

14
Redacted

**LEASE AGREEMENT
LAGOS INTERNATIONAL TRADE FAIR COMPLEX**

by and among

**LAGOS INTERNATIONAL TRADE FAIR COMPLEX
MANAGEMENT BOARD (LESSOR)**

**BUREAU OF PUBLIC ENTERPRISES
as the Confirming Party.**

and

**AULIC NIGERIA LIMITED
as the Lessee.**

Dated the 29th day of June, 2007



 **BUREAU OF PUBLIC ENTERPRISES** 

TABLE OF CONTENTS

	PAGE
ARTICLE I DEFINITIONS; INTERPRETATION	6
1.1. Definitions	6
1.2. Interpretation	11
ARTICLE II EFFECTIVE DATE AND LEASE TERM	11
2.1 Effective Date	11
2.2 Lease Term	12
ARTICLE III BASIC LEASE RIGHTS AND OBLIGATIONS	12
3.1 Lease	12
3.2 Peaceful and Quiet Enjoyment	12
3.3 Lease Fees	13
3.4 Common Areas	13
ARTICLE IV USE OF LEASE PROPERTY	13
4.1 Permitted Use of Lease Property	13
4.2 Right to Sublease	13
4.3 Alteration of Lease Property	14
4.4 Maintenance	15
4.5 Utilities	15
4.6 Office Facilities	15
4.7 Disposal of Movable Assets	15
4.8 Access to Lease Property	16
ARTICLE V MOVABLE ASSETS	17
5.1 Sale and Purchase of Movable Assets	17
5.2. Movable Assets Purchase Price	17
5.3. Conveyance of Movable Assets	17
ARTICLE VI OPERATIONS	17
6.1 Obligation of Lessee to Perform Operations	17
6.2 Use of Lease Property and Movable Assets	17
6.3 Exclusivity	17
6.4 Standards of Performance	18
6.5 Duties to Cooperate	18
6.6 Performance Requirements	18
6.7 Labour	18
6.8 Lease Equipment	19
ARTICLE VII CONDITIONS PRECEDENT	19
7.1 Conditions to Obligations of Each Party	19
7.2 Conditions to Obligations of Lessor	20
7.3 Conditions to Obligations to Lessee	21
7.4 Additional Covenants of Parties	22



ARTICLE VIII LESSEE'S COVENANTS	23
8.1 Insurance	23
8.2 Safety; Security	23
8.3 Environment	24
8.4 Emergencies	25
8.5 Lease Ownership Structure	25
8.6 Taxes	25
8.7 Licenses; Permits	25
ARTICLE IX LESSOR'S COVENANTS	25
9.1 Cooperation	25
9.2 No Interference	25
9.3 Latent Defects	26
9.4 Utilities	26
9.5 Security.....	26
9.6 Licenses; Permits.....	26
9.7 Taxes.....	26
ARTICLE X FORCE MAJEURE	26
10.1 Effect of Force Majeure	26
10.2 Notice	26
10.3 Termination	27
ARTICLE XI DOCUMENTATION AND AUDITS	27
11.1 Records and Reports	27
11.2 Annual Report	28
11.3 Planning and Investment Report	28
ARTICLE XII REPRESENTATIONS AND WARRANTIES	28
12.1 Lessee Representations and Warranties	28
12.2 Lessor Representations and Warranties	29
ARTICLE XIII DEFAULT	30
13.1 Lessee Event of Default	30
13.2 Lessor Event of Default	31
13.3 Other Events of Default	31
ARTICLE XIV TERMINATION	32
14.1 Termination	32
14.2 Procedures	32
14.3 Continuity of Operations	32
14.4 Surrender of Lease Property	32
14.5 Movable Assets	33
14.6 Intellectual Property	33
14.7 Cooperation; Exchange of Information	33
ARTICLE XV COMPENSATION	33
15.1 Compensation upon Force Majeure	33



15.2	Compensation on Termination Due to Lessee Event of Default	33
15.3	Compensation On Termination Due to Lessor Event of Default	33
15.4	Compensation on expiry of the Lease Term	34
15.5	Delayed Payment to the Lessee	34
15.6	Delayed Payment to the Lessor	34
15.7	Remedies Cumulative	34

