



**PARTNERSHIP AGREEMENT TOWARDS
OWNERSHIP
OF
GREEN HOUSE
AT
WASIMI VEGETABLE CITY PROJECT
(or I Move Cluster Project)
BETWEEN
INVESTOR'S FULL NAME**

**AND
FARMKONNECT AGRIBUSINESS NIGERIA LIMITED
RC: 1440623**

July 2019

This is a draft of the agreement; it is for guidance purpose, so the prospect may understand the terms and conditions of this partnership. A tailor made agreement will be made to suit your partnership with us. Please note that the variables are in red prints.

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AND

**FARMKONNECT AGRIBUSINESS NIGERIA LIMITED RC:
1440623**

THIS AGREEMENT (hereinafter referred to as **“the Agreement”**), is made this _____ day of _____ 2019 (the **“Effective Date”**)

BETWEEN

INVESTOR, of **please insert your address**, a private individual (hereinafter referred to as **“Investor”** which expression shall include his heirs and assigns.

And

FARMKONNECT AGRIBUSINESS NIGERIA LIMITED, a company duly incorporated under the laws of the Federal Republic of Nigeria whose principal place of business is No. 69 Ashi-Bodija Road, Ashi, Ibadan, Oyo State. (Hereinafter referred to as **“FarmKonnct”** which expression shall include its successors-in-title, affiliates and assigns),

Both FarmKonnct and Investor are hereinafter jointly referred to as **“Parties”** and individually as **“Party”**.

WHEREAS

- a. FarmKonnct carries on the business of investing in different aspects of Agricultural Value Chain with a focus on Fruit and Leafy Vegetable Green Houses within the context of this agreement as described in Schedule 1 to this Agreement (the **“Farms”**).
- b. Investor is interested in investing in green house farming which involves the construction of a facility and running of such facility with the view to producing fruits and leafy vegetables for export.
- c. Investor has agreed to own a green house facility in the **WaVe-City Osun (or iMove Cluster in Imo)**
- d. FarmKonnct is to set up of the green house facility otherwise referred to as **“the project” “the business” or “the facility”** (regardless of quantity) for Investor at an agreed location which is suitable for the production of leafy/fruits

vegetable (especially, tomatoes) subject to the terms and conditions of this Agreement.

e. The parties have agreed to play their respective roles towards the timely delivery of the facility as well as the commencement of the operations.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Parties agree as follows:

1. NATURE AND ADDRESS OF THE BUSINESS

a. That FarmKonnnect Nigeria has the expertise to build and manage fruits and vegetable green houses and therefore embarks on an agricultural real estate project, where in several individual owners can have a cluster of greenhouses to serve both local and international markets.

b. That an individual may own as many greenhouses as available under this program.

c. That the specimen commodity for the establishment of this agreement shall be tomatoes, the variety, source and customers notwithstanding.

d. That FarmKonnnect shall ensure the setup of the facility within the promised time, except when inevitably hindered by uncontrollable situations such as natural disasters, government policies, litigations and court orders, terrorism and other insecurities, nonpayment by client or death or sickness of key personnel in the construction.

e. That the facility will be located at the **Wave City, Osun State, (or iMove Cluster in Imo), Nigeria.**

f. That the construction will include the complete setup of the facility and the running of such facility.

g. The Agreement shall be considered a covenant between the Parties in all respect and in no event, shall this Agreement be construed to create a shareholding right in either party's respective businesses or companies.

h. The Agreement shall not limit FarmKonnnect's authority and power to engage in other activities necessary to conduct the project and provide support for same including entering into contracts and employment of staff and doing all things reasonably incidental to the development and management of the project and its business.

i. Nothing shall restrict FarmKonnnect from relocating the Business to another location as may be decided and agreed upon by the Parties provided such relocation will not result in grave loss to the parties.

2. CONSIDERATION

The following shall be the consideration for the partnership.

a. FarmKonnnect shall construct and manage the facility in accordance with Good Agricultural Practices to facilitate premium market acceptability.

b. FarmKonnnect shall build and set up the facility to become operational within 21 days from the time of payment.

c. The green house shall have a life span of 15 years; therefore the validity of this agreement shall be 15 years.

d. FarmKonnnect shall ensure that the facility remains as productive as necessary to enable the Investor make profit as often as contained in this agreement.

e. The Investor shall bear the risks associated with this project.

f. Regardless of 2.e above, FarmKonnnect shall be liable to account for the failure of the facility and be culpable, should the failure be due to human errors such as negligence, sabotage or fraudulent practices, provided that the cause(s) of such failure directly involves FarmKonnnect management, staff or assigns.

