

FARMING AGREEMENT

between

BJATLADI COMMUNITY PROPERTY ASSOCIATION

Registration number CPA/1998/0064/A

and

8 MILE INVESTMENTS 483 (PROPRIETARY) LIMITED

Registration Number 2006/028502/07

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1. PARTIES

The parties hereto are:

1.1 Bjatladi Community Property Association; and

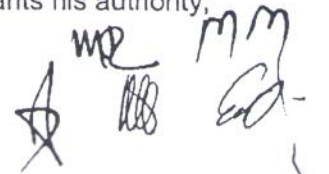
1.2 8 Mile Investments 483 (Proprietary) Limited,

and they agree as set out hereinbelow.

2. DEFINITIONS

In this agreement, unless the contract indicates otherwise:

- 2.1 "**8 Mile Investments**" means 8 Mile Investments 483 (Pty) Ltd, with registration number 2006/028502/07, a private limited liability company incorporated in terms of the laws of South Africa, of No 1 Rheede Lane, Ruyterplaats Estate, Hout Bay, Cape Town, 7806, and with and e-mail , evgueny@fruitco.co.za, herein represented by Evgueni Victorovitch Zakharov, who by his signature hereto warrants his authority;
- 2.2 "**8 Mile houses**" means the dwellings allocated to and occupied by the managerial employees of 8 Mile Investments;
- 2.3 "**the/this agreement**" means this farming agreement, including the annexures, and schedules thereto, all of which are specifically incorporated herein and form part hereof and including any amendment thereto duly recorded in writing and signed by the parties;
- 2.4 "**the BCPA**" means Bjatladi Communal Property Association, a communal property association established and registered in terms of *Section 8 of Act 28 of 1996*, with registration number CPA1998/0064/A of Zebediela Citrus Estate, R518, Koringpunt, 0632, and e-mail address chairperson@bjatladicpa.co.za, herein represented herein by Masepekele Michael Masetloa, who by his signature hereto warrants his authority;

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- 2.5 "class or grade" means a class or grade of fruit determined according to the size, mass, number, measurements, colour, appearance, purity, physical or micro-biological composition, or other feature or characteristic, of the fruit concerned, or a unit or quantity thereof;
- 2.6 "class 1 and class 2 export crop" means the fruit which qualifies for export to international markets and complies with the relevant accepted export standards;
- 2.7 "the commencement date" means, the date of the signature of this agreement by 8 Mile Investments;
- 2.8 "crop" means any harvested or unharvested fruit on the property from time to time which can be reaped for any commercial consideration or benefit;
- 2.9 "cultivated planting" means any planting of whatsoever nature on the property, including without limitation any vines, trees or other planting, which produces a crop;
- 2.10 "dwelling" means the permanent dwelling structures which serve as accommodation for the tenants;
- 2.11 "DIP" means Delivery in Port to any port or harbour in the Republic of South Africa;
- 2.12 "equipment" means all and any plant, machinery, or equipment used by 8 Mile Investment, whether being the property of the 8 Mile Investments or of the BCPA or in any other manner in possession of 8 Mile Investments, including on loan or on lease, which 8 Mile Investments reasonably requires to operate the farming operations on the property in terms of this agreement;
- 2.13 "export standards" means farming, picking, packing, export and related standards, regulations and practices applicable to categories of fruit exported to different territories, which include the standards prescribed by the PPECB, Global GAP and any other law or regulation which establishes best practice and minimum requirements in a specific export territory;
- 2.14 "infrastructure" means all of the improvements of a permanent nature on the property, including but not limited to buildings, installations, the pack house, fences, irrigation works and systems, structures, dams and roads;
- 2.15 "farming operations" means the farming operations to be conducted by 8 Mile

Investments on the property in terms of this agreement;

- 2.16 **"fruit"** means lemons, novas, navels, oranges and macadamia nuts, any variation thereof or any other fruit or nut type cultivated, grown and/ or harvested on the property from time to time;
- 2.17 **"Fruitco"** means Exotic Fruit Company (Pty) Ltd trading as Fruitco, with registration number 2014/058732/07, a private limited liability company incorporated in terms of the laws of South Africa, of Unit 4 Bell House, 18 Bell Crescent, Westlake Business Park, West Lake, Western Cape, 7945
- 2.18 **"livestock"** means any cattle, sheep, horses or pigs kept on the property from time to time and farmed by the BCPA for its own benefit;
- 2.19 **"motor vehicles"** means any motor vehicle used by 8 Mile Investments from time to time in the farming operations, including but not be limited to any pick-up-truck, motorcycle, quad bike or tractor;
- 2.20 **"orchards"** means any orchards and other cultivated plantings in which the fruit is planted and grown from time to time;
- 2.21 **"the pack house"** means the pack house on the property from time to time and to be used by 8 Mile Investments in the ordinary course of the farming operations but without derogating from 8 Mile Investment's right to use other facilities in extraordinary circumstances;
- 2.22 **"the parties"** means the BCPA and 8 Mile Investments as parties to this agreement;
- 2.23 **"the property"** means the farm known as Zebediela Citrus Estate, Koringpunt, Limpopo Province, which consists of:
- 2.23.1 the Remaining Extent of the farm Zebediela Estate 101
Registration Division K.S.
Limpopo Province
Measuring 1128.6054 (one one two eight comma six zero five four) hectares and held by certificate of Registered Title Nr T126615/2005 and Deed of Transfer T107659/2008;

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- 2.23.2 Portion 3 of the farm Zebediela Estate 101
Registration Division K.S.
Limpopo Province
Measuring 214.1330 (two one four comma one three three zero) hectares
and held by certificate of Registered Title Deed Nr Transfer T119879/2008;
- 2.23.3 the Remaining Extent of Portion 5 (a portion of Portion 4) of the farm
Zebediela Estate 101
Registration Division K.S.
Limpopo Province
Measuring 126,4015 (one two six comma four zero one five) hectares
and held by certificate of Registered Title T126615/2005 and Deed of
Transfer T107659/2008
- 2.23.4 Portion 7 of the farm Zebediela Estate 101
Registration Division K.S.
Limpopo Province
Measuring 13.0847 (one three comma zero eight four seven) hectares
and held by certificate of Registered Title Nr T126615/2005 and Deed of
Transfer T107659/2008;

together with the orchards and infrastructure, which property is marked on the diagram annexed hereto as "**FA 1**";

- 2.24 "**signature date**" means the date of the signature of this agreement by the 8 Mile Investments;
- 2.25 "**Sitrus**" means Zebediela Citrus (Proprietary) Limited, a private company with registration number 1975/000475/07;
- 2.26 "**Sitrus lease agreement**" means the written lease agreement concluded between the BCPA and Citrus on 24 November 2004;
- 2.27 "**tenant(s)**" means any person or persons holding lawful occupation of a dwelling at the commencement date, as listed in "**Annexure FA 2**" hereto, and / or any person who is

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authorised to occupy a dwelling by 8 Mile Investments during the period of this agreement;

- 2.28 "trees" means any tree carrying or intended to carry any crop for the duration of this agreement;
- 2.29 "use description" means the use of the property for agricultural purposes, including but not limited to the farming operations set out herein
- 2.30 "VAT" means Value Added Tax payable in terms of *Act 89 of 1991* or any amendment thereto or substituting legislation.

3. INTERPRETATION

- 3.1 In this agreement and in the annexures to this agreement:
- 3.2 clause headings are for convenience only and are not to be used in its interpretation;
- 3.3 an expression which denotes:
- 3.4 any gender includes the other genders;
- 3.5 a natural person includes a juristic person and vice versa;
- 3.6 the singular includes the plural and vice versa;
- 3.7 any substantive provision conferring rights or imposing obligations on any party in the interpretation clause shall be given effect to as if it were a substantive provision in the body of this agreement;
- 3.8 words and expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this agreement;
- 3.9 reference to "day(s)" shall be construed as "business day(s)".
- 3.10 unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day or, where the last day falls


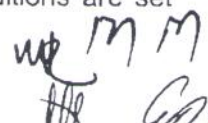

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on a day which is not a business day, the next succeeding business day;

- 3.11 reference to months or years shall be construed as calendar months or years;
- 3.12 no provision herein shall be construed against or interpreted to the disadvantage of any party hereto by reason of such party having or being deemed to have structured, drafted or introduced such provision;
- 3.13 whenever a term is followed by the word "including" which is then followed by specific examples, such examples shall not be construed so as to limit the meaning of that term;
- 3.14 a reference to any statutory enactment shall be construed as a reference to that enactment as at the signature date and as amended or re-enacted from time to time;
- 3.15 the rule of construction that the contract shall be interpreted against the party which is responsible for the preparation or drafting of the contract shall not apply.