ARTICLE XVI INDEMNITIES; LIABILITIES

16.1	Lessee Indemnity	34
16.2	Lessor Indemnity	34
16.3	Cumulative Remedies	34

ARTICLE XVII GOVERNING LAW; DISPUTE RESOLUTION

17.1	Governing Law	35
17.2	Disputes	35
17.3	Mutual Consultation	35
17.4	Binding Arbitration	35
17.5	Waiver of Sovereign Immunity	36

ARTICLE XVIII MISCELLANEOUS

18.1	Amendments	36
18.2	Assignment	36
18.3	Sub-Contracting	37
18.4	Survival	37
18.5	Entire Agreement	37
18.6	Notices	37
18.7	Confidentiality	38
18.8	No Waiver	38
18.9	Severability	38
18.10	Further Assurances	38
18.11	Compliance with Laws; Officials Not to Benefit	39
18.12	Transitional Period	39



LIST OF APPENDICES

Appendix A

Appendix B

Appendix C

Appendix D

Appendix E

Appendix F

Appendix G

Appendix H

Appendix I

Appendix J

Premises

Fixed Assets

Movable Assets

Development Plan

Operations

Lease Fees

Staffing and Succession Plan

Performance Bond

Insurance

Common Areas

Concession Agreement LITFC



BUREAU OF PUBLIC ENTERPRISES

LAGOS INTERNATIONAL TRADE FAIR COMPLEX

LEASE AGREEMENT

24th THIS LEASE AGREEMENT (this "Agreement") is made and entered into this day of June, 2007 ("Execution Date") by and among:

THE LAGOS INTERNATIONAL TRADE FAIR COMPLEX MANAGEMENT BOARD, a statutory body set up under the Lagos International Trade Fair Complex Management Board Act 1993 Cap L2 (Trade Fair Act) Laws of the Federation of Nigeria 1990, whose address is International Trade Fair Complex, Lagos, Nigeria (the "Lessor" which expression shall where the context so admits include its successors in title and assigns) of the 1st part; and

THE BUREAU OF PUBLIC ENTERPRISES ("BPE"), the Secretariat of the National Council of Privatisation ("NCP") and an agency of the Federal Government of Nigeria established under the Public Enterprises (Privatisation and Commercialisation) Act No. 20 of 1999 ("the Act") whose registered office is situated at No. 11 Osun Crescent, Maitama - Abuja, Nigeria ("BPE"), in its capacity as Confirming Party of Lessor which expression shall where the context so admits include its successors in title and assigns) of the 2nd part; and

AULIC NIGERIA LIMITED, a company registered under the laws of Nigeria with registered office at Suite 483, Main Auditorium Block, Lagos International Trade Fair Complex, Badagry Expressway, Ojo, Lagos (the "Lessee" which expression shall where the context so admits include its successors in title and assigns) of the 3rd part.

The Lessor, BPE, the Lessee and their respective successors and permitted assigns are hereinafter referred to individually as a "Party" and, collectively, as the "Parties"

WHEREAS:

- A. The Lagos International Trade Fair Complex Management Board was established inter alia to manage, maintain and develop the Lagos International Trade Fair Complex (LITFC).
- B. The NCP was established pursuant to the Act, to inter alia approve the policies on privatisation and commercialization and also approve the guidelines and criteria for public enterprises for privatization
- C. BPE was established under the Act as a body corporate with perpetual succession, to inter alia, implement the policies of the NCP; prepare public enterprises for privatization and ensure the success of the privatization exercise.
- D. Lagos International Trade Fair Complex is among the Enterprises slated for Privatisation under the Act.

Concession Agreement LITFC



BUREAU OF PUBLIC ENTERPRISES

A handwritten signature in ink, appearing to be a stylized 'A' or similar character.