- g. FarmKonnnect may take initiative towards adjustment of production, facility setup and any other activity that may warrant the facility to remain productive, peradventure there is a drastic shift in the business climate and models.
- h. Due regards shall be had to inflation rates, depreciations, market dynamics and other factors that FarmKonnnect or the Investor may not have influence upon.
- i. The Investor understands and agrees that regardless of viability of business as at the time of this agreement, there may be future shifts in business which may warrant a change of business model, produce, products, market targets, and so on, or in extreme situation, result in total slowdown or stoppage of this project.
- j. Regardless of 2.j above, both parties agree to do all possible and incidental to keep the business and investment safe, including actions and decisions that may completely deviate from the terms of this agreement, in order to limit, mitigate or avoid major risks of liquidation or bankruptcy.

3. CONTRIBUTION, EQUITY AND DISTRIBUTION OF PROFIT

- a. This agreement is generic for one unit of facility on the **Wave-City**.
- b. This agreement is void until confirmation of payment.
- c. Investor agrees to provide the sum of **One Million Two Hundred Thousand Naira Only (1,200,000 Naira)** for the setup of **one** facility.
- d. The Investor agrees that a recurrent running expenditure of **Seven Hundred and Sixty Seven Thousand, Four Hundred and Sixty Five Naira Only (767,465 Naira)** will be part of the deduction made from the gross capital for the purpose of running the facility in the following production cycle.
- e. FarmKonnnect guarantees the investor a Return on Investment of Five Hundred Thousand Naira per cycle of production.
- f. Without prejudice to 3d Above, FarmKonnnect may be inhibited from meeting up with guarantee or time as a result of unforeseen circumstances, such

as disaster, terrorism, and the likes, which may gravely interrupt operations of the farm.

g. FarmKonnnect Guarantees the investor due consideration of inflation rate and price hike, which may result in the need to commensurately increase the guaranteed payment over time.

h. The investor agrees that FarmKonnnect may take a Service Charge equivalent to 20 percent of the guaranteed net profit (500,000 Naira), which in this context shall be One Hundred Thousand Naira Only (100,000). This is not deducted from the guaranteed profit.

i. The Investor further agrees that a 3 yearly maintenance cost of **Five Hundred and Fifty Four Thousand Two Hundred and Seventeen Naira Only (554,217 Naira)** will be spread and deducted over 5 productions cycle at the value of **One Hundred and Ten Thousand, Eight Hundred and Forty Three Naira Only (N110,843 Naira)**.

j. The facility is to be self-sustaining and no additional fund is demanded by FarmKonnnect for this project.

k. Each facility is estimated to produce at a benchmark of **6,000Kg** (of tomatoes) per cycle of 6 months, valued at a benchmark price **230 Naira per Kg, resulting in a sum of One Million Three Hundred and Eighty Thousand Naira (1,380,000 Naira) Only.**

l. After deduction of the recurrent expenditure and the maintenance costs, it is estimated that the **Net Profit of Five Hundred Thousand Naira (500,000 Naira) Only,** is guaranteed per cycle of production per unit of facility.

m. Investor May audit sales of the produce of the facility to ascertain the size of produce as well as the financial returns on sales.

n. Investor holds no equity in FarmKonnnect or any other facility of FarmKonnnect that may be co-located.

- o. FarmKonnnect shall not divert Investor's fund into any other project except the project for which the money is meant.
- p. The breakdown of Cost is as attached to this document.

4. CONSTRUCTION AND MANAGEMENT OF THE FACILITY

- a. Except as the Parties may otherwise agree in writing, all actions and decisions concerning the management, operation and control of the facility shall be as stated in this agreement.
- b. Either Party retains the right to appoint an independent representative to oversee the project in the Agreement and to monitor the operation of the business on its behalf.
- c. The provision of 4(b) above does not give the appointees of Investor an executive right over the representatives, staff or other contractors of FarmKonnnect or Vice versa.
- d. Conflict amongst parties shall be resolved at the strategic level between FarmKonnnect and Investor.
- e. Where an independent representative is appointed pursuant to Article 4(b) above, such representative shall be vested with right to make decisions to the extent of his principal's power and shall be deemed to speak for such principal.
- f. Subject to 4a and without prejudice to 4b above, FarmKonnnect shall be responsible for the day-to-day operation.
- g. The proposed facility is for farming fruit and leafy vegetable in a semi-controlled facility. The vegetables produced in the facility will be sold to local and international markets. The aim is to target the premium markets.
- h. The dimension of each of the facility shall be **24 by 42 feet**, with **300** planting bags, in **6** rows of **50** bags each, this is 93 square meters per unit.