4. RECORDAL

- 4.1 The BCPA is the registered owner of the property.
- 4.2 8 Mile Investments is desirous of conducting the farming operations on the property and the BCPA is desirous of granting 8 Mile Investments the exclusive right to conduct the farming operations on the property.
- 4.3 In consideration of the BCPA granting 8 Mile Investments the exclusive right to conduct the farming operations on the property, 8 Mile Investments intends to make substantial capital investment into the property, it being contemplated that 8 Mile Investments may invest in the upgrade of the infrastructure, the installation of an electronic pack house, the repairs and replacement of the irrigation system and electrical grid, reviving and a replacing old orchards, investing into the Bjatladi community by giving bursaries to deserving scholars and developing the skills of the skilled and unskilled labourers.
- 4.4 The parties have agreed on the terms and conditions in terms of which 8 Mile Investments will conduct the farming operations, which terms and conditions are set

out hereinbelow.

5. COMMENCEMENT AND DURATION

This agreement shall be deemed to have commenced on the commencement date and, subject to 26 below, shall endure for a period of 28 (twenty eight) years and 10 months.

6. SPECIAL CONDITIONS

It is recorded and agreed that the parties shall do all such things and sign all such documents as may be required to ensure:

- 6.1 that all such consents as may be required by the BCPA's constitution or of any competent authority for the conclusion of this agreement, are obtained and provided to 8 Mile Investments on or before the commencement date;
- 6.2 the registration of a notarial bond in favour of 8 Mile Investments over the crop in the amount of R 38 000 000.00 (thirty eight million rand) as security for amounts already advanced or to be advanced to the BCPA, which notarial bond shall be registered into the Deeds Registry at the Deeds Office in which jurisdictional area the property is situated with 180 (one hundred and eighty) days from the commencement date.
- 6.3 The special conditions are incorporated into this agreement for the benefit of 8 Mile Investments which shall be entitled, but not obliged, at any time and by written notice to the BCPA:
 - 6.3.1 to waive compliance with any or all of the special conditions (either wholly or partly);
 - 6.3.2 to extend the period for the fulfilment of any or all of the special conditions by such additional period as it may determine in its sole discretion.
- 6.4 The BCPA shall use its best endeavours, and the parties shall co-operate in good faith,

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to procure the timeous fulfilment of the special condition. The BCPA irrevocably and unconditionally nominates, constitutes and appoints 8 Mile Investments as its agent, *in rem suam*, and authorises 8 Mile Investments to do all such things and sign all such documents in the BCPA's name and on its behalf and as may be required to ensure the timeous fulfilment of the special conditions referred to in 6.1 above.

7. ANNUAL CONSIDERATION

- 7.1 8 Mile Investments shall pay to the BCPA an annual consideration of **R2,500,000.00 (two million five hundred thousand rand)**, per annum (VAT inclusive), which annual consideration shall escalate at the rate of 10% (ten percent) every 5 (five) years, the first such escalation to take place on the 6th (sixth) anniversary of the date contemplated in 7.2 below.
- 7.2 The annual consideration for the 1st (first) year of this agreement shall be paid within 60 (sixty) days from the signature date and the annual consideration for each succeeding year shall be paid on the anniversary of such date for each succeeding year of this agreement.

8. USAGE AND ACCESS

Without derogating from any other provision of this agreement, for the duration of this agreement:

- 8.1 8 Mile Investments shall conduct the farming of cultivated planting on the property, and all activities necessarily and reasonably ancillary thereto;
- 8.2 8 Mile Investments shall at all times for the duration of this agreement have unhindered access to and, unless provided for otherwise in this agreement, have the sole possession and use of the orchards and the infrastructure, excluding the dwellings, and the BCPA undertakes to ensure for the duration of this agreement that neither itself, nor any tenant

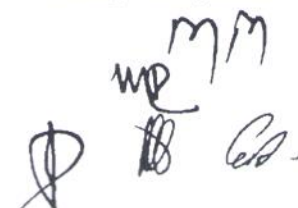
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or third party, shall infringe or impede any of the rights of 8 Mile Investments terms of this agreement or in law.

- 8.3 8 Mile Investments shall have unhindered access to and have the sole right of use and control of the equipment, whether such equipment is owned by 8 Mile Investments or not.
- 8.4 8 Mile Investments shall only be obligated to return the infrastructure, the equipment and the property to the BCPA at the expiry or termination or expiry of this agreement, in an improved condition as in which it was received by 8 Mile Investments on the commencement date.
- 8.5 Without derogating in any way from the above, 8 Mile Investments shall be placed in possession of the equipment, and motor vehicles on the commencement date and the BCPA undertakes not to deprive, obstruct or infringe 8 Mile Investments' rights to possession thereof, and further undertakes not to enable or allow any tenant or third party to do so, for the duration of this agreement.
- 8.6 8 Mile Investments shall be entitled at any time during this agreement to acquire and use its own equipment and / or other movables in the farming operations and it is recorded that any such equipment or movables shall become the property of the BCPA on termination of this agreement.
- 8.7 Without derogating from any provision of this agreement or any law, it is recorded and agreed that ownership of the crop shall vest in 8 Mile Investments on the commencement date and shall remain so vested for the duration of this agreement.

9. ASSET REGISTER

- 9.1 8 Mile Investments shall cause an asset register to be compiled by an independent evaluator within 6 (six) months from the commencement of this agreement.
- 9.2 The asset register shall serve as record of the assets at the date of the commencement of this agreement and further record the condition of each asset and shall be signed by both parties.

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10. FARMING

- 10.1 8 Mile Investments shall farm with the existing orchards of cultivated plantings as well as any additional orchards to be added or renewed for the duration of this agreement.
- 10.2 The hectares under plantation and tree census shall be verified within 6 (six) months from the commencement date.
- 10.3 8 Mile Investments may establish new orchards, replace old orchards- or uproot any existing orchards. It is recorded that the costs of establishing new orchards, replacing any orchard(s) or uprooting any orchard(s) shall be an improvement made to the property for the purposes of clause 23 of this agreement.
- 10.4 Upon the expiry of this agreement, any new orchards established in the course of conducting the farming operations shall not be removed by 8 Mile Investments.
- 10.5 In order to create further job opportunities and to make the business of the farm more profitable, 8 Mile Investments undertakes to conduct the agricultural activities of the farm in such a way that is diligent and in keeping with correct farming practice in general.

11. MANAGEMENT

- 11.1 8 Mile Investments shall have sole control over, and shall, manage the infrastructure and the farming operations at its own cost for the duration of this agreement.
- 11.2 8 Mile Investments shall in its own sole discretion determine the operational budget for each season for the duration of this agreement
- 11.3 8 Mile Investments shall at its own cost and in its sole discretion appoint a Farm Manager, Assistant Farm Manager, Pack House Manager and skilled and unskilled labourers for each season for the duration of this agreement, it being recorded that 8 Mile Investments will, where reasonable, give preference to the members of the Bjaladi community.
- 11.4 8 Mile Investments shall in its sole discretion determine the size of the workforce, the working hours and the salaries of its employees, which determination shall at all times be

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in accordance and in compliance with the relevant labour laws, regulation and sectoral determinations.