- E. The Lessor through BPE has decided to Concession LITFC.
- F. BPE, in June 2006 invited bids for a right to enter into an agreement with the Lessor to (i) lease the real property described and delineated in Appendix A (the "Premises") and certain immovable property affixed to the Premises as further described in Appendix B (the "Fixed Assets" and together with the Premises, the "Lease Property"); (ii) purchase certain movable property as further described in Appendix C (the "Movable Assets"); (iii) make certain improvements to the Lease Property as further described in the development plan attached as Appendix D (the "Development Plan") and (iv) perform certain other operation, maintenance and other services with respect to the Lease Property and the Movable Assets.
- G. As a result of a competitive bidding process, the right to enter into such agreement was awarded to the Lessee.
- H. The Parties desire to set forth the terms and conditions of this agreement, and all their respect rights and obligations related thereto.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual promises and agreements of the Parties herein expressed, as well as other good and valuable consideration, the receipt and adequacy of which we are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS: INTERPRETATION

- 1.1 Definitions: The following terms shall have the meanings specified in this Article when capitalized and used in this Agreement. The meanings specified are applicable to both the singular and plural.

"Act" means the Public Enterprises (Privatization and Commercialisation) Act of 1999 as may supersede or succeed the same from time to time.

"Affiliate" means, any Person, that, directly or indirectly controls, is controlled by or is under common control with such Person or is a director or officer of such Person and shall, in the case of the Lessee and notwithstanding the foregoing, be deemed to include Aulic Nigeria Limited].

"Agreement" means this Lease Agreement (including all Appendices attached hereto), as amended and/or supplemented from time to time.

Concession Agreement LITFC



BUREAU OF PUBLIC ENTERPRISES

A handwritten signature in dark ink, appearing to be a stylized 'A' or similar character.

- E. The Lessor through BPE has decided to Concession LITFC.
- F. BPE, in June 2006 invited bids for a right to enter into an agreement with the Lessor to (i) lease the real property described and delineated in Appendix A (the "Premises") and certain immovable property affixed to the Premises as further described in Appendix B (the "Fixed Assets" and together with the Premises, the "Lease Property"); (ii) purchase certain movable property as further described in Appendix C (the "Movable Assets"); (iii) make certain improvements to the Lease Property as further described in the development plan attached as Appendix D (the "Development Plan") and (iv) perform certain other operation, maintenance and other services with respect to the Lease Property and the Movable Assets.
- G. As a result of a competitive bidding process, the right to enter into such agreement was awarded to the Lessee.
- H. The Parties desire to set forth the terms and conditions of this agreement, and all their respect rights and obligations related thereto.

WITNESSETH

NOW, THEREFORE, in consideration of the mutual promises and agreements of the Parties herein expressed, as well as other good and valuable consideration, the receipt and adequacy of which we are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS: INTERPRETATION

- 1.1 Definitions: The following terms shall have the meanings specified in this Article when capitalized and used in this Agreement. The meanings specified are applicable to both the singular and plural.

"Act" means the Public Enterprises (Privatization and Commercialisation) Act of 1999 as may supersede or succeed the same from time to time.

"Affiliate" means, any Person, that, directly or indirectly controls, is controlled by or is under common control with such Person or is a director or officer of such Person and shall, in the case of the Lessee and notwithstanding the foregoing, be deemed to include Aulic Nigeria Limited].

"Agreement" means this Lease Agreement (including all Appendices attached hereto), as amended and/or supplemented from time to time.



A handwritten signature in dark ink, appearing to be a stylized 'A' or similar character.

"Annual Report" shall have the meaning set forth in Section 11.2.

"Applicable Law" means any law, statute, order, decree, injunction, license, permit, consent, approval, agreement or regulation of any Governmental Authority having jurisdiction over the matter in question, or other legislative or administrative action of a Governmental Authority, or a final decree, judgment or other of a court which relates to the LITFC, the Lease Property, the Operations or the interpretation or application of this Agreement, as the case may be, including without limitation the Act. In the event of an inconsistency or conflict between any of the Applicable Laws, the law most specific to the subject matter shall apply.

"BPE" has the meaning set forth in the Preamble.

"Business Day" means a day on which commercial banks in Nigeria are not authorized or required to close.

"Change in Law" means any amendment, modification, superseding act, deletion, addition or change in or to the Applicable Laws that occurs and takes effect after the Execution Date and which demonstrably has an adverse effect on a Party's performance of its obligations hereunder.