- i. The facility will be insured against hazards, pests, diseases, fire and theft. The insurance shall be comprehensive. The Insurance Company engaged as at the time of this agreement shall be Leadway Assurance. The insurance shall be in the name of the Greenhouse investor, but the beneficiary shall be FarmKconnect, in order to expedite claim and avoid the need to involve investor in the claim procedure.
- j. Except when otherwise agreed, FarmKconnect shall be the beneficiary of the insurance policies on the property and the produce. This is to expedite claim process and nothing else. FarmKconnect shall ensure the proper application of claims to salvage the investor's farm.
- k. Physical security of the facility is the responsibility of FarmKconnect. The investor shall be indemnified by FarmKconnect for any liability arising from lapse in security.
- l. The facility investment remains a property of Investor.
- m. Investor is at liberty to name the facility as it deems fit, otherwise, the default name for the facility will be **Investor's Name Farms** or any other name provided by the Investor.
- n. The Farm Manager and the operators shall be entitled to local on-facility hands-on training and must acquire a minimum of 6 months experience covering production, management and collection processes.
- o. The training of the facility manager shall be on the job, hands-on training for skill and experience acquisition. The training shall be in form of participatory apprenticeship that allows the manager gain good experience of the facility.
- p. FarmKconnect shall not bear responsibility losses incurred on the facility by reason of unforeseen circumstances, disasters, terrorism and other situation, wherein there is little or no control.

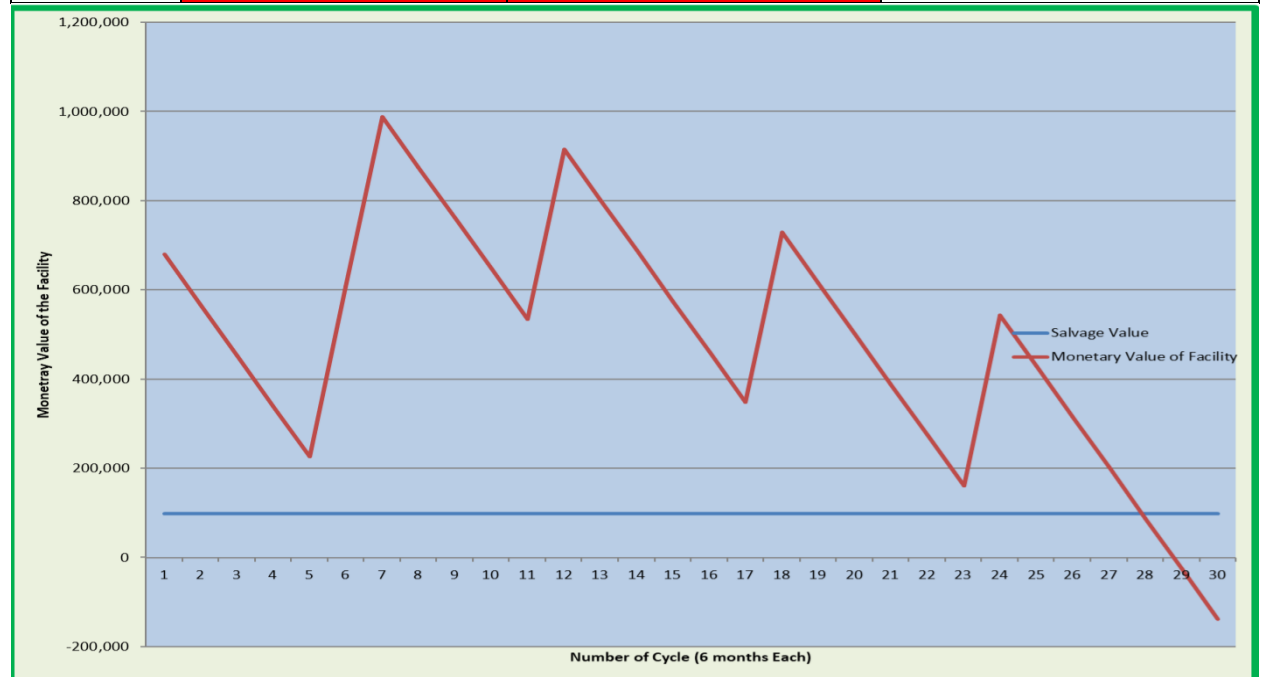
q. FarmKonnnect agrees to continuously insure the facility as agreed. The insurance company at the time of this agreement shall be Leadway Assurance Limited. Nothing shall restrict FarmKonnnect from changing the insurance Company, provided business dynamics warrants the change.