- 11.5 8 Mile Investments shall in its sole discretion select its required and preferred suppliers and service providers and make all payments directly to them.
- 11.6 8 Mile Investments shall in its sole discretion formulate and implement spraying and irrigation programs and in accordance with best practice and minimum standards, as prescribed by the PPECB, Global GAP, and any other law or regulation requirements in a specific export territory.
- 11.7 8 Mile Investments shall have the exclusive right to market, sell and export the crop to any market it in its sole discretion choose for the duration of the lease period.
- 11.8 8 Mile Investments shall implement a skills transfer programme on the property or within the close vicinity of the property which programme shall include, but not be limited to, training those employees nominated by the BCPA in the various fields of managing the farm as well as transferring its administration, farm management and local and export marketing skills to persons to be nominated by the BCPA. The BCPA shall ensure that the employees nominated by it for the said programme participate therein as may be reasonably be required by 8 Mile Investments.
- 11.9 8 Mile Investments shall, within 6 (six) months of the commencement date, conduct a skills audit in order to assess the need and requirements for the skills transfer and/or training programme.

12. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

- 12.1 8 Mile Investments shall for the duration of this agreement maintain all fences, windbreaks and fire breaks on the property and repair or replace and make good all damage to the property, including to the equipment and infrastructure and, when necessary, replace the equipment, it being recorded that any expenses incurred in these repairs, replacements and maintenance shall be reckoned as expenses in the farming operations.
- 12.2 Notwithstanding anything to the contrary in this agreement, 8 Mile Investments shall be entitled to make such improvements to the property and the infrastructure as 8 Mile

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Investments may require to make in order to carry on, or facilitate, the carrying on of the farming operations at the property.

- 12.3 Notwithstanding anything to the contrary in this agreement, 8 Mile Investments shall be entitled to make such alterations and bring on any additions, fixtures or fittings to the premises as 8 Mile Investments may require in order or to carry on, or facilitate the carrying on of the farming operations.

13. RIGHT OF FIRST REFUSAL

- 13.1 Provided that 8 Mile Investments shall have faithfully complied with the terms of this agreement for the duration of this agreement, and provided further that the BCPA desires to at the expiry of this agreement, to grants rights to a party to conduct the farming operations, 8 Mile Investments shall have the right of first refusal in respect of any new agreement which the BCPA may wish to conclude for a period of 5 (five) years from the date of the termination of this agreement.

- 13.2 The BCPA shall accordingly convey to 8 Mile Investments the terms of any new agreement contemplated in 13.1 above and 8 Mile Investments shall be entitled to accept such terms in which event a new farming agreement shall be deemed to have been concluded between the BCPA and 8 Mile Investments on such terms.

14. ELECTRICITY AND WATER

- 14.1 The BCPA warrants that there are no outstanding rates, taxes and/ or similar charges levied in respect of the property and the dwellings at the commencement date. The BCPA shall be liable for and pay on due date all rates, taxes and similar charges levied in respect of the property and the dwellings for the duration of this agreement.

- 14.2 It is recorded that approximately 120 (one hundred and twenty) boreholes are located

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on the property, of which 78 (seventy eight) boreholes are equipped and in working condition. In addition there are 2 (two) dams, 18 (eighteen) consecutive irrigation dams and several canals on the property. Agricultural practices and the property are severely prejudiced by the shortage of available water caused by 50% (fifty percent) of the boreholes being out of operation due to a lack of maintenance. The above shall however be verified by an independent evaluator within 6 (six) months from the commencement of this agreement.

- 14.3 In order to improve the water supply to enable increased productivity, 8 Mile Investments shall be entitled, but not be obliged, to take all such necessary steps to repair, replace or modify the water supply- and irrigation systems at its own costs, which improvements, modifications and repairs to the irrigation system shall be improvements made to the property for the purposes of 23 below.
- 14.4 8 Mile Investments shall, at its own expense and within 12 (twelve months) from the commencement date, cause the installation of a pre-paid water meters in the dwellings.
- 14.5 It is recorded and agreed that the tenants of the dwellings shall be liable to the relevant authority for the electricity and water supplied to the dwellings.
- 14.6 It is recorded and agreed that 8 Mile Investments shall not be liable or responsible for the payment of any amounts levied by the local authority on the water usage by the tenants for the duration of this agreement. Accordingly the tenants, failing whom the BCPA, shall upon presentation of the account of the competent authority, pay the account(s) of the competent authority within 10 (ten) days of presentation thereof.
- 14.7 8 Mile Investments shall for the duration of the agreement only be liable for the electrical and/ or water consumption charges in respect of electricity and/ or water used in the farming operations on the property and shall pay the relevant authority directly and on the presentation of its accounts.
- 14.8 The BCPA shall within 30 (thirty) days from the commencement date provide the necessary consents and sign all such documents as may be required to allow 8 Mile Investments to receive the monthly municipal accounts in respect of the property

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- 14.9 8 Mile Investments shall be entitled to all and any water available on the property as may be required for the farming operations.
- 14.10 8 Mile Investments shall be entitled to all and any water services/sources/resources or usage as are allocated from time to time to the BCPA.
- 14.11 The BCPA has applied for certain water rights and shall make available to 8 Mile Investments and the tenant all and any water becoming available in terms of such rights.

15. COMPLIANCE WITH REQUIREMENTS


8 Mile Investments shall at its own expense comply with all relevant laws, regulations and by-laws concerning the farming operations, the conduct of 8 Mile Investments' business on the property, and, generally, 8 Mile Investments' occupation of the property.

16. ASSIGNMENT, CESSION AND SUB-LETTING

The parties shall not be entitled to cede or assign all or any part of its right and obligations under this agreement without the written consent of the other party, which consent shall not be unreasonably withheld.

17. FORCE MAJEURE

Notwithstanding any provision to the contrary in this agreement, should 8 Mile Investments be

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prevented from performing its obligations under this agreement by events beyond its reasonable control including but not limited to acts of God or public enemy, fire, explosion, earthquake, flood, storm or other adverse weather conditions, war declared or undeclared, civil war, revolution, civil commotion or other civil disorder, sabotage, riot, blockade, embargo, sanctions, epidemics, act of any government or other authority, compliance with law, regulations or demands of any government or governmental agency, limitations imposed by exchange control or foreign investment, strike, lockout, arson or other damage to the property or the crops or other similar regulations or any other circumstances of like or different nature beyond the reasonable control of 8 Mile Investments, 8 Mile Investments' obligations under this agreement shall be postponed and 8 Mile Investments shall be relieved of its obligations under this agreement for the duration of the event concerned and will not be in breach of this agreement.

18. INSURANCE

- 18.1 8 Mile Investments shall, within 6 (six) months from the commencement date, take out and thereafter maintain comprehensive insurance cover for the infrastructure, any equipment or moveable assets (excluding the fruit, the crop or the orchards) used by 8 Mile Investments in the farming operations and any fixture and/ or fittings brought onto and/ or installed at the property by 8 Mile Investments for the duration of the lease.
- 18.2 8 Mile Investments shall ensure that the BCPA's interest in the infrastructure and/ or equipment is noted in the insurance policy contemplated in 18.1 above and provide the BCPA with a copy of the said insurance policy within 10 (ten) days of written request to that effect from the BCPA.

19. DESTRUCTION OF PROPERTY

- 19.1 In the event of the total destruction of the property and/ or the orchards or any part thereof by fire or any other natural or unforeseen event or in the event of partial


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destruction making the property and/ or orchards substantially unusable for the purpose for which it is used ("the event"), 8 Mile Investments shall within 14 (fourteen) days from the event in its sole discretion determine the practical and financial viability of 8 Mile Investments repairing the partial or total destruction to the property and/ or orchards, it being recorded that any costs incurred by 8 Mile Investments in the repairs to the property and/ or orchards shall be an expense in the farming operations and shall be deductible in full from the income for the purposes of calculating the profit share in terms of 23 below.

- 19.2 Should 8 Mile Investments in its sole discretion determine that it will not be practically and/ or financially viable for 8 Mile Investments to repair any partial or total destruction to the property and/ or the orchards, 8 Mile Investments shall be entitled to terminate this agreement on written notice to the BCPA, to be received by the BCPA within 30 (thirty) days after the date of such destruction.
- 19.3 Subject to 19.4 below, the BCPA shall have no claim against 8 Mile Investments in respect of any loss or damage suffered by the BCPA in consequence of any such partial or total destruction of the property or any part thereof or the termination of this agreement in consequence thereof.
- 19.4 Nothing contained in this agreement shall prejudice any right that a party may have, pursuant to this agreement or otherwise, to claim damages from the other party as a result of any negligent or unlawful act or omission or the termination of this agreement in consequence thereof.