"Change of Control" means when the Lessee and any of its affiliates cease to control fifty one percent (51%) or more of the issued and outstanding Equity Interests in the Lessee, on a fully diluted basis.

"Commencement Fee" shall have the meaning set forth in Appendix F.

"Common Areas" means all areas and facilities outside the Lease Premises but within the whole area of land owned by the Lessor under their title to the LITFC, more particularly described in Appendix J.

"Control" means the possession, direct or indirect, of the power to vote more than ten percent (10%) of the Voting Interests of a Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or other. This definition shall also apply to the terms "controlling", "controlled by" and "under common control with".

"Day" or "day" means a calendar day.

"Defaulting Party" shall have the meaning set forth in Section 13.3.

"Development Plan" shall have the meaning set forth in the Recitals.

"Disclosing Party" shall have the meaning set forth in Section 18.7.

"Dispute" shall have the meaning set forth in Section 17.2.



"Effective Date" shall be the day that the Leased Property is handed over to the Lessee.

"Execution Date" shall have the meaning set forth in the Preamble.

"Emergency" means a crisis, incident or other untoward situation so declared by the Regulator or threat to public safety, health and environment.

"Equity Interests" means with respect to any Person, (a) shares of capital stock of (or other ownership or profit interests in) such Person, (b) warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, (c) securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase of other acquisition from such Person of such shares (or such other interests) and (d) other ownership or profit interests in such Person (including partnership, member or trust interests therein) whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are authorized or otherwise existing on any date of determination.

"Event of Default" means a Lessee Event of Default of Lessor Event of Default, as applicable.

"Fixed Assets" shall have the meaning set forth in the Recitals.

"Force Majeure" means any act that (a) renders it impossible for the affected Party to comply with its obligations under this Agreement, (b) is beyond such Party's reasonable control and not due to its fault or negligence and (c) could not have been prevented or avoided by such Party through the exercise of due diligence. Subject to the satisfaction of the foregoing conditions, Force Majeure shall include without limitation: (i) severe, adverse weather conditions such as storms or floods; (ii) earthquakes; (iii) wars (declared or undeclared), civil disturbances, revolts, insurrections, public disorder, riots or sabotage; (iv) strikes or other labour disputes in Nigeria that are not due to the breach of any labour agreement by the Party claiming Force Majeure, (v) fires; (vi) actions or omissions by a Governmental Authority that were not induced or promoted voluntarily by the affected Party or were not caused by a noncompliance with its obligations under this Agreement or Applicable Law; (vii) Change in Law; (viii) the inability by the affected Party, despite its reasonable efforts, to timely and correctly obtain any permit that enable such Party to meet its obligations under this Agreement; or (ix) pollution that was not caused by the noncompliance of the Party claiming Force Majeure with its obligations under this Agreement or Applicable Law.



over a Party, the Lease Property or the Operations, as the case may be, including without limitation, the Lessor, the Regulator or Affiliate of any of the foregoing.

"ICC Court" means International Chamber of Commerce Court of Arbitration.

"Intellectual Property Rights" means (a) patents, trademarks, service marks, rights in design, trade dress, trade secrets, trade names, and copyrights; (b) applications for registration to any of the items contains in subsection (a) of this definition, to the extent that such application under Applicable Law provides protection for such items; (c) rights under license and consents in relation to any of the items contained in subsection (a) of this definition; and (d) all forms of protection of a similar nature or having equivalent or similar effect to any of them which may exist anywhere in Nigeria.

"Interruption" means a disruption to the performance of the operations as a consequence of:

- a. Any act or omission by the Lessor, including but not limited to, the failure by the Lessor to fulfill its obligations under this Agreement.
- b. Maintenance by the Lessor in accordance with the requirements of this Agreement that exceeds the time period for such maintenance as previously agreed between the parties;
- c. Any act or omission by Government Authority not due to the fault of or negligence of the Lessee;
- d. An act of Force Majeure;
- e. An emergency;
- f. Events beyond the reasonable control of the Lessee not due to the Lessee's fault or negligence.

"Latent Defects" means those defects not identified in the survey conducted jointly by the Parties prior to the Execution Date and included in Appendix B or in the Development Plan, and which could not reasonably be identified by the Lessee's exercise of due diligence.

