

# DTB

DIAMOND  
TRUST  
BANK



DTB/CB/2655/2021

27<sup>th</sup> July 2021

The Directors,  
**Ilaroi Ranching Limited,**  
P.O. Box 13946,  
Arusha, Tanzania

Dear Sirs,

**RE: CREDIT FACILITIES:**

- I. NEW TEMPORARY OVERDRAFT FACILITY OF USD 350,000/- VALID FOR A PERIOD OF 90 DAYS.**
- II. PRE-LIQUIDATION OF EXISTING SHORT-TERM LOAN FACILITY OF USD 50,000/- AT A PRINCIPAL OUTSTANDING BALANCE OF USD 50,000/-.**

We are pleased to advise that your request for the above-mentioned facility has been approved by us subject to the securities hereunder mentioned proving satisfactory and acceptable to us and subject, also, to your acceptance of and compliance with the following terms and conditions:

**I. Credit Facility:**

'Credit Facilities' shall mean various credit facilities including but not restricted to overdrafts, Loans, Letters of Credit, Bank Guarantees, etc. granted or to be granted to you from time to time not exceeding in the aggregate USD 350,000/- (United States Dollars Three Hundred and Fifty Thousand Only), in such combination as agreed between you and the Bank in writing, and for the present, shall constitute the following:

- **New Temporary Overdraft Facility of USD 350,000/- valid for a period of 90 days.**
- **Pre-liquidation of existing Short-Term Loan facility of USD 50,000/- at a principal outstanding balance of USD 50,000/-.**

The availability of the above facility at all times is subject to:

- a) The availability of above stated currency funds to Diamond Trust Bank Tanzania Limited whose statement to the effect will be final.
- b) The compliance by the Bank with any and all restrictions, rules and regulations from time to time in force of the Bank of Tanzania or any other relevant Regulatory Authority.
- c) The Bank shall not be liable for any failure to perform its obligations hereunder caused by reasons beyond the Bank's control or resulting directly or indirectly from the action or inaction of the Government Authority or any strike, boycott, blockade, Act of God, revolution or civil disturbance.

**THE ABOVE FACILITY IS SUBJECT TO ANNUAL REVIEW BY US.**

Diamond Trust Bank  
Tanzania Limited  
Head Office  
Suite 901, 9th floor  
Harbour View Towers  
P.O. Box 115  
Dar es Salaam, Tanzania  
Tel: +255-22-221 8000

Swift Code: DTKETZJZ  
www.dtbafrica.com

LOE: ILARO I RANCHING LIMITED

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**2. Purpose:**

The Temporary Overdraft Facility of USD 350,000/- will be utilized towards pre-liquidating the existing Term Loan facility of USD 50,000/- and to purchase bee-keeping equipment.

**3. Validity/Repayment of Facilities:**

**a) Validity:**

The Temporary Overdraft Facility will be valid for a period of 90 days from the date of setting the limit.

**b) Repayment:**

All payments to be made by the borrower under this letter shall be made in the currency in which the facilities were made or any other available freely transferable or convertible currencies with same day value date.

If as the result of any enactment or making of any applicable law or regulation or directive or in the interpretation thereof any authority charged with its administration or compliance with any request (whether or not having any force law) of the Bank of Tanzania or other comparable authority or for any other reason whatsoever it shall be unlawful for the borrower to give effect to this obligation to pay in such currency as stipulated in this letter, the borrower shall pay to the Bank or any receiver appointed by the Bank under the security a sufficient sum in Tanzanian Shillings as the Bank considers necessary or desirable to cover the total obligations and total liabilities actual or contingent of the borrower in such currencies at the then prevailing inter-bank rate of exchange of the Bank or if no such rate exists such other rate as may be the rate applicable to commercial banks in Tanzania in the open market at the time as conclusively determined by the Bank for purchasing such currencies with Tanzania Shillings.

If and to the extent that the Borrower fails to pay the amount due on demand, the Bank may at its absolute discretion without notice to the Borrower purchase at any time thereafter so much such currencies as the Bank considers necessary or desirable to cover the obligations and liabilities of the borrower in such currencies at the then prevailing interbank selling rate of exchange or if no such rate exists such other rate as may be the rate applicable to commercial banks in Tanzania in the open market at the time as conclusively determined by the Bank for purchasing such currencies with Tanzanian Shillings and the Borrower hereby agrees to indemnify the Bank against all costs, charges and expenses incurred by the Bank for such purposes.

