

MEMORANDUM OF AGREEMENT OF LEASE

Made and entered into by and between

BASENJI ENTERPRISES (PRIVATE) LIMITED

Represented herein by Benjamin Mumba he being duly authorised thereto
(hereinafter referred to as "LESSOR")

AND

OUTDSHOORN VAN FARMING (PRIVATE) LIMITED

Represented herein by Tyler Van Oudtshoorn he being duly authorised thereto
(hereinafter referred to as "LESSEE")

together the Parties and individually a Party

PREAMBLE

1. WHEREAS Lessor is the registered owner of a certain piece of land situate in the District of Salisbury called The Remainder of Monderwa measuring 337,8105 hectares and held by it under Deed of Transfer No. 7825/96 dated 5th December 1996, hereinafter referred to as "the Property" as is reflected in Annex 1 of this Agreement.
2. AND WHEREAS the Parties wish to record in writing the terms upon which the Lessee will lease the Property from the Lessor.
3. AND WHEREAS This Agreement supersedes any other contract, undertaking, arrangement and/or negotiation entered into between the Parties, of the same or similar effect, relating to the Property.

**NOW THEREFORE THESE PRESENT WITNESS THAT LESSOR AND LESSEE
HAVE AGREED AS FOLLOWS:**

1. INTERPRETATION

- 1.1. The headings and clauses in this Agreement are for purposes of convenience and reference only and shall not be used in the interpretation of or to modify, or to amplify any terms of this agreement, nor any clause hereof.
- 1.2. Unless a contrary intention clearly appears, words imputing any one gender shall include the other genders, the singular shall include the plural and vice versa, natural persons include created entities (corporate or unincorporated and vice versa.
- 1.3. "Agreement" or this Agreement shall mean this Agreement.
- 1.4. "Parties" shall mean the Lessor and the Lessee.
- 1.5. "Year" shall mean a period from the 1st January to 31 December of that year.
- 1.6. All Annexes and Addenda hereto shall be deemed to be incorporated herein and shall form an integral part hereof.
- 1.7. Any reference to an enactment as at the date of signature hereof and as amended or re-enactment from time to time.
- 1.8. If any provision in a definition is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition clause, effect should be given to it as if it were a substantive provision in the body of the Agreement.
- 1.9. When any number of days is prescribed in this Agreement, the same shall be reckoned to commence on the first day and inclusive of the last day unless the last day falls on a Saturday, Sunday or Public Holiday.
- 1.10. Where the figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail.
- 1.11. The expiration or termination of this Agreement shall not affect such provisions of the Agreement as expressly provide that they will operate after such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this.

2. AGREEMENT OF LEASE

The Lessee hereby leases the Property from the Lessor for the period of this Agreement of Lease and the Lessee agrees to conduct farming operations on the Property in accordance with the terms of this Agreement.

3. PERIOD OF AGREEMENT

This Agreement shall be deemed to have commenced and become effective with effect from the 1st day of June 2019 and shall remain in force and effect for a period of 10 years terminating on the last day of May 2029 (the Expiry Date) .

The Lessee shall have the right to renew this Agreement for a further ten years with effect from the 1st day of June 2029, subject to it delivering to the Lessor at the domicilium citandi et executandi chosen by the Lessor in terms of Clause 11 of this Agreement by no later than 31st January 2029, written notice of the Lessee's intention to exercise its right to renew. The Lessee's written notice of intention to exercise the right of renewal shall detail the rental proposed by the Lessee for the renewal period. In the event that the Lessor should fail, by notice in writing delivered to the Lessee, by the last day of March 2029 to dispute the rental detailed in the Lessee's written notice of intention to exercise its right of renewal the rental shall be as detailed in the Lessee's written notice. In the event that the Lessor, by notice in writing delivered to the Lessee prior to the last day of March 2029, dispute the proposed rental the matter shall be referred to an arbitrator in terms of Clause 12 and the decision of the arbitrator as to the rental payable for the renewal period shall be final and binding on the Parties.

The Lessee shall have a right of first refusal to purchase the Property in the event that the Lessor wishes to sell the same and shall have a right of first refusal to purchase shares in the Lessor in the event that such shares are offered for sale to any person who is not a shareholder of the Lessor as at the 1st day of June 2019.