"Lease Fees" shall have the meaning set forth in Appendix F.

"Lease Property" shall have the meaning set forth in the Recitals. For avoidance of doubt, Lease Property shall also be deemed to include any improvements thereon made by the Lessor or the Lessee during the Lease Term in accordance with this Agreement.



"Lease Term" shall have the meaning set forth in Section 2.2.

"Lessee" shall have the meaning set forth in the Preamble.

"Lessee Event of Default" shall have the meaning set forth in Section 13.1.

"Lessor" shall have the meaning set forth in the Preamble.

"Lessor Event of Default" shall have the meaning set forth in Section 13.2.

"Material Adverse Effect of Lessee" means any change or circumstance that, individually or in the aggregate with all other changes or circumstances has or is reasonably likely to have a materially adverse effect on (a) the Lessee's assets, properties, or business in a manner relating to the transactions contemplated hereby or (b) the Lessee's ability to perform its material obligations under this Agreement.

"Month" means a calendar month.

"Movable Assets" shall have the meaning set forth in the Recitals.

"Movable Asset Purchase Price" shall have the meaning set forth in Section 5.1.

"NIBOR" means the Nigeria Interbank Offered Rate applicable from the due date for payment and thereafter on the first day of each succeeding calendar month.

"Nigeria" means the Federal Republic of Nigeria.

"Non-Defaulting Party" shall have the meaning set forth in Section 13.3.

"Operations" shall have the meaning set forth in Section 6.1.

"Party" or "Parties" shall have the meaning set forth in the Preamble.

"Person" means any legal or natural person, including any individual, corporation, partnership, Limited Liability Company, Joint Stock Company, association, joint venture, trust, governmental or international body or agency, or other entity.

"Planning and Investment Report" shall have the meaning set forth in Section 11.3.

"Premises" shall have the meaning set forth in the Recitals.



(b) *Conditions Precedent.* Except as otherwise provided in Section 2.1(a), this Agreement shall become effective only upon satisfaction of the conditions to effectiveness set forth in Article VII (the "Effective Date").

2.2 Lease Term. This Agreement shall have a term (the "Lease Term"), which commences on the Effective Date and terminates on the date that occurs on the Thirtieth (30th) anniversary of the Effective Date, unless earlier terminated in accordance with the terms hereof. The date of such termination shall hereinafter be referred to as the "Termination Date"). Following such Thirtieth (30th) anniversary of the Effective Date, and unless the Agreement has otherwise been terminated, the Parties shall have the option to mutually agree to renew this Agreement for an additional period; [provided that either Party shall have notified the other Party in writing of its desire to renew this Agreement no less than three (3) years prior to such Thirtieth (30th) anniversary of the Effective Date.

ARTICLE III

BASIC LEASE RIGHTS AND OBLIGATIONS

3.1 Lease: In consideration of the covenants and agreements set forth in this Agreement and other good and valuable consideration, the Lessor shall lease the Lease Property to the Lessee, and the Lessee shall lease the Lease Property from the Lessor, subject in each case to the terms and conditions set forth in this Agreement. Commencing on the Effective Date, the Lessor shall transfer to the Lessee the Lease Property for the Lease Term. The Lessor shall remain the owner of the Lease Property, except as expressly agreed to in writing by the Lessor. Subject to the provisions of Sections 4.3(b) and 4.4., throughout the Lease Term, the Lessee shall keep and maintain (i) the Lease Property in the condition in which it is transferred to the Lessee on the Effective Date, and free and clear of all liens, charges, claims, encumbrances, and security interests arising from the performance of the Operations or any other of its obligations hereunder, and ii) the Fixed Assets in good condition and working order. The Lessee shall indemnify, defend, and hold harmless the Lessor from and against and promptly reprove and discharge any such liens, charges, claims, encumbrances and security interests which may be placed on the Lease Property, except those attributable to the acts or the omissions of the Lessor.