5. LAND AND FACILITY

- a. The land to be used for the facility is provided by FarmKonnnect.
- b. The Investor agrees to pay a sum of **One Thousand Naira (1,000) Only** per month per facility for land use. This is part of the total cost estimated.
- c. The land shall be free from any form of litigation and must have all necessary legal documents to ensure that the construction of the facility will not be disrupted.
- d. FarmKonnnect undertakes to pay all rates and taxes due on the land to be used as appropriate.
- e. FarmKonnnect will situate the facility at the **Wave-City, Wasimi, Osun State (or iMove Cluster in Imo State)**.
- f. The facility has a tenure and life span of about 15 years. As broken down below.

DEPRECIATION VALUE OF THE FACILITY OVER A PERIOD OF FIFTEEN YEARS

Years	Cycle1	Cycle 2	Remarks
1	681,279	567,732	
2	454,186	340,639	
3	227,093	608,383	Renovation
4	989,674	876,128	
5	762,581	649,035	
6	535,488	916,779	Renovation
7	803,232	689,686	
8	576,140	462,593	
9	349,047	730,337	Renovation
10	616,791	503,244	
11	389,698	276,152	
12	162,605	543,896	Renovation
13	430,349	316,803	
14	203,256	89,710	
15	-23,836	-137,383	



6. INDEMNITY

- a. Investor shall indemnify and hold harmless, jointly and individually, FarmKonnnect and The Agreement against any loss, demands, judgment sum, claims (whether pre-existing or new) and/or proceedings arising out of a prior commitment, transaction or agreement entered into with a third party by Investor regarding his investment.
- b. Where applicable, these indemnities shall apply also to Investor.
- c. In the event of a claim or demand each party shall immediately and independently, without recourse to the other or the Project, ensure that any such claim is settled without any adverse effect on the project, the operations and the running of the facility.
- d. Each Party warrants not to, in away act in a manner damaging to the smooth running of the project.
- e. FarmKonnnect shall not be held liable for the negligence of and/or consequence of negligence of procedure or regulations by investor or any direct staff or representative or appointee of Investor which may adversely affect this project.
- f. FarmKonnnect shall not be held liable for the consequence of unauthorized disclosure of classified information by investor or any representative of Investor which may result in grave adverse effect on the Business.
- g. Each Party warrants not acting in any fraudulent manner using the contract as a front and thereby exposing the project and the other Party to criminal investigation, criminal prosecution and/or third-party claims.
- h. FarmKonnnect shall not be held liable for the consequences of any interference in the proper management and operations of the facility during any phase by investor or any of the staff, appointee or representative of the Investor which may affect or result in poor productivity of the facility.

i. FarmKonnnect will not be held liable for the loss that may be incurred due to unforeseen circumstances such as disaster, terrorism, or other of such incidences that may be uncontrollable to FarmKonnnect alone, either of or both parties.

j. FarmKonnnect shall not be held liable for the culmination of project, due to drastic change in technology which renders greenhouses obsolete or undesirable for agriculture in the future of this partnership.

k. FarmKonnnect shall not be held liable for the loss that may be incurred through premature termination of the project which consequently may result in the incompleteness of the project provided that the reason for termination is not due to breach of contract by FarmKonnnect.

7. TERM, COMMENCEMENT AND TERMINATION

a. This Agreement shall remain in force for the period of existence of the Business, as contained in this agreement.

b. The tenure of this agreement shall be 15 years.

c. This Agreement may be reviewed every three years with respect to market, political, economic and operational dynamics.

d. The investor may decide to terminate his investment by selling of his facility at the depreciation value as at time of termination.

e. Nothing shall restrict the investor from selling or transferring his facility to a third party at any value as he pleases.

f. Upon the issuance of the Notice of Termination, Parties shall together and within the Notice period take stock of the project and immediately reconcile the project transactions, and liquidate on the best meeting point.

