

LEASE AGREEMENT

BETWEEN

TANZANIA INVESTMENT CENTRE (TIC)

AND

EAGLE HILLS PROPERTIES LLC

FOR INVESTMENT IN SUGAR PRODUCTION BY USING SUGARCANE

**FARM NO. 217/1- 217/6 LOCATED AT NGERENGERE/MKULAZI IN
MOROGORO
DISTRICT COUNCIL-MOROGORO**

JUNE, 2024

LEASE AGREEMENT

This Agreement is entered into this 28rd day of JULY 2024

BETWEEN

Tanzania Investment Centre (TIC), a Government Agency established under Section 4 (1) of the Tanzania Investment Act No.10 of 2022 to co-ordinate, encourage, promote and facilitate investments in Tanzania and to advise the Government on investment policy and related matters having its offices at Golden Jubilee Tower P. O. Box 938, Dar es salaam, for the purpose hereof, (hereinafter referred to as **“the Lessor”**) on the one side;

AND

Eagle Hills Properties LLC, P. O. Box 769458, Abu Dhabi – United Arabs Emirates (hereinafter referred to as **“The Lessee”**) on the other side;

RECITALS:

WHEREAS the Lessor is the absolute owner of the **Farm No. 217/1/1-217/6** located at **“Ngerengere/Mkulazi”** in Morogoro District Council-Morogoro Region with a total area of 60,103 Hectares, hereinafter referred to as **“the Property”**.

WHEREAS for the purpose of this Lease Agreement, the Lessee is interested in leasing the portion of the property from the Lessor and the Lessor has agreed to lease the Lessee the property subject to the terms and conditions stated herein.

AND WHEREAS the Lessee is desirous of establishing an investment in sugar production by using sugar cane hereinafter referred to as **“Sugar Production by using sugacane”**.

NOW, THEREFORE IN CONSIDERATION OF THE FOREGOING AND MUTUAL COVENANTS, TERMS AND CONDITIONS SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:

Initials of the Parties

The Lessee 

The Lessor 

1.0 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In this Agreement the following definition shall apply:

“**The Lessor**” means Tanzania Investment Centre (TIC);

“**The Lessee**” means Eagle Hills Properties LLC;

“**A Party**” means either the Lessor or the Lessee as the case may be, and “**the Parties**” shall mean both of them.

“**Leased Property**” An area within Farm No, 217/1-217/6 located at Ngerengere/Mkulazi in Morogoro District Council, Morogoro Region leased to the Lessee in accordance with the terms and conditions prescribed in this Lease Agreement.

“**Lease Rental**” means the sum of money to be paid in advance annually to the Lessor in accordance with terms and conditions prescribed in this Lease Agreement;


“**Encumbrance**” means and includes any interest or equity of any person (including, without prejudice to the generality of the foregoing, any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien or assignment or any other encumbrance priority or security interest or arrangement of whatsoever nature over or in the relevant property.

2.0 In this Agreement including the Recitals and Schedules hereto unless the context otherwise requires:-

- (i) words and expressions shall have the same meanings as are respectively assigned to them in the Conditions of Contract herein after referred to; and they shall be deemed to form and be read and construed as part of this Agreement
- (ii) Words denoting the singular number shall include the plural and vice versa and reference to the masculine includes a reference to the feminine gender and neuter and vice versa;

Initials of the Parties

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The Lessor..... 

- (iii) References to sections, clauses and sub-clauses, unless otherwise provided, are to be construed as references to the sections, clauses and sub-clauses of this Agreement;
- (iv) The expression "person" includes a natural person, body corporate, body incorporate, state, agency, governmental authority or firm.
- (v) Any reference in this Agreement to a Party shall, if such Party is liquidated or sequestrated, be applicable also to and binding upon that Party's liquidator or trustee, as the case may be.
- (vi) Any provision of this lease imposing a restraint, prohibition or restriction on the Lessee shall be so construed that, the Lessee is not only bound to comply therewith but is also obliged to procure that the same restraint, prohibition or restriction is observed by everybody occupying or entering the Premises or any part thereof through, under, by arrangement with, or at the invitation of, the Lessee, including (without limiting the generality of this provision) its Associates and the directors, members, officers, employees, agents, customers and invitees of the Lessee or its Associates.