20. ACCESS AND USE BY BCPA

- 20.1 The BCPA and the BCPA's representatives and/or nominees shall be entitled to access to the orchards and infrastructure for inspection after giving 8 Mile Investments at least 48 (forty eight) hours' prior written notice of intention to inspection, provided always that the BCPA and its representatives shall not be entitled to attach, remove or

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tamper with the orchards and/ or the crops or any moveable property, motor vehicles or equipment during such inspection, obstruct or interfere in the farming operations, or impede 8 Mile Investments' right to use the equipment and infrastructure pursuant to its rights the terms of this agreement.

- 20.2 The BCPA may, subject to the prior written approval of 8 Mile Investments, utilise any portion of the property not used for the farming operations and only in as far as it does not infringe the rights of 8 Mile Investments in terms of this agreement or obstruct or prevent 8 Mile Investments from exercising its rights in terms of this agreement. It is specifically recorded that the BCPA shall take the greatest care and shall use its best endeavours to ensure that any livestock held on the property shall not enter into any area under cultivated planting. For the avoidance of doubt, the BCPA shall be responsible, at its own expense, to secure and ensure that adequate fences are erected around any portion of the property where livestock is to be held or allowed to graze.
- 20.3 The tenants have, by virtue of, and only for as long as each has a right of occupancy, a right to access the property and the dwellings. It is however recorded that 8 Mile Investments shall be entitled, in order to maintain adequate security to safeguard and protect the farming operations and/or its rights and interests in terms of this agreement, implement any security measures that it in its sole discretion deems necessary and reasonable, provided that 8 Mile Investments shall consult with the BCPA before implementing any security measures in terms of this clause 20.3.
- 20.4 The BCPA shall retain the use of two offices in the administration block on the property and have reasonable access to the boardroom.

21. EXEMPTION FROM LIABILITY

- 21.1 The parties shall, without derogating from any of their rights in terms of, or any other provision of this agreement, not be liable to each other or to any third party for any claim, loss or damage which the party or any third party may sustain howsoever arising

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from or relating to this agreement, its breach, implementation or termination or any other cause whatsoever, unless the damage sustained was as a result of the other party's, its representatives, agent or employees negligence or wilful misconduct.

21.2 Without derogating from 21.1 above or any of the other provisions of this agreement, neither party shall have a claim against the other party for any loss that may be suffered by the party or any third party howsoever arising from or relating to:

21.2.1 any defect in the property;

21.2.2 any accident, injury or damage caused to the other party, its directors, shareholders, servants, employees, agents, the general public, invitees at the property or the death of any such person or any other person (whether legal or natural) unless the accident, injury and / or damage sustained was as a result of the other party's, its representatives, agent or employee's negligence or wilful misconduct;

21.2.3 any damage or damage howsoever caused to the a party's equipment, installations, movables, books, papers or other articles kept on the property unless such damage was as a result of the other party's, its representatives, agent or employee's negligence or wilful misconduct;

21.2.4 any expropriation or similar alienation of the property.

21.3 The parties hereby indemnify each other against any claims, loss or damage referred to or contemplated in 21.1 and/ or 21.2 above.

22. WARRANTIES AND OBLIGATION BY BCPA

The BCPA warrants that:

22.1 it has duly been, and will remain, constituted and registered in terms of Section 8 of the Communal Property Association Act 28 of 1996, and that it is and will remain fully compliant with the provisions of said Act;


22.2 there is no condition in its constitution that will prohibit the conclusion of this agreement

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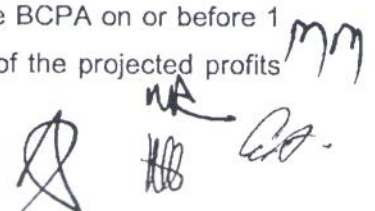
with 8 Mile Investments or the fulfilment of any of the special conditions recorded in 6 above;

- 22.3 it has properly notified all its creditors of the conclusion of this agreement and will notify all future creditors of the existence of this agreement;
- 22.4 save for as recorded in this agreement, it has not entered into, and will not enter into, any agreement, mortgage, lien, charge or undertaking in respect of the property, infrastructure, equipment or the crop to a third party without 8 Mile Investments' prior written consent, which consent 8 Mile Investments shall not be obliged to grant;
- 22.5 it will not sell, lease, license or otherwise part possession with the property, the orchards, the trees, the motor vehicles, the equipment, the infrastructure or the crop or any part thereof during the period of this agreement;
- 22.6 it shall not in any way interfere with, impede or delay the farming operations or allow or enable any third party or tenant to do so;
- 22.7 it is not insolvent or under business rescue or any similar disability or in the process of winding up or surrendering its estate or applying for liquidation. It further warrants that there are and will not be any grounds for the winding up of the BCPA, whether for insolvency or on just and equitable reasons or otherwise, and that it undertakes to first approach 8 Mile Investments for financial assistance before bringing any application or taking any action in terms of Section 13 of the Communal Property Association Act 28 of 1996 (or any similar provision); and
- 22.8 notwithstanding any other provision of this agreement, it shall do all such things and take all such steps as may be necessary to give effect to this agreement and to the import and provisions thereof.

23. CAPITAL INVESTMENTS, ACKNOWLEDGMENT OF DEBT AND PROFIT SHARE

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- 23.1 The BCPA acknowledges that 8 Mile Investments, by entering into this agreement, will be exposed to substantial risks and costs in the conduct of the farming operations and that, in order to produce sellable crop and improve the property and thereby facilitate the improvement of the BCPA's financial position, a substantial capital investment by 8 Mile Investments will be required. 8 Mile Investments shall accordingly be entitled, subject to the profit share provided for in 23.5 below, to the income of the farming operations for the duration of this agreement.
- 23.2 In the event of the termination or failure of this agreement for reason not being the fault of 8 Mile Investments, the BCPA shall be obliged to pay to 8 Mile Investments an amount equal to all amounts expended by 8 Mile Investments on the capital and other improvements contemplated in 23.15 below which at the time of such termination or failure have not been recovered by 8 Mile Investments.
- 23.3 In that event, 8 Mile Investments shall deliver to the BCPA an account of the amount due in terms of 23.2 above and such amount shall be deemed to have been accepted by the BCPA and due by the BCPA to 8 Mile Investments unless the BCPA delivers to 8 Mile Investments an account of the amounts which it claims to be due (if any) to 8 Mile Investments within 30 (thirty) calendar days of the receipt of 8 Mile Investments' account.
- 23.4 Any dispute between the parties relating to the account contemplated in 23.3 above, the dispute shall be referred to an independent auditor appointed by agreement between the parties (and failing agreement, appointed by the President for the time being of the South African Institute of Chartered Accountants) and their decision shall be final and binding between the parties and carried into effect.
- 23.5 8 Mile Investments shall use its best endeavours to ensure the profitability of the farming operations and the parties agree and record that the BCPA shall become entitled to 50% (fifty) percent of the profits made on the sale of the class 1 and class 2 export crop, excluding the macadamia nut crop, which profit share shall be paid at the end of each export season and as provided for in 23.13 below.
- 23.6 Notwithstanding 23.5 above, 8 Mile Investments shall pay to the BCPA on or before 1 December each year an advance equal to 50% (fifty percent) of the projected profits

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for the current export season against the profit share provided for in 23.5 above, which advance shall be set off against the BCPA's profit share to be paid to the BCPA in terms of 23.13 below for the year concerned and is intended for distributions for the benefit of the Bjatladi community.