3.2 Peaceful and Quiet Enjoyment: To the extent that the Lessee complies with the terms and conditions of this Agreement, the Lessee shall peacefully and quietly hold, occupy and enjoy the Lease Property. In the event that any third party(ies) other than Affiliates of the Lessor conduct(s) activities or present(s) claims which interfere with the Lessee's peaceful and quiet possession and enjoyment of the Lease Property, the Lessor shall indemnify, defend, and hold harmless the Lessee from and against any such claims.

Concession Agreement LITFC,



BUREAU OF PUBLIC ENTERPRISES

"Prudent Industry Standards" means the generally accepted practices; methods, techniques and standards employed optimizing the performance of the Operations.

"Receiving Party" shall have the meaning set forth in Section 18.7.

"Regulator" means any Governmental Authority of Nigeria established, assigned, chartered or commissioned to regulate commercialized assets of the Federal Government of Nigeria, including without limitation the Lessor.

"Staffing and Succession Plan" means the plan set forth in Appendix G.

"Termination Date" shall have the meaning set forth in Section 2.2.

"Utilities" means infrastructure, equipment or services relating to the supply of electricity (including back-up power), water, sewage and drainage, telecommunications, gas and fossil and other liquid fuel.

1.2 Interpretation

- (a) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.
- (b) The word "including" means "including without limitation".
- (c) Unless otherwise indicated, all reference in this Agreement to Articles, Sections and Appendices refer to the corresponding Articles, Sections and Appendices of or to this Agreement.
- (d) The Article, Section and Appendix titles contained in this Agreement are for convenience of reference only, are without substantive meaning or any kind and are not a part of this Agreement.

ARTICLE II

EFFECTIVE DATE AND LEASE TERM

2.1 Effective Date:

- (a) *Terms Binding on Execution Date.* The provisions of this Article, along with the provisions of Articles 12, 15 and 16, shall be in full force and effect, binding upon the Parties hereto, and enforceable in accordance with their terms, from the Execution Date.

Concession Agreement LITFC



BUREAU OF PUBLIC ENTERPRISES

- 3.3 Lease Fees: The Lessee shall pay the Lease Fees in consideration of this Agreement in accordance with the terms and conditions set forth in Appendix F. Except as the Lessor may otherwise agree in writing, all payments shall be made in Nigerian Naira. Any amounts due but not paid hereunder shall bear interest at the lesser of (a) NIBOR plus five percent (5%) compounded monthly, or (b) the maximum rate permitted under Applicable Law.
- 3.4 Common Areas: The Lessor shall grant the Lessee for the benefit of the Lessee and its employees, contractors, customers and invitees during the Lease Term, the non-exclusive right to use the Common Areas as they exist from time to time, subject to all rights reserved by the Lessor hereunder and under the terms of all rules and regulations promulgated from time to time with respect thereto. The Lessee shall not use the Common Areas in any manner that is inconsistent with the Lessee's permitted use of the Lease Premises nor in any manner that unreasonably interferes with the use of the Part by other occupants or users of the Common Areas. The Lessor reserved the right from time to time to (a) make changes in or to the Common Areas; (b) close temporarily the Common Areas; (c) add, eliminate or change the location of any improvements in the Common Areas and/or construct additional buildings, facilities and other improvements within the Common Areas; (d) prohibit unauthorized Persons from using or accessing the Common Areas; or (e) perform such other activities and make such other charges in, to or with respect to the Common Areas as the Lessor may deem appropriate.

ARTICLE IV

USE OF LEASE PROPERTY

- 4.1 Permitted Use of Lease Property: The Lessee shall only use the Lease Property to perform the Operations, and may not use the Lease Property for any other purpose without the Lessor's prior written approval, such approval not to be unreasonably withheld. The Lessee shall not conduct any activities within the Premises other than the performance of the Operations. The Lessee shall not conduct such permitted use, or allow such permitted use to be conducted, in violation of any Applicable Law or in any manner that would (a) violate, invalidate or cause a loss of coverage under any insurance in force on or after the Execution Date with respect to the Lease Property, (b) cause injury or damage to the Lease Property or to the person or property of any person lawfully on the Lease Premises; (c) cause diminution in the value of usefulness of all or any portion of the Lease Property (reasonable wear and tear excepted), (d) disturb or unreasonably interfere with or endanger the Common Area, or (e) create a nuisance or waste in, on or about the Lease Premises.
- 4.2 Right to Sublease: Subject to all the terms here contained, the Lessee shall have the right to sublet any portion of the Lease Premises to a third party.