- 3.0 The following documents shall be deemed to form and be read and construed as part of this Lease Agreement, viz.
- a) This Lease Agreement; and
 - b) Sketch map of the Leased Property.

4.0 **THE LEASE**

- 4.1 Subject to the terms and conditions of this Lease Agreement, the Lessor does hereby lease the Leased Property to the Lessee for a consideration to be stipulated in this Lease Agreement.
- 4.2 The Lessee does hereby agree to take the Leased Property from the Lessor on the terms and conditions stipulated hereinafter in this Lease Agreement.

initials of the Parties

The Lessee

The Lessor.....

[Handwritten signature/initials]

5.0 LEASE PERIOD

The Lease Agreement period shall be for a duration of thirty-three (33) years subject to renewal for a period of **thirty-three (33) years and subsequent renewal for another period of thirty-two (32) years** upon consent of the parties and satisfaction of the following conditions:

- 5.1 All the lease rentals payable by the Lessee, in accordance with the terms of this Lease Agreement, have been paid by the Lessee;
- 5.2 The facility has produced at least 75,000 MT of sugar half of the time from the time of production; and
- 5.3 The Lessee is not in material breach of this Lease Agreement,


It is also hereby agreed, without prejudice to clauses 5.1 to 5.3 above, after completion of each lease period the parties will review terms and conditions for the lease agreements and enter into a new lease agreement.

6.0 LEASE RENTAL AND OTHER PAYMENTS

In Consideration for the lease the level and mode of payment are agreed as follows:-

- 6.1 The Lessee shall pay lease rental charges to the tune of **ten United State Dollars (10 USD) tax exclusive per Hector per annum equivalent to one hundred thousand United State Dollars (100,000 USD) per annum** to the Lessor for the Leased Property to use in sugar production by using sugar cane and intercropping with appropriate crops upon approval by the Lessor after consultation with relevant authorities and selling of allied products such as ethanol, power and crops grown from intercropping. The lease rental amount shall be inclusive of land rent, stamp duty and registration fee of this Lease Agreement.
- 6.2 The Lessee shall pay initial lump sum payment to the tune of three hundred thousand United States Dollars (300,000 USD) covering the annual rental charges for the first three (3) years of the Lease Agreement. This payment shall be made within seven days after signing of this Lease Agreement.
- 6.3 Following the initial three-year period, the Lessee agrees to make annual payments for the continuation of the lease and the rental charges shall be paid

Initials of the Parties

The Lessee 

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a year in advance in a single installment on or before the 01st day of July of every year without deduction.

- 6.4 The rental fee shall be paid through control number or any other mode of payment that will be directed by the Government and shall be made in the currency specified in this Lease Agreement and shall be considered received on the date they are received by the Lessor or its designated representative.
- 6.5 The Lessee shall be liable for payment of interest on all overdue payments. The overdue payment shall attract a penalty of 1% for each month of a default.
- 6.6 The Lessee shall pay all utility expenses connected with the use of the Leased Property to the respective authorities during the whole period of this Lease Agreement to the extent that such utility expenses were incurred during the term of this Lease Agreement.
- 6.7 The Lessee and the Lessor shall also be responsible to pay various taxes and levies to the respective authorities as stipulated hereunder;
- a. **WITHHOLDING TAXES:** Without prejudice to Clause 6.1 of this Lease Agreement, This tax shall be paid by Lessee after withholding a percentage required by law from net paid to a third party. The Lessee shall submit a Remittance Certificate to the third party after remitting the said tax to Tanzania Revenue Authority.
- b. **OTHER TAXES:** The Lessee shall pay all taxes pertinent to the Lessee which may be levied by the central Government and Local Authority.

7.0 LEASED PROPERTY

- 7.1 The Lessor is leasing 10,000 Ha out of 60,103 Ha within Farm No, 217/1-217/6 located at Ngerengere/Mkulazi in Morogoro District Council, Morogoro Region.
- 7.2 The Lessor may, upon request by the Lessee, lease another 10,000 Ha adjacent to the first 10,000 Ha allocated within Farm No, 217/1-217/6 located at

Initials of the Parties

The Lessee 

The Lessor..... 