- 23.7 In that event there is no profit share due to the BCPA or the BCPA is for any reason not entitled to the profit share in any year and the BCPA has received the advance provided for in 23.6 above, such advance shall be set off against the profit share due to the Lessor for the succeeding year.
- 23.8 For the purposes of this clause 23, "profits" shall mean the income generated from the sale of the class 1 and class 2 export crop, excluding the macadamia nut crop, which value shall be calculated on the DIP value of the crop, minus all expenses incurred in the farming operations and sale of the crop, which expenses shall include, but not be limited to, the farming materials, spraying- fertilization- and sanitation costs, any costs incurred to renew the orchards or plant new orchards, salaries and wages, operational expenses, capital and / or reinvestments made towards the improvement of the property and/ or the infrastructure, DIP costs and any costs required to be invested in preparing the property and/ or the crop for each succeeding season.
- 23.9 8 Mile Investments shall cause the preparation of a detailed income and expenditure report in respect of the class 1 and class 2 export crop ("the report") by its auditors and deliver the report to the BCPA within 30 (thirty) days from 8 Mile Investments' financial year end.
- 23.10 The BCPA shall have 30 (thirty) calendar days to object in writing to the report, or any portion thereof, failing which the report will be deemed to be accepted by the BCPA as being correct.
- 23.11 Should any dispute arise in relation to the report, the dispute shall be referred to an independent auditor appointed by agreement between the parties (and failing agreement, appointed by the President for the time being of the South African Institute of Chartered Accountants) and their decision shall be final and binding between the parties and carried into effect.

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- 23.12 Notwithstanding the above, the BCPA shall be entitled to appoint, at its own cost, its own auditors should it not be satisfied with the accounting methods of the 8 Mile Investments. 8 Mile Investments shall provide the BCPA, or its auditors, with access to any financial and/ or ancillary documents that relates to the farming operations and that are not already in the possession of the BCPA within 5 (five) business days of receipt of a written receipt from the BCPA or its auditors.
- 23.13 8 Mile Investments shall pay the BCPA its 50% (fifty percent) of the profits within 10 (ten) days from the expiry of the objection period in 23.10 above, or within 10 (ten) days from the date of determination as provided for in 23.11 above.
- 23.14 8 Mile Investments commits up to no less than R 100 000 000 (one hundred million rand) in capital improvements to the property ("the capital improvements"). 8 Mile Investments shall make such capital improvements on the following terms:
- 23.14.1 no less than R 50 000 000 (fifty million rand) on or by the 8th (eight) anniversary of this agreement;
- 23.14.2 no less than R 50 000 000 (fifty million rand) on or by the 16th (sixteenth) anniversary of this agreement.
- 23.15 It is contemplated that the capital improvements will include:
- 23.15.1 installing an electronic pack-house;
- 23.15.2 setting up new orchards or reviving old and timeworn orchards;
- 23.15.3 repairing and/ or installing a new irrigation system, which may including solar power water pumps;
- 23.15.4 installing a new electrical network, which shall include the pre-paid meters to be installed at the dwellings; and
- 23.15.5 repairing and/ or installing a security fence around the estate.

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24. EMPLOYMENT AND SKILLS DEVELOPMENT

8 Mile Investments shall for the duration of this agreement, give preference to community members of the BCPA, where practicable, when job opportunities arise at the property in respect of skilled and unskilled employees in the agricultural sector.

25. COMMUNITY INVESTMENT

- 25.1 8 Mile Investments intends, for as long as the BCPA is not in material breach of a contractual obligation in terms of this agreement, to invest into the Bjaladi community, it being contemplated that the community investment may include:
- 25.1.1 providing promising and deserving students with bursaries; and
 - 25.1.2 improving the current educational offerings by upgrading the day-care centre for the surrounding children.
- 25.2 8 Mile Investments may in its sole discretion allocate monies to any deserving community cause(s) and nothing in this agreement shall establish a right or entitle the community or the BCPA to any investments and / or support.
- 25.3 8 Mile Investments intends to focus on youth from the BCPA in its community development initiatives including, but not limited to, bursaries; employment opportunities as well as in training in respect of farming operations including local and export marketing.

26. BREACH

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Should:

- 26.1 8 Mile Investments fail to pay the annual consideration, or any part thereof, by due date thereof, and remain in default for 10 (ten) business days after despatch of written notice demanding payment; or
- 26.2 a party fails to comply with any other term or condition of this agreement and fail to remedy the breach of any such term or condition within 5 (five) business days of receipt by the defaulting party of a notice calling upon the defaulting party to comply with the term or condition or to remedy the breach; or
- 26.3 a party repeatedly breaches any term of this agreement, thereby reasonably justifying the inference that the defaulting party is unable or unwilling to abide by and/or carry out the terms of this agreement; or
- 26.4 a party commit an act of insolvency; or
- 26.5 a party applies for business rescue, be wound up or surrendered or is under administration, whether provisionally or finally; or
- 26.6 a judgment is taken against a party and the defaulting party fail to satisfy the judgement within 10 (ten) days of the date thereof or, in the event of the noting of an appeal by the defaulting party against any such judgement, then within 5 (five) days of the dismissal of the appeal, whichever is the later.

then, notwithstanding anything to the contrary in this agreement, and notwithstanding previous indulgences, the aggrieved party shall be entitled to cancel this agreement on written notice to the defaulting party and to full and unfettered possession of the property, but, notwithstanding such cancellation, the defaulting party shall continue to be liable for the payment of any amount due by it and in arrear plus all such damages as may be suffered by the aggrieved party by reason of the defaulting party's failure to comply with any term and/or condition of this agreement, and by reason of the cancellation thereof.

27. EFFECT OF EARLY TERMINATION

Should this agreement terminate, expire or fail for any reason whatsoever and the

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BCPA be indebted to 8 Mile Investments, or vice versa, at such time of the termination or expiry for any reason whatsoever, any amounts owed by the BCPA to 8 Mile Investments, or vice versa as the case may be, shall immediately become due and payable upon such termination or expiry.

28. LIEN AND REGISTRATION OF FURTHER NOTARIAL BONDS AND FURTHER SECURITY

- 28.1. As further security for all and any amount owing by the BCPA to 8 Mile Investments in terms of 23 above, or any other provision of this agreement, at the time of its termination, failure or expiry for any reason, the BCPA hereby:
- 28.1.1. cedes, assigns and transfers to 8 Mile Investments all its right, title and interest in and to the crop, as well as claims and proceeds arising from the ownership of the crop;
 - 28.1.2. irrevocably grant a lien over the crop to 8 Mile Investments, which lien shall, inter alia, entitle 8 Mile Investments to the first pick of the crop for every succeeding year in the volume and amount equal to the amount owing by the BCPA in terms of this agreement, together with interest calculated at 9% (nine percent) per annum until all such amounts owing by the BCPA to 8 Mile Investments are paid in full.
- 28.2. In addition to 28.1 above, the BCPA shall within 60 (sixty) days from the date upon which any amount becomes due and payable to 8 Mile Investments pursuant to this agreement, obtain the necessary approvals and consents and sign all such documents as may be required to register a notarial bond in favour of 8 Mile Investments and in the amount equal to the amount provided for in 29.1 above.

29. ARBITRATION

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- 29.1. In the event of any dispute between the parties arising out of or in connection with this agreement and/or its interpretation, implementation or termination, or the subject matter of this agreement, the parties shall use their best endeavours to negotiate in good faith to reach a mutually acceptable settlement of such dispute ("the dispute").
- 29.2. Should the dispute remain unresolved for a period of 14 (fourteen) days from commencement of any negotiations in terms of 29.1 above, it shall be referred to, and determined by, arbitration under the auspices of, and according to the rules of, the Arbitration Foundation of Southern Africa (AFSA).
- 29.3. The arbitrator shall be a person, in the absence of agreement between the parties in this regard, appointed on request of a party by the president for the time being of the Arbitration Foundation of South Africa.
- 29.4. The arbitration shall be conducted in the English language and at Polokwane.
- 29.5. The parties shall be entitled to legal representation.
- 29.6. The award of the arbitrator shall be final and binding on the parties to the dispute and may be enforced in any Court of competent jurisdiction.
- 29.7. Unless the arbitrator makes an award to the contrary, the costs of the arbitration shall be shared equally between the parties to the dispute

31 JURISDICTION & GOVERNING LAW

- 31.1 In the event of 8 Mile Investments commencing any proceedings not falling within the ambit of 30 above against the BCPA, the parties submit to the jurisdiction of the High Court of South Africa, Western Cape Division, Cape Town, for all purposes of any such proceedings.