**4. Interest:**

Interest on the Temporary Overdraft Facility will be charged on daily outstanding balance and debited to the account monthly in arrears at 3 months LIBOR with floor of 7.5% p.a.

**5. Appraisal Fee:**

A non-refundable appraisal fee of USD 1,925/- (United States Dollars One Thousand Nine Hundred and Twenty-Five Only) plus VAT is payable as follows:

- 0.55% Flat on the TOD Facility of USD 350,000/- i.e. USD 1,925/-

**6. Default:**

In the event of any default or deviation in the purpose of utilization of the facilities, all the out standings will become due and payable immediately and the arrears amount will attract penal interest at the then applicable ruling rate.

You shall, during the currency of the facilities promptly notify us, together with full details thereof, of a happening of any event of default or breach of any other terms/conditions or occurrence of any adverse change in your business or any event of whatsoever nature, which could materially affect your ability to perform/discharge any of your obligations.

**As per BOT norms, a credit facility is classified as sub standard and therefore in default if an account remains in excess of the sanctioned limit or a loan installment(s) falls due and remains unpaid for 91 days and over, or no transactions are reflected in the account for a period of 61 days and over.**

**In the event of an account being classified as sub standard as per definition above, the Bank amongst others reserves the right to take appropriate action for recovery of the outstanding and relevant costs.**

In the case of a happening of any one or more events mentioned above, the total outstanding, plus accrued interest/charges shall become due and payable immediately and the arrears amount will attract interest at the then applicable ruling rate. The aforesaid interest shall automatically be applied at ruling rate without prior notification to you.

**The Bank reserves the right to appoint Recovery Agents to act on behalf of the Bank in case of default. The cost and consequences of the appointment of the said Agents to recover the defaulted amounts will be your responsibility.**

**7. Securities:**

The Temporary Overdraft facility will be secured against the payments due to 991 Masaki Limited from the sale of property.

**8. Special Conditions:**

- The Bank will earmark the repayment of the Temporary Overdraft facility of USD 350,000/- against the payments due to 991 Masaki Limited from the purchase of Plot 991, Msasani, Dar es salaam.
- Submission of a Board Resolution signed by any two (2) directors of 991 Masaki Limited authorizing the bank to earmark funds from the escrow account to secure the Temporary Overdraft Facility.



**9. Conditions Precedent:**

It is a condition of this offer that, the drawdown of the facilities shall be subject to fulfilment by the borrower and the guarantor(s) of the condition's precedent listed below;

- i. The borrower and the guarantor(s) have to sign this letter of offer to evidence their acceptance.
- ii. The above offer is open for acceptance for a period of fifteen (15) days from the date of this letter. If the offer is not accepted and returned to the Bank within the time stipulated, it shall be deemed to have been withdrawn.
- iii. 50% of the appraisal fees are due and payable on issuance of this letter of offer and the balance 50% on the acceptance of this offer.

**10. Post Availment Conditions:**

- i. It is a condition to this offer that all sales turnover will be routed through your account with DTB.
- ii. Further your current / overdraft account(s) with us has to reflect reasonable turnover. Failure to route turnover through the above accounts would attract penal interest on the outstanding amount and continued default can result revocation of the aforesaid facility(ies).
- iii. You hereby expressly agree that the bank may: -
  - a) Make inquiries from any bank, financial institution or any approved credit reference bureau in Tanzania to confirm any information provided by you.
  - b) Seek information from any bank, financial institution or any approved credit reference bureau when assessing you at any time during the existence of the facility.
  - c) Disclose to any approved credit reference bureau information relating to your account maintained at the bank.
- iv. By accepting this letter of offer you authorize us to debit your current account with us towards the following:
  - a) Appraisal fees.

**11. Other terms and conditions:**

- i. All securities, agreements, obligations given by the borrower shall continue to be valid and binding notwithstanding any change in constitution of the borrower.
- ii. All other charges shall be payable as per Tariff card published from time to time.
- iii. You hereby expressly agree that in respect of your liability hereunder, we shall have a lien/charge on all securities belonging to you now or hereafter held by us whether in safe custody or otherwise howsoever and also on all moneys now or hereafter standing to your credit with us.