Ngerengere/Mkulazi in Morogoro District Council, Morogoro Region subject the conditions set forth in this Lease Agreement.

- 7.3 The Lessor and the Lessee further agree and undertake that the additional 10,000 ha shall be awarded by the Lessor to the Lessee and a separate lease agreement (on same terms and conditions as of this Lease Agreement), will be entered into between the Parties. The award of the additional 10,000ha will be made in the following manner:
- i. The first 5,000 ha of the additional 10,000 will be awarded to the Lessee after the Lessee has cleared 2,500 ha of the leased property and verified by the Lessor.
 - ii. The additional 5,000 ha will be awarded to the Lessee after the Lessee has cleared 7,500 ha.

8.0 REVIEW, AMENDMENT, AND RENEWAL OF THE LEASE

- 8.1 This Agreement shall be reviewed after every five (5) years subject to agreement between the Parties on the aspect of the rental amount at the increase of 5% after every three-year period from the date of signing of the Lease Agreement;
- 8.2 This Lease Agreement may be amended at any time subject to the agreement between the parties;
- 8.3 The Lease Period may be renewed in accordance with clause 5 above;
- 8.4 A locally registered entity will be set up by the Lessee in due course of time for the execution of the project. The Lessee shall, with consent of the Lessor, which consent shall not be unreasonably withheld, have the right to assign this Lease Agreement, as follows:
- i. To its affiliated locally registered company, incorporated for the purpose of implementation of this Lease Agreement;

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- ii. To a locally registered management company set up or engaged for the purpose of implementation of this Lease Agreement.

9.0 USE OF THE LEASED PROPERTY

- 9.1 The Lessee shall use the Leased Property only for the purpose as described in the concept note submitted by the Lessee to the Lessor.
- 9.2 The Lessee shall not allow the Leased Property in whole or part, to be used for any purpose other than that which is provided in the concept note submitted by the Lessee to the Lessor.
- 9.3 The Lessee undertakes not to cause or commit any nuisance on the Leased Property or cause any annoyance or discomfort to the companies or tenants of adjoining sites.

10.0 OBLIGATIONS OF THE LESSOR

- 10.1 The Lessor shall ensure that, the Lessee enjoys exclusive possession of the Leased Property and shall coordinate with relevant authorities to address and resolve incidences of trespassing, destruction, or damage and ensure the Lessee's rights and interests are protected if the Lessee informs the Lessor on the incidences as per Clause 11.3.
- 10.2 The Lessor shall make sure that, a sketch map of the Leased Property shall form an integral part and parcel of this Lease Agreement.
- 10.3 The Lessor shall facilitate the Lessee with information and procedures relating to incentives as provided in the Tanzania Investment Laws.
- 10.4 The Lessor shall also facilitate the Lessee to liaison with government authorities and ministries in relation to benefits which may be obtained by the Lessee for the project implementation.

Initials of the Parties

The Lessee *P*

The Lessor..... *m m*

11.0 OBLIGATIONS OF THE LESSEE

- 11.1** The Lessee, for the performance of its obligations and operation periods shall provide an irrevocable and unconditional performance guarantee from a Bank (Bank Guarantee) for a period of one year to the tune of USD 1,000,000 (United States Dollar One Million only) within 7 days of signing the Lease Agreement.
- 11.2** The Lessee shall be responsible for the protection of all beacons on the Leased Property throughout the term of this lease. Missing beacons will have to be re-established at any time at the Lessee's expenses as assessed by the Director responsible for Surveys and Mapping.
- 11.3** The Lessee shall ensure that, the boundaries of the Leased Property are intact by maintaining the existing boundaries where necessary to safeguard and secure the Property. Where the Lessee is of doubt that, someone has trespassed or any person encroaches the Leased Property, the Lessee shall immediately inform the Lessor.
- 11.4** The Lessee shall be responsible for preserving the environment and protecting the soil against soil erosion, and do all things which may be required by the authorities responsible for environment, to achieve such objective as per the applicable laws.
- 11.5** The Lessee shall participate in development of infrastructure pertinent to the Leased Property (i.e. within the Leased Property).
- 11.6** The Lessee shall not be allowed to sub lease, transfer, sub-let, mortgage, or rent any part of the Leased property without express written approval of the Lessor and/or as per the terms of this Lease Agreement.