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31.2 In the event of the BCPA commencing any proceedings not falling within the ambit of 30 above against 8 Mile Investments, the parties submit to the jurisdiction of the High Court of South Africa, Limpopo Division, Polokwane, for all purposes of any such proceedings.

31.3 This agreement shall be subject to and shall be governed by the laws of the Republic of South Africa.

32 NOTICES AND DOMICILIA

32.1 The parties choose as their *domicilia citandi et executandi* their respective addresses set out in 2 above for all purposes arising out of or in connection with this agreement at which addresses all processes and notices arising out of or in connection with this agreement, its breach or termination may validly be served upon or delivered to the parties.

32.2 Any notice given in terms of this agreement shall be in writing and shall:

32.2.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery;

32.2.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 7th (seventh) business day following the date of such posting;

32.2.3 if transmitted by facsimile be deemed to have been received by the addressee on the business day following the date of dispatch,

32.2.4 if dispatched by electronic mail be deemed to have been received by the addressee on the date of dispatch, unless dispatched after 16:30 pm, in which event it shall be deemed to have been received on the business day following the date of dispatch.

unless the contrary is proved.

32.3 Notwithstanding anything to the contrary contained or implied in this agreement, a written notice or communication actually received by one of the parties from another (including by way of facsimile transmission) shall be adequate written notice or communication to such

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33 WHOLE AGREEMENT


All previous agreements entered into between the parties regarding the subject matter, whether written or oral, is hereby revoked and this agreement constitutes the whole agreement between the parties and no agreements, representations or warranties between the parties regarding the subject matter of this other than those set out herein are binding on the parties.

34 VARIATION

No addition to or variation, consensual cancellation or novation of this agreement and no waiver of any right arising from this agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by both of the parties or their duly authorised representatives in hand and in ink or by way of an advanced electronic signature.

35 RELAXATION

No latitude, extension of time or other indulgence which may be given or allowed by either party to the other party in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of either party arising from this agreement, and no single or partial exercise of any right by a party under this agreement, shall in any circumstances be construed to be an implied consent or election by such party, or operate as a waiver or a novation of or otherwise affect any of such party's rights in terms of or arising from this agreement or stop or preclude any such party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.

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36 BINDING NATURE

This agreement shall be binding on and enforceable by the successors-in-title, estates, heirs, executors, administrators, trustees, liquidators, or assigns (as the case may be) of the parties as fully and effectually as if they had signed this agreement in the first instance and reference to any party shall be deemed to include such party's successors, estate, heirs, executors, administrators, trustees, liquidators or assigns, (as the case may be).

37 COSTS

- 37.1 Each party shall be liable for its own legal and other costs relating to the negotiation, preparation and execution of this agreement.
- 32.2 The cost of registration of this agreement against the title deed of the property shall be borne by 8 Mile Investments.

38 SEVERABILITY

Each provision in this agreement is severable from all others, notwithstanding the manner in which they may be linked together grammatically or otherwise, and if in terms of any judgment and/or order any provision, phrase, sentence, paragraph and/or clause is found to be defective or unenforceable for any reason, the remaining provisions, phrases, sentences, paragraphs and clauses shall nevertheless continue to be of full force and effect. In particular, and without limiting the generality of the foregoing, the parties hereto acknowledge their intention to continue to be bound by this agreement notwithstanding that any provision may be found to be unenforceable or void or voidable, in which event the provision concerned shall be severed from the other provisions, each of which shall continue to be of full force and effect.

39 COOPERATION

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The parties undertake at all times to co-operate with each other in good faith and to do all such things, perform all such actions and take all such steps and to procure the doing of all such things, the performance of all such actions and the taking of all such steps as may be open to them and necessary for or incidental to the putting into effect or maintenance of the terms, conditions and import of this agreement.

40. CONTINUING PROVISIONS

- 40.1 All obligations of the parties which expressly or by their nature survive the expiration, termination or failure of this agreement shall be severable from this agreement and shall continue in full force and effect subsequent to and notwithstanding such expiration, termination or failure until they are satisfied in full or by their nature expire.
- 40.2 Without derogating from the provisions of 36.1 above, the provisions of clauses 2, 3, 23, 27, 28, 29, 30, 31, 32 above, 43 below, and of this clause shall survive the expiry, termination or failure of this agreement for any reason.

41. CONSENT OR APPROVAL OR SATISFACTION

If any consent or approval is required for any act by a party, or any act is to be to the satisfaction of a party, such consent or approval, or expression of satisfaction shall, save as may expressly be provided to the contrary in this agreement:

- 41.1 be in writing and signed by the other party or his authorised agent;
- 41.2 not be unreasonably withheld; and
- 41.3 in the case of a consent of approval, be given prior to the party taking such action.

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42. IMPOSING RIGHTS

If any provisions in this agreement or annexures, is a provision imposing rights or obligations on any party, then notwithstanding that it is contained in this agreement or annexures, effect shall be given to it as if it were a substantive provision in the body of the agreement.

43. SPECIAL CONDITION RELATING TO LIEN IN FAVOUR OF 8 MILE INVESTMENTS

- 43.1 The BCPA acknowledges that the 8 Mile Investments hold a lien over the lemon crop of 2017 pursuant to a cession and assignment of a claim in terms of a crop purchase agreement entered into between Citrus, and the Fruitco whereby Fruitco purchased the entire 2016 crop. Citrus has failed to deliver the agreed amount of crop in terms of the crop sale agreement entered into between Citrus and the Fruitco on 1 March 2016 and accordingly Citrus became indebted to Fruitco in the amount of R 28 113 842.50 (twenty eight million one hundred and thirteen thousand eight hundred and forty two rand and fifty cents), which debt was ceded and assigned to 8 Mile Investments and accordingly Citrus is indebted to 8 Mile Investments for the amount of R 28 113 842.50 (twenty eight million one hundred and thirteen thousand eight hundred and forty two rand and fifty cents).
- 43.2 The BCPA as the majority shareholder of Citrus does not dispute or deny 8 Mile Investments' rights and entitlement under the cession of the crop sale agreement and consents to the cession and assignment of the claim set out in 43.1 above.
- 43.3 As a show of good faith, the BCPA agrees that 8 Mile Investments shall be entitled to recover the amount of R 28 113 842.50 (twenty eight million one hundred and thirteen thousand eight hundred and forty two rand and fifty cents) as a first charge over the income generated from the sales of the class 1 and class 2 export crop over the first three years of this agreement or such longer period as may be required. For avoidance of doubt, the amount of amount of R 28 113 842.50 (twenty eight million one hundred and thirteen thousand eight hundred and forty two rand and fifty cents). shall first be deducted from the income generated before the profit is calculated for the purposes of the profit share provided for in 23 above.

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43.4 As a gesture of good faith, 8 Mile Investments shall not charge any interest, administration, legal or recovery fees to the amount of amount of R 28 113 842.50 (twenty eight million one hundred and thirteen thousand eight hundred and forty two rand and fifty cents).

43.5 8 Mile Investments shall be entitled to market and sell the crop under the name of "Zebediela Citrus Estate".