8. LEGAL TITLE TO COMPANY/BUSINESS PROPERTY

a. The legal title to the Greenhouse only shall be held in the name of the Investor or in such other name or manner as Investor shall determine.

- b. Investor retains the full ownership of his facility and all its associated service units.
- c. The facility is estimated to have a life span of 15 years, therefore the ownership of the green house shall be 15 years, after which the Investor seizes to have ownership of the facility.
- d. Investor retains the right to name the facility pertaining to him as it pleases.

9. BOOKS; FISCAL YEAR; AUDITS

FarmKonnnect shall keep accurate and complete books of account and entries shall be promptly made therein of all of the transactions of the Business, and such books of account shall be open at all times to the inspection and examination of the Parties. The fiscal year of the Partnership shall be from the date the construction is completed to the corresponding date the following year with initial fiscal year being the first year of partnership. A compilation, review or audit of the financial affairs and position of the Business, as determined by the Parties, shall be, where necessary, made as of the close of each fiscal year of the Business by independent auditors selected by the Parties.

10. NON - EXCLUSIVITY

- a. No exclusivity is formed by this Agreement and neither Party shall be obligated to first make offers to the other related to any other similar contracts.
- b. Without limiting the foregoing it is expressly recited that either Party shall be at liberty to engage in and possess any interest in any business or venture other than the Business, independently or with other persons provided such business will not directly affect the project negatively the project to the extent of adversely affecting the progress and success of the project and none of the Parties shall have any right by virtue of this Agreement to any such independent business or the income or profits derived therefrom.

11. NOTICES

Any and all notices, offers, acceptances, requests, certifications and consents provided for in this Agreement shall be in writing and shall be given and be deemed to have been given when personally delivered against a signed receipt or mailed by registered or certified mail, return receipt requested, to each Party's respective address as stated in the heading of this Agreement or by email to each Party's address as set out below

For **Investor**

Name: **SUPPLY THIS INFO**

Email: **SUPPLY THIS INFO**

For **FarmKonnnect Nigeria:**

Name: FarmKonnnect Nigeria.

Email: support@farmkonnnect.com.

12. CONFIDENTIALITY

- a. Confidential Information shall mean and include all information, data, programs, schedules, writings, correspondences, and any other information regarding this Agreement and the roles of the Parties hereto and also the technical, financial, commercial, operational and business activities of Parties to this Agreement and the business contemplated in this Agreement.
- b. The Parties undertake that they shall not, whether during the period of this Agreement or at any time thereafter, disclose to any person, company, firm or third party any Confidential Information acquired by it from the other Party.
- c. This provision shall remain valid at all times and shall survive the expiration or termination of this Agreement for a period of five years.
- d. The Parties may disclose Confidential Information within their knowledge where such disclosure is demanded by an order of a court of competent jurisdiction, or a tax authority, directive of any government or government authorized agencies or a lawful constituted commission or panel of inquiry

provided that it shall give prior notice of the disclosure to other Party and co-operate with it in any endeavors relating to the said disclosure.

13. ENTIRE AGREEMENT

This Agreement contains the entire agreement and understanding between the Parties, superseding all prior contemporaneous communications, representations, agreements, and understandings, oral or written, between the Parties with respect to the subject matter hereof. This Agreement may not be modified in any manner except by written amendment executed by each Party hereto.

14. MISCELLANEOUS PROVISIONS

a. This Agreement shall be binding upon, and inure to the benefit of, all Parties hereto, their personal and legal representatives, guardians, successors, and their assigns to the extent, but only to the extent, that assignment is provided for in accordance with, and permitted by, the provisions of this Agreement.

b. The Parties agree that they and each of them will take whatever action or actions as are deemed by counsel to the Business to be reasonably necessary or desirable from time to time to effectuate the provisions or intent of this Agreement, and to that end the Parties agree that they will execute, acknowledge, seal and deliver any further instruments or documents which may be necessary to give force and effect to this Agreement or any of the provisions hereof, or to carry out the intent of this Agreement, or any of the provisions hereof.