Initials of the Parties

The Lessee *P*


The Lessor..... *M.M*

- 11.7 The Lessee shall not prevent the Lessor and other Government officials from entering and carrying out an inspection of the Leased Property at any reasonable time during the day, but this right shall be limited to prior information and the inspector should be considered an expert in the field that has warranted inspection. The cost of this inspection will be carried by the Lessor.
- 11.8 The Lessee may use the Leased Property to obtain a loan. Such loan shall not be obtained unless the project development has attained 60% of the Lessor's approved total investment as per Certificate of Incentives. Upon achieving this milestone to the satisfaction of the Lessor, the Lessor shall issue a no-objection certificate to the Lessee within 30 days enabling the Lessee to arrange for the financing.
- 11.9 The Lessee shall register the project to be implemented under the leased property with Tanzania Investment Centre and a performance contract will be entered into between the parties outlining each party's obligation.

12.0 LAND RELINQUISHMENT

- 12.1 In the event that the Lessee fails to develop the land substantially in accordance with the business plan submitted at the time of investment, for reasons solely attributable to the Lessee, the Lessor shall inform the Lessee to revisit the project implementation to the size of the developed land and the Parties shall negotiate to see how the remaining unused portion of the land can be surrendered to the Lessor and/or used in accordance with an alternative plan as mutually agreed by the Parties.
- 12.2 The determination of undeveloped land as per Clause 12.1; shall be made based on the original business plan submitted by the Lessee and approved by the Lessor versus actual implementation. Any modifications or deviations from the approved plan shall be subject to review and approval by the Lessor.
- 12.3 Upon determination of failure to develop as per the provisions outlined above, the Lessor shall notify the Lessee in writing of the required relinquishment of land. The Lessee shall then transfer the specified portion of undeveloped land to the Lessor within thirty (30) days of receiving the notification.

Initials of the Parties

The Lessee 

The Lessor 

13.0 TERMINATION

- 13.1 The Lease Agreement may be terminated by either party by giving 30 days written notice in advance and the Lease Agreement will stand terminated by the end of the said period from the date of issue of notice.
- 13.2 If Lease Agreement is terminated by either party, steps shall be taken to ensure that the termination does not affect any prior obligation or activity already in progress.
- 13.3 The Lessor shall have the right to terminate this Agreement and to resume possession of the Leased Property if:
 - a. the Lessee fails to pay rental payments or other amount due by it to the Lessor in terms of this Agreement on the due date and continues that failure for more than thirty (30) days after receipt of a notice requiring payment; or
 - b. the Lessee fails to commence the project within two years from the commencement date of this Lease Agreement; or
 - c. the Lessee closes down the Project or ceases operations to any reason, and has not within three (3) months after that closure or cessation of operations provided by the Lessor with a written explanation acceptable to the Lessor and accompanied by supporting documentation showing that those operations will recommence within a reasonable time frame;
 - d. the Lessee commits any other breach of the terms of this Agreement which is incapable of being remedied or where such breach is capable of being remedied, the Lessee fails to remedy that breach within 7 (seven) days or such longer period as may be reasonably required if such breach is not capable of being remedied within 7 (seven) days, after being served with a notice to do so; or
 - e. the Lessee is sequestrated, whether voluntarily or compulsorily and whether provisionally or finally; or

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The Lessee 

The Lessor..... 