44. ACKNOWLEDGEMENT

The parties acknowledge that they have read and fully understand all of this agreement and that they have wilfully entered into this agreement after obtaining independent legal advice and satisfying themselves with the consequences that will flow out of this agreement

SIGNED at _____ on _____ 2017

AS WITNESS:

1. _____

2. _____

for and on behalf of
**THE BJATLADI COMMUNAL
PROPERTY ASSOCIATION**

Name of signatory:

Designation:

The signatory by his signature warrants that he is duly authorised hereto

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SIGNED at _____ on _____ 2017

AS WITNESS:

1. _____

2. _____

_____ for and on behalf of

**8 MILE INVESTMENTS 483
(PROPRIETARY) LIMITED**

Name of signatory:

Designation:

The signatory by his signature warrants that he is duly authorised hereto

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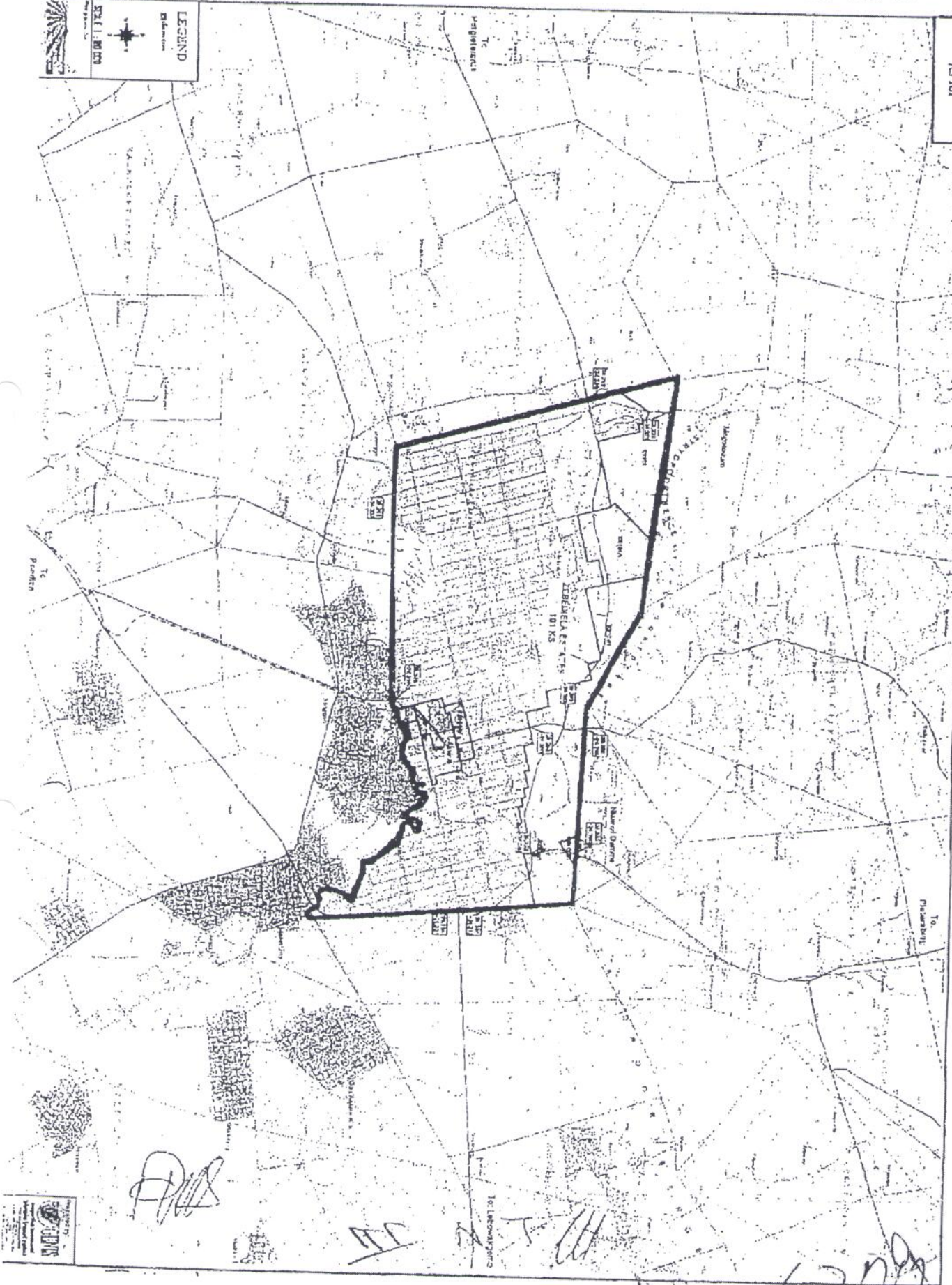
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FARMING OPERATIONS

1. DEFINITIONS

In this Annex the following words and expressions shall bear the meanings assigned to them in the lease agreement to which it is annexed and hereunder:

- 1.1. "cultivated planting" means any planting of whatsoever nature on the property, including without limitation any vines, trees or other planting, which produces a crop.
- 1.2. "8 Mile houses" means the dwellings allocated to and occupied by the managerial employees of the Lessee;

2. USAGE

Without derogating from any other provision of this agreement, for the duration of this agreement:

- 2.1. the property is let to the Lessee for agricultural purposes, which includes conducting the farming of cultivated planting on the property, and all activities necessarily and reasonably ancillary thereto;
- 2.2. the Lessee shall have unhindered access to and, unless provided for otherwise in this agreement, have the sole use of the property and the infrastructure, excluding the dwellings;
- 2.3. the Lessor shall have unhindered access to and have the sole right of use of the equipment on the property, whether such equipment is owned by the Lessee or not;

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- 2.4. the Lessee shall have unhindered access to and the use of the main farm house and 4 (four) of the available houses on the property to be maintained by Lessee in its sole discretion for the duration of this agreement.

3. WATER

- 3.1. It is recorded that approximately 120 (one hundred and twenty) boreholes are located on the property, of which 78 (seventy eight) boreholes are equipped and in working condition. In addition there are 2 (two) dams, 18 (eighteen) consecutive irrigation dams and several canals on the property. Agricultural practices and the property are severely prejudiced by the shortage of available water caused by 50% (fifty percent) of the boreholes being out of operation due to a lack of maintenance. The above shall however be verified by an independent evaluator within 6 (six) months from the commencement of this agreement.
- 3.2. In order to improve the water supply to enable increased productivity, the Lessee shall be entitled, but not be obligated, to take all such necessary steps to repair, replace or modify the water supply- and irrigation systems at its own costs, which improvements, modifications and repairs to the irrigation system shall be improvements made to the property for the purposes of clause 20 of this agreement.

4. ASSET REGISTER

- 4.1. The Lessee shall cause an asset register to be compiled by an independent evaluator within 6 (six) months from the commencement of the lease agreement.
- 4.2. The asset register shall serve as record of the assets at the date of the commencement of the lease agreement and further record the condition of each asset and shall be signed by both parties.

5. INFRASTRUCTURE

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- 5.1. The Lessee shall have unhindered access to and entitled to the exclusive use of the infrastructure, except for the dwellings, for the duration of the lease.
- 5.2. The Lessee shall only be obligated to return the infrastructure and the property to the Lessor at the expiry or termination or expiry of this lease, in the same condition in which it was received by the Lessee on the commencement date, fair wear and tear shall be excluded.

6. FARMING

- 6.1. The Lessee shall farm the property with the existing orchards of cultivated plantings as well as any additional orchards to be added or renewed during the lease period.
- 6.2. The hectares under plantation and tree census shall be verified within 6 (six) months from the commencement date.
- 6.3. The Lessee may, in its sole discretion, establish new orchards, replace old orchards- or uproot any existing orchards. It is recorded that the costs of establishing new orchards, replacing any orchard(s) or uprooting any orchard(s) shall be an improvement made to the property for the purposes of clause 20 of this agreement.
- 6.4. Upon the expiry of the lease, any new orchards established during the course of the lease period shall not be removed by the Lessee.
- 6.5. In order to create further job opportunities and to make the business of the farm more profitable, the Lessee undertakes to conduct the agricultural activities of the farm in such a way that is diligent and in keeping with correct farming practice in general.

7. RECORDS

- 7.1. The Lessee shall at all times maintain proper records of the farming operation.

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- 7.2. The Lessee shall on or before the 15th day of each calendar month, and for the duration of the lease period, supply the Lessor with a report on the previous month's expenses ("the expenses report") in respect of the farming operations.
- 7.3. The Lessor shall have 10 (ten) days to object to any item(s) on the expenses report, failing which the Lessor shall be deemed to have accepted the expenses in respect of the farming operations for the period to which the respective reports relate.

8. MANAGEMENT

- 8.1. The Lessee shall have sole control over, and shall, manage the property and the farming operations at its own cost for the duration of this agreement.
- 8.2. The Lessee shall in its own sole discretion determine the operational budget for each season for the duration of the lease.
- 8.3. The Lessee shall at its own cost and in its sole discretion appoint a Farm Manager, Assistant Farm Manager, Pack House Manager and skilled and unskilled labourers for each season for the duration of the lease.
- 8.4. The Lessee shall in its sole discretion determine the size of the workforce, the working hours and the salaries of its employees, which determination shall at all times be in accordance and in compliance with the relevant labour laws, regulation and sectoral determinations.
- 8.5. The Lessee shall in its sole discretion select its required and preferred suppliers and service providers and make all payments directly to them.
- 8.6. The Lessee shall in its sole discretion formulate and implement spraying and irrigation programs and in accordance with best practice and minimum standards, as prescribed by the PPECB, Global GAP, and any other law or regulation requirements in a specific export territory.
- 8.7. The Lessee shall have the exclusive right to market, sell and export the crop to any market it in its sole discretion choose for the duration of the lease period.

