

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made the _____ day of _____ Two thousand and __

BETWEEN

..... a limited liability company incorporated in the Republic of Kenya of P O

..... of P O Box in the said Republic (".....").

WHEREAS

..... owns a certain land in, Kenya and wishes to employ to manage an experimental vegetable or flower growing scheme on part of such land in the manner and on the terms and conditions hereinafter contained.

NOW it is hereby **MUTUALLY AGREED** as follows:

Subject to the execution of this Agreement by will on or immediately after permit its employees and licensees to enter into an area comprising approximately acres of land situated west of the road having the railway as east boundary and the as north boundary on part of the property owned by at The acres of land as varied from time to time in accordance with its Agreement are hereinafter referred to as the "**Management Area**". The Management Area will initially be located as shown marked as _____ on the Plan Drawing No. _____ attached hereto.

It is hereby agreed that the boundaries of this Management Agreement will be fenced by at its expense. Such fence should be build with the following minimum characteristics: electric fence must be built with wire, of which live with fence posts placed at intervals of not more than metres. The maintenance of the fence in good order shall be the responsibility of and shall not be responsible for any damage caused to the fence or crops on the Management Area by’s or any other party’s livestock or wildlife. While has no intention of doing so, shall be at liberty, if is so wishes, to alter the boundaries of the Management Area immediately after the harvest of a crop by subject to the total acreage not being diminished but, in the event of such alteration, shall be responsible for all costs of moving and installing the fence to the new area.

..... should build water troughs for livestock and wildlife just outside the Management Area and provide in it water, the location will be decided with’s management.

At the end of this Agreement must plant grass in the managed area and fertilizer in the proportions of (..... Kilos of Rhodes grass seed to Kilos of DAP) per hectare.

..... at its discretion may permit to graze its cattle in part of the Management Area after a crop has been harvested and before a new crop has been planted.

All crops grown in the Management Area shall belong to but shall be at the sole risk of whether still growing or when harvested. shall sell all such crops as the agent of at whatever price it can. However, shall pay to as crops sells the fixed price of USD per annum with a yearly increase 5% with two instalments one on the first day of July and the second on the first day of January each year for the right to sell such crops the first such payment being made on 1st July All profit on the sale of such crops shall belong to and shall bear any loss arising on such sales.

In consideration of the management of the Management Area, shall pay a management fee to of USD per annum each year, in two instalments one on the first day of July and the second on the first day of January each year.

The development of any improvements in the Management Area, including fencing, buildings of all kinds, culverts, ditches, wells, boreholes, any other fixed infrastructure and their equipment and dew roads will be the responsibility and the cost of but before any action to introduce such development shall be taken shall notify of its proposal together with the cost and specifications thereof and shall not commence such development until has indicated its agreement in writing. shall maintain such developments in good order and repair. Notwithstanding the above, Labex is hereby permitted by to establish an agricultural farm, including office buildings (including housing for not more than 15 farm employees), refrigerators, boreholes, irrigation system, electricity system (according to point 11), and telephone line. Any other development, facility equipment required for the farm will be discussed time to time between the two parties. shall also agree to any such development proposed by in future unless against 's future plan, policy and development.

Greenhouses must be built only provided that they will be hidden properly by trees. Growing and or security or any other lights must only face East, and shall not spoil the environment. However, Labex must plant trees (variety to be agreed with) all around the Management Area to avoid any interference with the outside wilderness environment. All trees must be watered by properly.

..... may at its own expense dig one or more borehole and will, as the agent of, apply to the Water Apportionment Board and any other water authority to amend and alter water permit of to allow for the extraction and use of water in this area and the method of obtaining such water. **ALWAYS PROVIDED THAT** all irrigation of the Management Area shall be by drip irrigation or sprinklers only unless shall in writing authorise any alternative method of irrigation. All expenses for the installation and use of such drip irrigation or sprinklers shall be borne by

..... will not permit more than 15 employees to reside in or on the Management Area land and will not employ more than ... casual labourers without the prior written consent of and no such casual labourers will be resident in the Management Area.

..... will dismiss any employee employed by whether resident or casual on receiving a reasonable written request by

Neither nor will employ any person who has worked for the other party in the immediately preceding six months without the written consent of such party.

Any housing erected by to accommodate their resident employees shall be up to the prescribed Government standards as detailed in the Minimum Standard Housing (Agricultural, Forestry and Plantations Undertakings) Rules. shall cooperate with Labex in order to achieve all necessary approval, permits, and license from the authorities.