- f. the Lessee is placed in liquidation or under judicial management, whether provisionally or finally; or
- g. the Lessee allows any judgment or decree against it to remain unsatisfied for a period of thirty (30) days or longer where the Lessee has not obtained any stay of execution against such judgment or decree; or
- h. the Lessee commits an act of insolvency within the provisions of the Companies Act;

13.4 The Lessee shall have the right to terminate this Agreement and handover the possession of the Leased Property if:

- i. The Lessee fails to obtain necessary approvals, incentives and benefits (both fiscal and non-fiscal) from government authorities and ministries related to the project implementation, or if discussions with these authorities do not conclude to the Lessee's satisfaction within 9 months from the signing of this Agreement; or
- j. The Lessor commits any material breach of the terms of this Agreement, which is either incapable of being remedied or, if capable of being remedied, is not remedied within seven (7) days or such longer period as may be reasonably required, after being served with a notice to do so.

In case of 13.1 (i), Parties undertake in such circumstances of termination by the Lessee, Lessor shall within 30 days of such termination refund the advance lease rental received from Lessee and return the performance bank guarantee without any deduction.

13.5 Notices of Termination: Either party wishing to terminate this Agreement under the above provisions (13.1) must provide a ninety (90) days prior written notice to the other Party. If either Party fails to perform or observe any term or condition contained in this Agreement, which failure is capable of remedy, terminating party may give the defaulting party a written notice describing the default and requiring the defaulting party to remedy the breach within 14 days. If the defaulting party fails to remedy the breach within the specified time or as agreed by the Parties, the terminating party may proceed to issue the 'Notice of Termination' of the Agreement under this clause.

Initials of the Parties

The Lessee *[Signature]*

The Lessor *[Signature]*

13.6 If for any reason or on any ground the Lessee occupies the Leased Property and the Lessor disputes its right to do so, then, until the dispute is resolved, whether by settlement, arbitration or litigation, the Lessee shall, notwithstanding that the Lessor may contend that this Agreement is no longer in force, continue to pay, without prejudice to its rights, an amount equivalent to the monthly rental payment provided for in this Agreement, monthly in advance, on the first day of each month, and the Lessor shall be entitled to accept and recover such payments, and such payments and the acceptance thereof shall be without prejudice to and shall not in any way whatsoever affect the Lessor's claim in a dispute. If the dispute is resolved in favour of the Lessor, the payments made and received in terms of this clause shall be deemed to be amounts paid by the Lessee on account of damages suffered by the Lessor by reason of the unlawful occupation or holding over by the Lessee. Where the dispute is resolved in favour of the Lessee, the Lessor shall not be entitled to refund the monthly rental payments made during the dispute period.

13.7 The Right Accruing Upon Termination of this Agreement

- a. Upon termination of this Agreement due to expiration of the lease term or due to any other reason after one (1) year from the operation date, the Lessee undertakes to handover the Leased Property and the Services Infrastructure thereon to the Lessor;
- b. The Lessee shall be entitled to remove machinery, equipment and plant fixed on the Leased Property, but shall ensure that such removal does not impair or injure the Leased Property;
- c. Where the Lessee wishes to terminate this Lease Agreement before the expiration of its term, but within 1 year from the commencement date, by reason of failure to carry out its business or for any other reason, the Lessee shall seek the approval of the Lessor either:
 - i. to allow the Lessee to assign its rights under this Lease Agreement for the remainder of its term to another Lessee; or
 - ii. To cause the Lessor to commission an independent valuer to value the Lessee's buildings (excluding the value of the land and the companies machinery, equipment and plant). The value obtained will be paid to the Lessee by another incoming investor occupying the Leased Property as compensation less the value representing years that the company has occupied the Leased Property.

Initials of the Parties

The Lessee *P*

The Lessor *M. M*

14.0 FORCE MAJEURE

Notwithstanding anything to the contrary in this Agreement, neither Party shall be liable by reason of failure or delay in the performance of its duties and obligations under this Agreement if such failure or delay is caused by acts of God, strikes, lockouts, spread of highly contagious diseases, pandemic, war, riots, embargoes, civil commotion, or any other similar cause beyond its control and without its fault or negligence.

For a valid recourse to this Article, the Party hindered to perform its obligation under this Lease Agreement due to Force Majeure shall, within a maximum of seven days, notify in writing to the other Party the occurrence of such Force Majeure events and receive from the notified Party the confirmation in writing of the acknowledgement of such Force Majeure events.