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- 8.8. The Lessee shall implement a skills transfer programme on the property or within the close vicinity of the property which programme shall include, but not be limited to, training those employees nominated by the Lessor in the various fields of managing the farm as well as transferring its administration, farm management and local and export marketing skills to persons to be nominated by the Lessor. The Lessor shall ensure that the employees nominated by it for the said programme participate therein as may be reasonably be required by the Lessee.
- 8.9. The Lessee shall, within 6 (six) months of the commencement date, conduct a skills audit in order to assess the need and requirements for the skills transfer and/or training programme.

9. MAINTENANCE, ALTERATIONS AND IMPROVEMENTS

- 9.1. The Lessee shall for the duration of the lease maintain all fences, windbreaks and fire breaks on the property and repair or replace and make good all damage to the property, including to the equipment and infrastructure and, when necessary, replace the equipment, it being recorded that any expenses incurred in these repairs, replacements and maintenance shall be reckoned as expenses in the farming operations.
- 9.2. Notwithstanding anything to the contrary in this agreement, the Lessee shall be entitled to, but not obligated to, make such improvements to the property and the infrastructure as the Lessee may require to make in order to carry on, or facilitate, the carrying on of the farming operations at the property.
- 9.3. Notwithstanding anything to the contrary in this agreement, the Lessee shall be entitled to make such alterations and bring on any additions, fixtures or fittings to the premises as the Lessee may require in order or to carry on, or facilitate the carrying on of the farming operations.
- 9.4. Upon termination of this agreement, the Lessor shall be entitled to require the Lessee to:
- 9.4.1. remove the fixtures, fittings and/ or additions and restore the property to the form and condition it was in before the alterations and/or additions were made; or,

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- 9.4.2. leave the property in an altered and/or improved form and, in such event, the Lessee shall be entitled to be reimbursed for the alterations and/or improvements made to the property.
- 9.5. Notwithstanding the foregoing, the Lessee shall be entitled to remove the Lessee's fixtures and fittings provided that such removal can be effected without causing damage to the property, or, if removal causes damage to the property, then provided that the Lessee makes good such damage.
- 9.6. The Lessee shall during the course of the lease develop the property as follows:
- 9.6.1. redevelop and utilize unused land for new agricultural projects;
 - 9.6.2. endeavour to increase the productivity of the orchards by planting new orchards and replacing timeworn orchards;
 - 9.6.3. repairing and modernising the equipment and irrigation systems;
 - 9.6.4. explore the construction of a new packing facilities; and
 - 9.6.5. explore alternative energy sources.

10. **EMPLOYMENT AND SKILLS DEVELOPMENT**

The Lessee shall for the duration of this lease, give preference to community members of the Lessor, where practicable, when job opportunities arise at the farm in respect of skilled and unskilled employees in the agricultural sector.

11. **COMMUNITY INVESTMENT**

- 11.1. The Lessee intends, for as long as the Lessor is not in breach of a contractual obligation in terms of the lease agreement, to invest into the Bjatladi community, it being contemplated that the community investment may include:
- 11.1.1. providing promising and deserving students with bursaries; and

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A
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11.1.2. improving the current educational offerings by upgrading the day-care centre for the surrounding children.

11.2. The Lessee may in its sole discretion allocate monies to any deserving community cause(s) and nothing in this agreement shall establish a right or entitle the community or the Lessor to any investments and / or support.

11.3. The Lessee intends to focus on youth from the Lessor in its community development initiatives including, but not limited to, bursaries; employment opportunities as well as in training in respect of farming operations including local and export marketing.

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Annexure "C"



MACGREGOR STANFORD KRUGER INC.

ATTORNEYS, NOTARIES, MARITIME LAWYERS & CONVEYANCERS

OPTION AGREEMENT

entered into between

BJATLADI COMMUNITY PROPERTY ASSOCIATION

Registration number CPA/1998/0064/A

("CPA")

and

8 MILE INVESTMENTS 483 (PROPRIETARY) LIMITED

Registration Number 2006/028502/07

("8 Mile")

5TH FLOOR, MSK HOUSE
CNR BUITENGRACHT & RIEBEEK STREETS
CAPE TOWN, 8001

P.O. BOX 15428
VLAEBERG
8018

TELEPHONE
TELEFAX
INTERNATIONAL

(021) 421-3838
(021) 421-3300
+2721 421 3838

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WR
EA

1. **RECORDALS**

- 1.1 The parties concluded a notarial lease agreement ("the lease") on _____ in respect of the farm ("the property") known as Zebediela and the lease provides in clause 7 thereof for the conclusion of this agreement.
- 1.2 Accordingly CPA wishes to grant, and 8 Mile wishes to accept, an option in respect of the farming agreement on the terms and conditions set out in annexure "OA 1" hereto ("the farming agreement").
- 1.3 The parties wish to record the terms and conditions of the said option in writing in this option agreement.

2. **OPTION**

- 2.1 With effect from the date of signature of this option agreement by the last party signing ("the effective date") CPA grants to 8 Mile the irrevocable right and option ("the option") to bring the farming agreement into effect and to conduct the farming operations.
- 2.2 8 Mile shall be entitled to exercise the option at any time for a period of 60 (sixty) days from the occurrence of the events referred to in clause 7 of the lease ("the option period"), whereafter the option shall automatically lapse and be of no further force and effect.
- 2.3 The option is exclusive to 8 Mile and CPA shall not grant any farming rights to, or conclude any lease or farming agreement with, any other person in respect of the property, from the effective date to the expiry of the option period.
- 2.4 CPA has accordingly executed the farming agreement.

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3. **EXERCISE OF OPTION**

- 3.1 In the event that 8 Mile elects to exercise the option it shall do so by giving written notice thereof to CPA before expiry of the option period, or any extension thereof, if applicable, and simultaneously executing the farming agreement in which event the farming agreement shall become a valid and binding agreement.
- 3.2 The parties warrant and undertake that, in the event of the option being exercised, they will do all such things as may be necessary to implement the farming agreement and to give timeous effect thereto.

4. **ACCEPTANCE**

To the extent necessary, the parties accept the benefits made available to them in terms of this option agreement.

5. **NOTICES AND DOMICILIA**

- 5.1 The parties hereby choose domicilium citandi et executandi for all purposes under this option agreement at the addresses set out in clause 1 of the lease.
- 5.2 Any notice to a party shall be addressed to it at its domicilium citandi et executandi as aforesaid and either be sent by pre-paid registered post or be delivered by hand. Any notice shall be deemed to have been received by the addressee:
- 5.2.1 on the date of delivery if delivered by hand;
- 5.2.2 on the 7th (seventh) day after posting if sent by post.

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5.3 A party shall be entitled (notwithstanding the provisions of 5.1 above) by notice to the other, to change its domicilium provided that the change shall become effective only 14 (fourteen) days after service of the notice in question.

SIGNED by the parties and witnessed on the following dates and at the following places respectively:

SIGNED at _____ on _____ 2017

AS WITNESS:

1. _____

2. _____

for and on behalf of

**THE BJATLADI COMMUNAL
PROPERTY ASSOCIATION**

Name of signatory:

Designation:

The signatory by his signature warrants
that he is duly authorised hereto

SIGNED at _____ on _____ 2017

SIGNED at _____ on _____ 2017

AS WITNESS:

MR M M
[Signature] [Signature] [Signature]

1. _____

2. _____


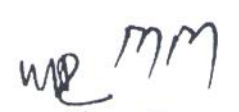
for and on behalf of

**8 MILE INVESTMENTS 483
(PROPRIETARY) LIMITED**

Name of signatory:

Designation:

The signatory by his signature warrants
that he is duly authorised hereto

 
Co.,