The rights of first refusal detailed in this Clause shall entitle the Lessee to purchase the Property or shares as the case may be upon the same terms as those offered by or to any intended purchaser of the Property or shares.

Pursuant to the Lessee's rights as detailed in this Clause the Lessor shall advise the Lessee in writing of any intention on the part of the Lessor or its shareholders to dispose of the Property or any shares in the Lessor immediately such are offered for sale or any offer is received therefore.

Upon the Lessor or any shareholder receiving an offer for the Property or any shares which it intends to accept the Lessor shall advise the Lessee in writing of the terms of the offer received and the Lessee shall have a period of 45 days from date of receipt of such notification to provide a written undertaking to the Lessor to purchase the Property or shares on the same or equivalent terms. In the event that such notification is provided the Lessee shall then be entitled to purchase the Property or shares upon such terms.

4. OBLIGATIONS OF LESSEE

- 4.1. The Lessee shall conduct all of its farming operations on the Property during the period of this Agreement in a good and husbandry like manner.
- 4.2. The Lessee and all persons constituting the Lessee's labour force shall at all times adhere to, and be subject to, the provisions of the National Employment Code of Conduct for Agricultural and Plantation Undertakings and all other relevant employment and/or labour laws of Zimbabwe.
- 4.3. The Lessee shall be responsible for the overall implementation and execution of all farming operations.
- 4.4. The Lessee shall be responsible for the planning, acquisition, formulation, implementation and execution of all finance and inputs directly related to the farming operations.
- 4.5. The Lessee shall ensure that its tobacco operation is at all times operating within the confines of adequate financial controls.
- 4.6. The Lessee shall ensure that its farming operations are carried out in accordance with sound documented policies and procedures.
- 4.7. The Lessee shall comply with all government and legal regulations with regard to waterways, streams and riverbanks for all water for its crops, and all other relevant environmental and land laws and regulations.
- 4.8. The Lessee is to insure its tobacco crop as required in its contract with Northern Tobacco (Private) Limited, and the proceeds of any insurance pay-out shall be deemed to be the proceeds of the said crop.
- 4.9. The Lessee is to provide necessary security for the areas of the Property used by it and its tobacco operations.

4.10. The Lessor hereby warrants that it (or the relevant entity) has lawfully terminated its employment contracts with the farm workers previously employed by it (or the relevant entity) whom the Lessee may employ, and that it (or the relevant entity) has settled all and any claims for terminal benefits, gratuities and retrenchment packages in respect of such workers, as the case may be, and accordingly the Lessor indemnifies and holds harmless the Lessee against all and any liability for all and any claims by such workers, and any persons claiming through them.

5. IMPLEMENTS AND MACHINERY

- 5.1. All implements and machinery and vehicles detailed in Annex 2 of this Agreement and any further implements and machinery and vehicles and other moveable items brought onto the Property by the Lessee shall remain the Property of the Lessee.
- 5.2. It is acknowledged that there are no implements and machinery and vehicles or moveable items belonging to Lessor on the Property.
- 5.3. The Lessee may remove implements and machinery and vehicles belonging to it or in its possession at any point it desires or deems necessary.

6. BUILDINGS AND FIXED IMPROVEMENTS

- 6.1. All buildings including irrigation facilities, curing facilities, grading sheds, dairy and all other buildings on the Property are to be made available to the Lessee by the Lessor save that the Lessor may continue to use the original farm house and the garden area adjacent thereto it being agreed however that the cottage in the proximity of the farmhouse will be used by the Lessee or his staff. The Lessor shall not undertake business activities on the Property.
- 6.2. The Lessee is to have full use of the secondary residential dwelling located on the Property for the duration of this Agreement.
- 6.3. The Lessee shall be entitled to alter the dairy and to reside therein.
- 6.4. The Lessee is to have full use of the workers' village in order to provide accommodation to its employees.
- 6.5. The Lessee shall not build or construct any permanent structure on the Property without prior written consent of the Lessor, which consent shall not be unreasonably withheld. Without limitation of any further permanent

improvements, the attached Annex 3 reflects a list of permanent structures which the Lessee has procured written consent to build and construct in accordance with this Agreement.