15.0 CONFIDENTIALITY

Both Parties shall treat the information about this lease as private and confidential and safeguard it accordingly.

16.0 DISPUTES RESOLUTION

16.1 If there is any dispute, between Lessor and Lessee on account of breach of this Agreement, such dispute, shall be resolved amicably by way of consultations and negotiations

16.2 If such dispute is not resolved amicably, either Party may upon issuance of 30 days written notice to the other Party refer the dispute in connection with this Agreement including, any question regarding its existence, validity, construction, performance, termination or alleged violation which is not resolved shall be referred to and finally resolved by arbitration administered by the International Chamber of Commerce ("ICC") in accordance with the arbitration rules of the ICC for the time being in force, which rules are deemed to be incorporated by reference in this clause. All arbitration proceedings shall be conducted in English language. The arbitration shall be conducted by a panel of three arbitrators consisting of one arbitrator each appointed by the Lessee and the Lessor, and the third arbitrator appointed by the two appointed arbitrators and the third arbitrator shall be the chairperson of the arbitration panel. The seat of the arbitration shall be Paris.

Initials of the Parties

The Lessee 

The Lessor..... 

16.3 The provisions of this Clause are severable from the rest of this Agreement and shall remain in effect even if this Agreement is terminated for any reason.

16.4 Should either of the Party institute arbitration proceedings, such arbitration proceeding shall not relieve the Lessee from any of its obligations to make rental payments to the Lessor in terms of this Agreement nor shall it relieve the Lessor from performing any of its obligations to the Lessee under this Agreement.

17.0 LESSEE'S RIGHT TO TERMINATE AND CLAIM DAMAGES FOR MATERIAL ADVERSE GOVERNMENT ACTION

17.1 The Lessee shall have the right to terminate this Lease Agreement with 30 days written notice and claim damages/restitutions, in case of any Material Adverse Government Action.

17.2 For the purpose of this Clause, the following definitions shall be applicable:


17.2.1 Material Adverse Government Action shall include the following events:

- a) Expropriation, seizure, or nationalization of the project or the Leased Property and/or the rights of the Lessor provided in this Agreement.
- b) Change in Law.
Provided, however, that any of the aforementioned events have caused a Material Adverse Effect.

17.2.2 Material Adverse Effect means any event, circumstance, condition, fact, change, development, or effect that, individually or in the aggregate, is or could reasonably be expected to be:

- a) Materially adverse to the business, assets, liabilities, or financial condition of the Lessor, or

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The Lessee 

The Lessor.....

- b) Adversely affects the ability of the Lessee to develop the project and/or perform its obligations under this Agreement, determined from the perspective of a reasonable person.

18.0 GOVERNING LAW

All arrangements between the Parties relating to the provisions of this Agreement shall be governed by and construed in accordance with the laws of Tanzania.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in Dar es Salaam and signed in their respective names and delivered as of the day and year herein appearing.

SEALED with the **COMMON SEAL** of the said **TANZANIA INVESTMENT CENTRE** and **DELIVERED** in the presence of us this 23rd day of JULY 2024

Name: GREGORY TERI
Signature: [Handwritten Signature]
Postal Address: 938 DSM
Qualification: EXECUTIVE DIRECTOR



WITNESS:
Name: MONICA MWAICOLA
Signature: [Handwritten Signature]
Postal Address: 938 DSM
Qualification: LEGAL MANAGER

SEALED with the **COMMON SEAL** of the said **EAGLE HILLS PROPERTIES LLC**

Initials of the Parties
The Lessee [Handwritten Initials]
The Lessor..... [Handwritten Initials]

and **DELIVERED** in the presence
of us this _____ day of _____ 2024

Name: Walter B. Chipeta

SEAL

Signature: [Handwritten Signature]

Postal Address: 13811 Dares Salaam

Qualification: Advocate / Authorized Agent

WITNESS:
Name: Annette W. Kirethi

Signature: [Handwritten Signature]

Postal Address: Box 13811 Dares Salaam

Qualification: Advocate / Notary Public



Initials of the Parties

The Lessee

The Lessor