c. Throughout this Agreement, where such meanings would be appropriate: (a) the masculine, feminine and neuter genders shall each be deemed to include and refer to the other two, and (b) the singular shall be deemed to include the plural and vice versa. The headings herein are inserted only as a matter of convenience and reference, and in a way, define, limit or describe the scope of the Agreement, or the intent of any provisions thereof.

d. Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. If there is any conflict between any provision of this Agreement and any statute, law, ordinance or regulation

contrary to which the Parties have no legal right to contract, the later shall prevail, but in such event the provisions of this Agreement thus affected shall be curtailed and limited only to the extent necessary to conform with said requirement of law. If any part, article, section, paragraph or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

e. Paragraph headings used in this Agreement are for reference only and shall not be used or relied upon in the interpretation of this Agreement.

f. Nothing contained in this Agreement shall be deemed to constitute any Party the agent of the other except to the extent as contemplated in this Agreement.

15. GOVERNING LAW AND DISPUTE RESOLUTION

a. This Agreement shall be governed by the laws of the Federal Republic of Nigeria.

b. Any dispute relating to this Agreement shall be referred first to the Multi Door Court House of either Lagos or Oyo State Where either party is dissatisfied with the decision from the MDCH a suit can be filed at the appropriate court for resolution of dispute between parties herein..

c. Nothing shall preclude either Party from approaching a court of law to obtain an injunction restraining the breach or threatened breach of any term of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement by causing their hands and seal to be affixed the day and year first above written.

THE COMMON seal of the within named

Investors Full Name

Was affixed hereunto
In the presence of:

WITNESS FULL NAME

Signed, Sealed and Delivered by the within named

Azeez Oluwole S
ADMIN OFFICER/LEGAL OFFICER

DIIPO OLAKULEHIN, LLB
BARRISTER

Green House Economics of Production in Spread Sheet

How many Greenhouses are you doing?		1									
Ser	Activity	Units Cost (N)	Qty	Unit Set up Cost	Dollar Value	SetUp Cost	Unit Cycle Recurrent	3-yearly recurrent	Outcome (Tomato)		Remarks
1	Metals (GI Poles, Cables, Rods etc).	229,975	1	229,975	630	229,975			Outcome (kg)	6,000	
2	Drip Irrigation Set.	68,775	1	68,775	188	68,775		68,775	price per kg	230	
3	Covering Materials.	158,000	1	158,000	433	158,000		158,000	Unit Total	1,380,000	
4	Plant support.	3,750	1	3,750	10	3,750	3,750	3,750	Total outcome	1,380,000	
5	Growing Inputs.	24,700	1	24,700	68	24,700	24,700	24,700	Quatity	1	
6	Fertilizers.	37,000	1	37,000	101	37,000	37,000	37,000	Unit Recurrent Cost	767,465	
7	Agro Chemicals.	14,225	1	14,225	39	14,225	14,225	14,225	Total Recurrent Cost	767,465	
8	Soil Sterilization.	37,000	1	37,000	101	37,000		37,000	Unit 3 yearly recurrent	554,217	
9	Artisanship/Labour.	175,000	1	175,000	479	175,000		70,000	Total 3 -yearly recurrent	554,217	
10	Others (Cement, Sharp Sand, Gravel etc).	34,325	1	34,325	94	34,325		30,000	Spread of total 3 yearly recurrent	110,843	3 yearly maintenance cost spread over 2.5 years.
11	Transportation of Materials to Site.	125,000	1	100,000	274	100,000			Total Deduction	878,308	
12	Service Charge	100,000	1		0		100,000		Net Profit	501,692	
13	5% Incidentals.	45,387	1	45,387	124	45,387		45,387	Profit per Unit	501,692	
14	Agronomics.	340,000	1	0	0	0	340,000				
15	Staff.	180,000	1	59,400	163	59,400	180,000				
16	Property Insurance	16,790	1	16,790	46	16,790	16,790				
17	Product Insurance	45,000	1	45,000	123	45,000	45,000				
18	Land Use Charge	6,000	1	6,000	16	6,000	6,000	6,000			
19	Construction Charge	44,000	1	44,000	121	44,000					
20	Tanks and Scaffolding.	100,000	1	100,000	274	100,000					
		1,784,927		1,199,327	3,286	1,199,327	767,465	494,837			
GRAND TOTAL		1,199,327									