Labex will use only one way of access to the Management Area as per indication.

Each of the parties hereto shall use its best endeavours to ensure that no loss or damage occurs to the stock or

cultivation of the other party and in the event that damage has been caused by the negligence or willful default of one party then such defaulting party shall make good the loss suffered by the other. Notwithstanding the provisions of this clause, and for the avoidance of doubt, [REDACTED] will not be responsible for any loss suffered by [REDACTED] for any reason other than the negligent or willful default of [REDACTED] or its employees.

This agreement shall continue from the date of its commencement for five years unless it is terminated at an earlier date in accordance with the following clause.

If [REDACTED] wishes to extend this Agreement for a further period and shall so notify [REDACTED] of its intention one year before the end of this Agreement, then, providing that there is no current breach of the provisions of this Agreement at such time, [REDACTED] will enter into negotiations with Labex with a view of renewing this Agreement for such further period (not more than five years) and on such terms and conditions as may be agreed.

The Agreement may be terminated either:

by the parties agreeing to terminate it at any time; or

after a minimum of 3 years from the date of this Agreement by either party giving the other twelve months written notice of its desire to terminate in which case the Agreement shall determine without further act on the expiry of the said period of twelve months.

On termination of this Agreement whether by expiry of time or by agreement of the parties or by notice given under the last preceding clause hereof all permanent fixed improvements on or in the Management Area, including fencing housing culverts ditches wells bore-holes and the underground main irrigation pipeline and new roads will remain the property of [REDACTED]. Moveable equipment including machinery, other irrigation pipes, pumps and motors will remain the property of [REDACTED]. Any repairs found necessary at such time shall be made good and paid for by [REDACTED]. Any concrete infrastructure built under movable equipment will be removed at [REDACTED]'s cost. [REDACTED] will be responsible on its own cost to return to its former state as was at the date of this Agreement any development, change, building, roads etc not been approved previously by [REDACTED]. However, any fixture, infrastructure, will be considered paid in 5 years after that it will be property of [REDACTED].

[REDACTED] will conduct the management of the Management Area in accordance with the best current practice of good farming system and may use chemicals which are commonly used in flower farming (approved in Europe), but will not use any chemicals or any practice which can damage in any way the land and the environment. No long lasting herbicide or other chemicals should be used on the area which can affect growing of crops after the termination of this Agreement.

The Agreement will be personal to [REDACTED] and may not be assigned. [REDACTED] may not sub-let, subdivide or part with possession of the area or any part of it.

[REDACTED] will be responsible for insuring the equipment, buildings, all other improvements and assets on the area and all growing crops.

All rejected crops, vegetable plants or anything else which can be eaten by livestock shall be given to [REDACTED]'s livestock as priority if requested in writing by the management of [REDACTED].

Should there be a breach of the conditions contained in this Agreement, [REDACTED] will notify [REDACTED] in writing accordingly and if [REDACTED] shall not have made good the breach to rectify the said complaint or satisfy [REDACTED] that the complaint is groundless within 60 days of the date of the written notice then [REDACTED] may at its discretion terminate this Agreement forthwith whereupon [REDACTED] must vacate the Management Area and no compensation shall be payable to [REDACTED] for any improvements/miss income/losses of any source.

Throughout the term of this Agreement the Directors and senior management of [REDACTED] shall have the right to inspect the Management Area on notifying [REDACTED] at least 48 hours in advance of its intention. No other employee of [REDACTED] shall be permitted within the Management Area.

Should any dispute arise between the parties hereto concerning the interpretation of this Agreement or concerning any action to be taken under this Agreement then such dispute shall be submitted to arbitration by a single arbitrator who will be mutually acceptable to the parties hereto. In the event of the parties failing to agree

on an arbitrator, such arbitrator shall be appointed by the Chairman for the time being of the Institute. Such arbitration shall be conducted in accordance with the provisions of the Arbitration Act and shall be binding on the parties hereto.

..... shall bear the costs in respect of the preparation and completion of this Agreement done by’s advocate but not exceeding US Dollars

In the event that either party hereto whether by its act or omission or by the act or omission of any of its servants employees or agents causes any damage either to the other party or to any third party or to the property or to the servants or licensees of such other party or third party, the defaulting party shall indemnify the other party to this Agreement from and against claim brought against it.

IN WITNESS whereof the parties have duly executed this agreement the day and year first hereinabove written.