- 6.6. Should the Lessor repudiate this Agreement prior to its expiry, or give notice of termination of this Agreement for whatever reason prior to its Expiry Date, and the Lessee at its sole discretion accepts such repudiation or notice or upon such repudiation or notice being ruled as effective, the Lessor will compensate the Lessee for the un-depreciated cost of such permanent structures as the Lessee may have erected within 7 days of the Lessee delivering written demand therefore without prejudice to the Lessee's other rights and remedies for the Lessor's breach. Notwithstanding the foregoing and for the avoidance of any doubt, **any** repudiation of this Agreement by the Lessor prior to the Agreement's expiry shall remain a breach of this Agreement entitling the Lessee (without prejudice to its other rights and remedies) to claim damages, which, without limitation, may include compensation for the Lessee's direct losses, including its loan default and the associated penalties levied against it, and loss of future earnings and profits.
- 6.7. The Lessee shall not be liable to pay any additional consideration for the use of any structure built or constructed in accordance with clause 6.5 irrespective of when they accede to the Property.

7. RENTAL

The Lessee shall conduct its farming operations on the Property at its cost throughout the period of this Agreement and shall be entitled to all remuneration arising from the sale of crops grown by it on the Property during the period of this Agreement. The rental payable by the Lessee to the Lessor shall be as detailed below:

	RENTAL PAYABLE LITRES OF DIESEL
JUNE 2019	18,000
JUNE 2020	19,800
JUNE 2021	21,780
JUNE 2022	23,958
JUNE 2023	26,353

JUNE 2024	28,989
JUNE 2025	30,000
JUNE 2026	30,000
JUNE 2027	30,000
JUNE 2028	30,000

It is acknowledged that the Lessee has advanced certain monies to the Lessor which monies equate to 11 000litres of diesel and shall be deducted from the rentals above over a period of three (3) years agreed to have commenced on the 1st June 2019 being:

7.1. 1st deduction 1st June 2026: 1 800 litres

7.2. 2nd deduction 1st June 2027: 3 780 litres

7.3. 3rd deduction 1st June 2028: 5 420 litres

The Parties acknowledge that by virtue of the Lessee growing a crop for which it is entitled to receive payment in United States dollars that the rental payable by the Lessee in terms of this lease may be paid by the Lessee in United States dollars, where it is permitted to do so, at a price of USD\$1 per litre of diesel and the Lessor shall not be entitled to dispute the validity of this Agreement upon the basis that the denomination of the rental lacks validity or enforceability.

The Lessee shall pay all Council rates and taxes accruing whilst it is in undisturbed occupation of the Property.

The Lessee shall pay electricity charges accruing for electricity used by it whilst it is in undisturbed occupation of the Property.

In the event of fire occurring on the Property the Lessee shall be entitled to a total or partial remission of rent according to the period for which it is deprived of the beneficial occupation of the Property except where such a loss or damage is occasioned by the negligent acts on behalf of the Lessee. The Lessor shall within 14 days of demand therefore reimburse the Lessee in respect of rent paid in advance for a period where the Lessee is deprived of occupation as contemplated in this Clause.

8. OWNERSHIP OF CROPS

All crops planted by the Lessee shall remain the Property of the Lessee, or the financier of that crop pursuant to any agreement to the Lessee may have with said financier, and shall be subject to this Agreement, regardless of when they are reaped and / or cured.

9. EXCLUSIVITY

The Lessee will have exclusive rights to carry out any agricultural or commercial enterprises it requires on the Property. The Lessor shall not be entitled to lease out or permit any other person or entity to utilise or occupy any portion of the Property or enter into any other agreement relating to the Property without the written consent of the Lessee.

The Lessor will not have any claim or right of action against the Lessee or any of its agents, directors, employees, invitees and/or servants for any accident, injury or damage caused to the Lessor, or any of its agents, directors, employees, invitees and/or servants whilst entering any portion of the Property.