- iv. In case the turnover during a calendar quarter is not equivalent to the limit amount, the Bank at its discretion, has the right to levy from the succeeding month penalty interest of 2.5% per month for USD.
- v. Balance over the limit fee at a flat rate of 0.25% per quarter on all excesses with a minimum fee of TZS 25,000/- and USD 25/- per occurrence will be charged.
- vi. Any excess over the overdraft facility will attract additional interest at the rate of 15% p.a. for USD Facility for over and above the interest rate charged to the account.
- vii. In addition to the penalty interest specified in paragraph (vi) above the Bank has the right to charge 2% p.a, over the contracted rate on the total credit amount in case any interest due remain unpaid for 60 days or more.
- viii. The Bank at its discretion may accept requests for changes in terms of repayment subject to extant BOT guidelines. However, such requests will require an entire reappraisal of the Loan and will attract fresh appraisal fees and revision of interest rate.
- ix. The Bank has extended the above credit lines in USD to meet your foreign exchange needs and will be subject to future regulatory conditions that may be introduced by banking / statutory authorities. However, in case of default by way of any overdue in loan account or excess in Overdraft account exceeding 90 days, the Bank will crystallize your total USD liability to the Bank including up to date interest and convert the total dues to Tanzanian Shilling (TZS) at the then prevalent Selling Rate. The overdue amount so converted to TZS will be charged interest at the then prevalent Bank Lending Rate till full settlement or subsequent regularization / rebooking in USD on mutual acceptance.
- x. We may at any time and without notice to you combine or consolidate all or any of your accounts with and liabilities to us and set off or transfer any sum or sums standing to the credit of any one or more such accounts in or towards satisfaction of your liabilities to us on any other account or in any other respect whether such liabilities be actual or contingent, primary or collateral joint or several, existing or future.
- xi. The Bank reserves the right to debit your overdraft account or any other account with us for recovery of amounts including installments of term loans costs, expenses or charges and by accepting this letter of offer you specifically agree and undertake to indemnify the bank against any action, losses or claims on account of so doing.
- xii. Without prejudice to any equitable right of consolidation, it is hereby expressly declared that no asset of yours which now is or may hereafter be subject to a mortgage or charge in favour of or vested in us shall be redeemed except on payment not only of all moneys thereby secured (but also of all moneys hereby secured).
- xiii. The appraisal fees referred to shall not be refunded by us, in case you decide not to take any of the facilities from us. In addition, we shall not refund it proportionately, should you decide to liquidate the facilities prematurely. Payment of this fee to us shall also not be taken into account, should we decide to raise the interest rate during the currency of the facilities.
- xiv. We reserve the right to withhold disbursement of the facilities or withdraw this offer without assigning any reasons prior to release of the facilities.

12. Acceptance of Offer:

Kindly signify your acceptance of the foregoing by signing and returning to us the attached duplicate copy of this letter under your company's seal along with supporting Board Resolution (s).

Yours Faithfully,  
For and on behalf of  
**DIAMOND TRUST BANK TANZANIA LIMITED**

Aashi Balaria  
Credit Analyst  
CORPORATE BANKING

Betty Rupia  
Head  
CORPORATE BANKING

**WE HEREBY ACCEPT THE TERMS AND CONDITIONS OF THE LETTER OF OFFER REF: DTB/CB/2655/2021 DATED 27<sup>th</sup> JULY 2021, AS SET OUT ABOVE.**

For and on behalf of:  
**Ilaroi Ranching Limited,**  
P.O. Box 13946, Arusha

BY: \*   
\_\_\_\_\_  
DIRECTOR

  
\_\_\_\_\_  
DIRECTOR / COMPANY SECRETARY

\_\_\_\_\_  
COMPANY SEAL

\_\_\_\_\_  
DATE

**WE HEREBY ACCEPT THE TERMS AND CONDITIONS OF THE LETTER OF OFFER REF: DTB/CB/2655/2021 DATED 27<sup>th</sup> JULY 2021, AS SET OUT ABOVE.**

For and on behalf of:  
**Nine Nine One Masaki Limited,**  
P.O. Box 13946, Arusha

BY:   
\_\_\_\_\_  
DIRECTOR

\*   
\_\_\_\_\_  
DIRECTOR / COMPANY SECRETARY

\_\_\_\_\_  
COMPANY SEAL

\_\_\_\_\_  
DATE