

AGREEMENT OF LEASE OF A FARM

Entered into by and between

SARAPIAH MUZEMBE

ID Number: 75 – 096725 – Z - 42

Of Address: ROCARY Farm

Number 1 Subdivision B

Marondera

Cell Number: 0783 399 314

("The Lessor")

And

OCEAN WATERS FARMING (PRIVATE) LIMITED

Represented by – John Tunga

Of Address: Block 9, Tembani Flats, Marondera

Cell Number: 0772 497 292/0714 497 292

("The Lessee")

WHEREAS

- A. THE Lessor is the owner of a farm called Rocary Farm, Number 1 Subdivision B, **MARONDERA**, which is 4 hectares of arable land plus tobacco barns, sheds and workers quarters, collectively known as improvements on the farm.
- B. The Lessor wishes to lease the farm to the lessee subject to the following terms and conditions

IT IS AGREED

1. Lease of the Farm

The Lessor leases a total of 4 hectares of the farm including tobacco barns, sheds and workers cottages to the Lessee.

2. Period

2.1 Notwithstanding the date of signature hereof the lease shall commence on 1st September 2022 and shall continue for a period of five (5) years terminating on 31st August 2027.

2.2 Subject to the lessee having complied with the terms and conditions of this lease, the lessee shall have an option to renew this lease for a

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further period as shall be agreed upon by the parties and on the terms and conditions as shall be agreed upon at the appropriate time.

2.3 The option to renew the lease shall be exercised by the Lessee giving written notice to the Lessor by not later than 12 calendar months before expiry of this lease.

3. Rent

The rent payable for the farm shall be as follows:

- a) USD80.00 per hectare for the four (4) hectares giving a total of USD320.00 per year for land only.
- b) USD50.00 per barn for the 2 barns giving a total of USD100.00 per year for barns.
- c) Storage and grading sheds shall not be charged separately as these are part of the barns.

All payments for the first year shall be in cash to the lessor as follows:

- i) USD160.00 shall be paid on signing this lease agreement.
- ii) Another payment of USD160.00 shall be paid on or before 26th September 2022.
- iii) Barns payment of USD100 shall be paid on or before 1 December 2022.

Payments for the second year till end of the lease shall be paid in full on the 1st day of September each year in advance.

4. Farming Operations

The Lessee shall carry on all farming operations in a good and husband-like manner in accordance with recognized farming practice and with due regard to soil husbandry. In particular, it shall take all such steps as may be necessary:

- 4.1 for the prevention of uncontrolled veld fires by the provision of adequate fireguards where they are necessary to safeguard orchards, gardens, plantations, crops and improvements;
- 4.2 to comply with all government laws and regulations relating to the cleaning of lands and the control of noxious or harmful weeds and generally to do whatever may be necessary to eliminate or restrain weeds that are harmful to soil, water supplies, crops and grazing;
- 4.3 for the prevention and control of plant pests and diseases;

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- 4.4 to prevent any persons other than its own employees or their families from residing or settling on the farm and to ensure that such employees and their families as do reside or settle on it comply with the applicable terms and conditions of this lease;
- 4.5 to prevent the working of clay or loam soils that are excessively wet;
- 4.6 to ensure the proper layout of irrigable land, careful application of water to such lands and to properly drain such lands whenever it may become necessary;
- 4.7 to employ recognized methods of preventing the fertility of the soil and of preventing soil erosion, and to protect the fertility of all lands cultivated from time to time by recognized rotation of crops, fertilizing and green manuring and the construction and maintenance of contour ridges and the like.
- 4.8 to observe and comply with any condition imposed by any Water Court or any other competent authority relating to the use of Water rights attaching to the farm, which rights shall remain the priority of the Lessor;
- 4.9 to prevent damage to or deterioration of the source and course of public and private streams, and to comply with all government regulations relating to or governing the use of streams or river banks;
- 4.10 to maintain in good order and condition all existing soil and water conservation and irrigation works;

5. Conservation

The Lessee at its expense shall construct any minor conservation works which any competent authority may order to be constructed on the farm and considers can be undertaken without hampering farming operations.

6. Construction of buildings and equipment

6.1 The Lessee shall:

- 6.1.1 at its own expense construct farm buildings, barns, sheds, staff houses, roads, fences, boreholes, water reservoir, gates and other structures whether permanent or temporary, brick work or cabins, as the case may be. The structures shall be in the opinion of the Lessee vital for its project.
- 6.1.2 at the termination of this lease, Lessor shall compensate Lessee for all immovable structures being left intact at the farm. The valuations shall be based on the formula of replacement costs less four percent depreciation per annum.

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7. Timber

The Lessee shall be entitled to cut timber for his own use, *bona fide* farming and domestic purposes (which shall include construction of employees' quarters building development and employees' fuel). No timber shall be sold or otherwise disposed of or removed from the farm, save that when new lands are stumped, the Lessee may sell the timber removed from such lands.

8. Bricks

The Lessee shall have the right to make bricks on the farm subject to all such bricks being used only on the farm.

9. Rates and Charges

The Lessor shall pay all rates and charges levied by any competent authority against the farm or in connection with any services supplied to the farm and such payments shall be made as soon as the amount due becomes payable.

10. Insurance

The Lessee may insure the buildings and other permanent improvements that are on the farm at any given moment.

11. Access of Lessor

The Lessor or his representatives shall at any reasonable time have the right to inspect all parts of the farm, subject to giving prior notice to the Lessee.

12. Sub-letting And Assignment

The Lessee shall not cede or assign any of his rights or duties under this agreement, or, without the Lessor's prior written consent sublet or part with possession of the farm or any portion of it.

13. Default

If the Lessee:

13.1 fails to pay the rental stipulated within 30 days after it is due; or

13.2 commits any breach of any other conditions of this lease, and fails to rectify such breach within fourteen (14) days of written notice to do so, the Lessor may cancel this lease and immediately retake possession of the farm, without prejudice to any claim the Lessor may have for payment of arrear rent due or for damages for breach of contract or both.

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14. Waiver

No failure by the Lessor to enforce any of its rights under this agreement and no indulgence or leniency shown by it any way to the other rights under this agreement.

15. Non- Variation

This agreement records the entire agreement between the parties and there shall be no variation to it save in written and signed by both parties.

16. Notice and Domicilium citandi et Executandi

16.1 The Lessor chooses *domicilium citandi et executandi* for all purposes under this agreement at Rocary Farm, Number 1 Subdivision B, Marondera.

16.2 The Lessee chooses *domicilium citandi et executandi* for all purposes under this agreement at Block 9, Tembani Flats, Marondera.

SIGNED at **MARONDERA** this 26th day of August 2022

AS WITNESSES:

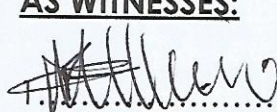
1. Andre Shadreck Sithole

2.

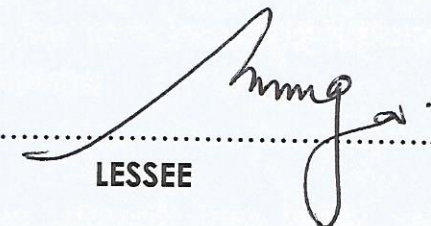

LESSOR

SIGNED at **MARONDERA** this 26th day of August 2022

AS WITNESSES:

1.  KENNEDY SITHOLE

2.  GEORGE TAURO


LESSEE