10. BREACH OF AGREEMENT

In the event that either Party to this Agreement defaults in its performance of any of their obligations in terms of this Agreement, and fails to rectify such default within 30 days of receiving written notice delivered by or on behalf of the non-defaulting Party to the domicilium citandi et executandi chosen by the defaulting Party in terms of Clause 11 of this Agreement then the non-defaulting Party shall have the right either to terminate this Agreement forthwith or to claim specific performance, in either event without prejudice to any claim which the non-defaulting Party may have against the defaulting Party for damages suffered as a result of the default.

11. DOMICILIUM CITANDI ET EXECUTANDI

Any notice to be served on either Party by the other Party shall be delivered to the address set out below and shall be deemed to have been received by the addressee on the day of delivery.

LESSEE: 955, Hungardown Road, Glen Lorne, Harare.

LESSOR: 24 Galloway Road Norton

12. ARBITRATION

- 12.1. Should a dispute arise between the Parties in regard to any matter contained herein or its interpretation, such dispute shall be submitted to and decided by arbitration.
- 12.2. The Arbitrator shall be a person agreed upon in writing by both Parties and in the event that agreement cannot be reached on the identity of the Arbitrator within seven days of a dispute having been declared, either Party shall be entitled to request the director for the time being of the Commercial Arbitration Centre in Harare to appoint an Arbitrator.
- 12.3. The Arbitrator shall determine the matter according to what he considers to be just and equitable in the circumstances and the strict rules of law need not be observed nor taken into account by him in arriving at his award.
- 12.4. The Parties irrevocably agree that the award made by the Arbitrator shall be binding on them and may be made an Order of Court of competent jurisdiction

13. WHOLE AGREEMENT

- 13.1. This Agreement constitutes the agreement between the Parties and neither of the Parties shall be bound by way of warranty, representation, undertaking, guarantee or other terms and conditions not contained or recorded herein.
- 13.2. No variation, modification, addition, alteration or waiver of the provisions of this Agreement or consent or departure there from agreed to by either of the Parties shall have any force or effect unless it is reduced to writing and signed by both Parties.
- 13.3. This Agreement supersedes any agreement whether verbal or written entered into between the Parties prior to this Agreement and any such agreement shall be of no force and effect from the date of the last signature by the parties of this Agreement.

14. WAIVER

No relaxation or indulgence granted by either of the Parties from time to time shall be deemed to be a waiver of such Party's rights in terms of this Agreement nor shall such

relaxation or indulgence be deemed to be a novation or waiver of the terms and conditions of this Agreement, nor shall the partial exercise of any right preclude any other or future exercise thereof, or the exercise of any other right in terms hereof.

15. ASSIGNMENT, CESSION AND DELEGATION

Neither of the Parties to this agreement shall be entitled to assign, cede, delegate or transfer any rights, obligations or interest acquired in terms of this Agreement, in whole or in part, to any other party or person without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed.

16. INDULGENCE

Notwithstanding any express or implied provisions of this Agreement to the contrary, any latitude, indulgence, leniency or extension of time which may be allowed by one Party to the other in respect of any obligations to be performed by the other, shall not under any circumstances be deemed to be a waiver of the present and/or future rights of the party granting such latitude, indulgence, leniency or extension.

17. GOVERNING LAW

The validity and interpretation of this agreement shall be governed by the laws of the Republic of Zimbabwe.

18. SEVERABILITY

In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein, unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the transactions contemplated herein to be unreasonable.

THUS DONE AND EXECUTED AT

HARARE

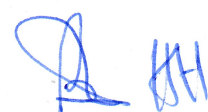
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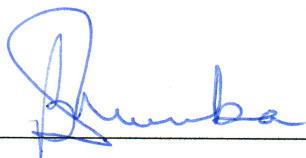
16

DAY OF

June

20~~20~~²⁰ IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:






For on the behalf of BASENJI INVESTMENTS (PRIVATE) LIMITED (LESSOR)

Acting in terms of the Directors Resolution passed at Harare on the 16 day of June 2020

AS WITNESSES:

1. Signature: 

Name: NELSON NYARENDA

ID: 38-103172-Q-38

2. Signature:

Name:

ID:

THUS DONE AND EXECUTED AT Harare THIS 16 DAY OF June 2020 IN THE PRESENCE OF THE UNDERSIGNED WITNESSES:


For on the behalf of OUDTSHOORN VAN FARMING (PRIVATE) LIMITED (LESSEE)

Acting in terms of the Directors Resolution passed at Harare on the 15 day of June 2020

AS WITNESSES:

1. Signature: 

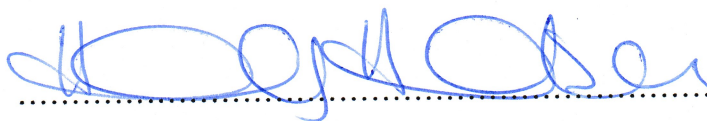
Name: NELSON NYARENDA

ID: 38-103172-Q-38



2.

Signature:



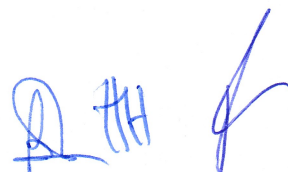
Name:

Howy Hudson

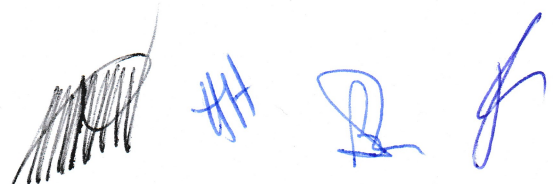
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ANNEX 1
TITLE DEED OF THE PROPERTY

Four handwritten marks in blue ink are located at the bottom right of the page. From left to right, they are: a dense, dark scribble; a stylized 'H' or similar symbol; a large, loopy signature; and a smaller, more fluid signature.

ANNEX 2

ASSET LIST OWEND BY THE LESSEE

	Serial Number
Case JX 90 Tractor	----- HFA140788*
New Holland 70-56 tractor	----- 001147072
2 x 16 foot wooden decked farm trailers	-----
1 x 3 meter Falcon lime box	-----
1 x 2 furrow bain plough	-----
1 x PTO pump	----- 0962889
Pedrollo F40/200A 10HP pump	----- 49218732TS
10 hectare drip irrigation equipment	-----
Kipor KDE60SS generator in generator room	----- 31513124002
Briggs and Stratton 10hp generator	----- 99110511
3 x Submersible borehole pumps	-----
Contents of entire dwelling adjacent to stables	-----
Irrigation Setup in Seedbed sight	-----
All workshop equipment stored in workshop	-----
18 x Grading tables in grading shed	-----
White toyota Hilux single cab	-----
Red toyota hilux double cab	-----
2 x Jailing 125cc motorbikes	----- *LAAAJKJG3F0000555*
	----- *LAAAJKJG1C0001912*
Onion Seedeed equipment	-----
Tobacco Seedbed Equipment	-----
Onion Field overhead irriigation equiment	-----
Imco 3 furrow plough	-----
Imco double row ridge	-----

ANNEX 3

LIST OF PERMANENT STRUCTURES AND CONSENT FOR THOSE STUCTURES

The bottom right corner of the page contains several handwritten marks in blue ink. From left to right, there is a large, dense scribble of diagonal lines, followed by a small, stylized signature, then a circular mark with a horizontal line through it, and finally a larger, more complex signature.

ANNEX 4
COMPANY RESOLUTION OF THE LESSOR

Handwritten signatures and scribbles in blue ink at the bottom right of the page. There is a large, dense scribble, followed by a small 'M' or 'W' shape, and then two distinct signatures.

ANNEX 5
COMPANY RESOLUTION OF THE LESSEE



Cattle Grazing Agreement

Between

Basenji Investemnts (Pvt) Ltd

And

Oudtshoorn Van Farming (Pvt) Ltd

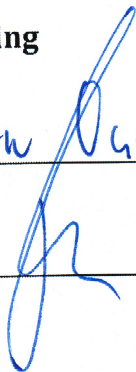
It is hereby agreed upon that Oudtshoorn Van Farming will pay Basenji investments \$1 United States Dollar per head of cattle per month for grazing fees. All arrears will be paid to Basenji Investments from the time of cattle introduction onto the farm.

Oudtshoorn Van Farming

Name

Tylen Van Oudtshoorn

Sign



Basenji Investments

Name

BENJAMIN MUNBA

Sign

