writing in English and must be



sent by personal delivery or by prepaid premium registered airmail or prepaid cable, or Internet mail to the addresses below:

11.1.1 In the case of the Seller, to:

Afa.revision@gmail.com

Denmark

Mobile: +45 4068 0672

11.1.2 In the event of the Buyer that:

Nagib@keitt.co.ke

Dar Es Salaam, Tanzania

Mobile +254 724808080

11.2 The parties may at any time; indicate to each other, by similar communication, any other address and/or fax number to which messages and other communications are to be sent.

12. IMPLEMENTATION OF THE AGREEMENT

12.1 Each Party undertakes to take all steps necessary for its execution and to sign or have signed from time to time all other documents, contracts or letters and to do or arrange for all necessary acts deemed necessary to fulfil the purpose of this Agreement and to give full effect to all its provisions.

12.2 If no payment is released by the Bank sixty (60) days after signing this agreement while the Seller has complied fully with his obligation and provided a title deed for the Property free of encumbrances to the Buyer, then the transaction could be cancelled by a written notice, unless there has been a mutual agreement to extend the time stipulated herein. Likewise, having deposited the funds with the reputable bank pursuant to clause 2.1 above, if the Seller fails to comply with the condition of discharging and handing over the title for the Property free of encumbrances within sixty (60) days after signing this agreement, unless extended by mutual agreement, the Buyer shall be at liberty to cancel the agreement. Both sides must work together to promote trade as much as possible.

13. SIGNING

This Agreement may be performed in three Counterparts, each of which is original at the time of execution and delivery, and all the Counterparts together constitute the same



instrument. The Agreement shall initially be initialed and followed by its signature once the Seller gets a go-ahead from the Bank that will receive the payment.

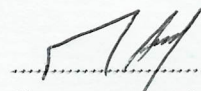
14. TERMINATION OF SUBLETTING AGREEMENT AND LEASE

14.1 The Lessor and Lessee undertake and agree that the signing of this Agreement automatically terminates the sublease between them dated March 22, 2013.

14.2 The lease agreement dated 14 February 2019 between Arthur F. Andreasen is hereby confirmed as terminated or otherwise valid. The buyer undertakes to provide proof to the seller proving that all disputes with Yusuf Mulla and his family as well as employees are finally resolved, and will give an undertaking that there is no claim on the property.

To WITNESS this, the parties have executed this deed on the date and year first herein written as follows:

SIGNED and DELIVERED in Dar es Salaam by
AVOAFRICA FARMS TANZANIA LIMITED
Thisday of 2023.


Signature and Company Seal

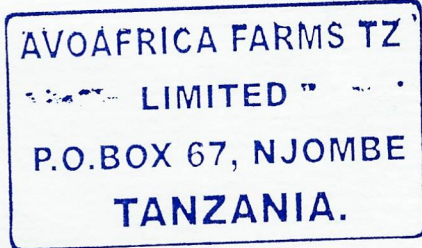


Name..... ASIF AMIN MUHAMMED.

Signature..... 

Mailing address: P.O BOX 67 NJOMBE

Qualification: DIRECTOR (CEO)



Signed Before Me:

Signature: 

Mailing address: KAS NJOMBE

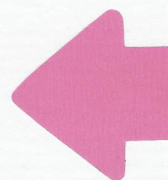
Qualification: ADVOCATE



SIGNED and DELIVERED in NJOMBE by
ALLURE FLOWERS LIMITED, this.....11.....
day ofAPRIL..... 2023.


Signature and Company Seal

ALLURE FLOWERS Ltd.
P.O. Box 716
Uwemba, Njombe, Tanzania
Tlf. +255 752 190 900



Name..... ARTHUR F. ANDREASEN

Signature: A. Andreasen

Mailing address: AFA.REVISION@GMAIL.COM

Qualification: M. DIRECTOR

Signed Before Me:

Name..... JOHN OWEGI

Signature: [Signature]

Mailing address: KHS NJOMBE

Qualification: ADVOCATE



SIGNED and DELIVERED in NJOMBE by
ARTHUR F. ANDREASEN

This 16 day of APRIL 2023.

A. Andreasen

Signature

ALLURE FLOWERS Ltd.

P.O. Box 716

Uwemba, Njombe, Tanzania

Tif. +255 752 190 900

Name..... ARTHUR F. ANDREASEN

Signature: A. Andreasen

Mailing address: AFA.REVISION@GMAIL.COM

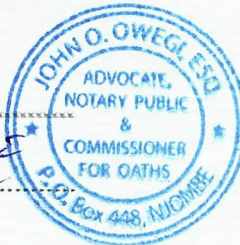
Qualification: M. DIRECTOR

Signed Before Me:

Signature: [Signature]

Mailing address: KHS NJOMBE

Qualification: ADVOCATE



[Signature]