4.3 Alteration of Lease Property:

- (a) *By Lessor:* In accordance with Applicable Law and without modifying the terms of this Agreement, the Lessor shall have the right to do any such work required for technical operations and/or economic well being of the Lease Property provided that such work does not unreasonably interfere with the Lessee's peaceful and quiet possession and enjoyment of the Lease Property.
- (b) *By Lessee:*
- (i) *Development Plan:* The Lessee shall perform each of the improvements to the Lease Property required under the Development Plan; provided that (a) the Lessee has furnished to the Lessor the following no later than thirty (30) days prior to the proposed date for commencement of the work implementing such improvement: (1) documentation and other evidence demonstrating that such improvement will enhance the Lessee's performance of the Operations; (2) the plans and drawings for such improvement; (3) the names and addresses of the proposed contractor(s) and (4) such other documentation as reasonably requested by the Lessor, and (b) the Lessor has approved all such documentation in writing, such approval not to be unreasonably withheld. If the Lessor does not disapprove the same within thirty (30) days, they shall be deemed approved.
- (ii) *Other Improvements:* The Lessee shall not make any other improvements or alterations to the Lease Property outside the approved Development Plan without the Lessor's prior written approval. In requesting such approval, the Lessee shall furnish to the Lessor the following no later than thirty (30) days prior to the proposed date for commencement of the work implementing such improvements or alterations: (a) documentation and other evidence demonstrating that the requested improvements or alterations will enhance the Lessee's performance of the Operations; (b) the plans and drawing for such improvements or alterations, (c) the names and addresses of all proposed contractors and (d) such other documentation as reasonably requested by the Lessor
- (iii) *Applicable Standards:* The Lessee shall ensure that all improvements and/or alterations are in compliance with (a) Applicable Law, (b) International Conventions, Protocols and Agreements and (c) Prudent Industry Standards.



- (iv) Rights of Lessor to Monitor and Inspect: Without limiting or reducing the Lessee's obligations under Section 4.3(b)(ii), the Lessor shall have the right to inspect such improvements or alterations during performance of the same and after they have been completed, and they shall not be used by the Lessee until the Lessor has notified the Lessee in writing that they are in accordance with the plans approved by the Lessor and comply with Applicable Law. The Lessor shall have the right to be present at any time during the performance of such improvements or alterations and shall have access to the Premises and all records and materials of the Lessee related to the same, including participation in related progress meetings. Any improvements or alterations made by the Lessee to the Lease Property during the Lease Term shall be and shall remain the property of the Lessor, without any claim for or reimbursement from the Lessor for the cost of the value thereof.

- 4.4 Maintenance: Lessee's Maintenance Obligations: The Lessee shall be responsible for the maintenance, repairs, renewals and replacements of the Lease Property so that at all times during the Lease Term and upon the Termination Date, the Lease Property shall be in a better condition than it was as of the Effective Date, excluding normal wear and tear. The Lessee shall maintain the Lease Property in good condition and repair. All repairs and replacements shall be equal or better in quality to the original material. In the event that the Lessee at any time fails to carry out the maintenance required under this Agreement, the Lessor may carry out such maintenance and all costs incurred by the Lessor in connection therewith plus 2% (two percent) over shall be paid by the Lessee within 30 (thirty) days after the Lessor has sent an invoice for such payment.
- 4.5 Utilities: The Lessee shall make its own arrangements and pay for the supply of utilities to the Lease Property. The Lessor shall provide reasonable assistance to the Lessee in making such arrangements.
- 4.6 Office Facilities: The Lessee shall provide adequate office space for the Lessor.
- 4.7 Disposal of Movable Assets: The Lessee shall be at liberty to sell, transfer, remove or dispose of any of the Movable Assets without the Lessor's prior written approval if the Lessee considers that the running of the Operations requires such sale, transfer, removal or disposal, PROVIDED that prior to the such sale, transfer, removal or disposal, the Lessee has paid to the Lessor the agreed consideration for the Movable Assets. For avoidance of doubt, any sale, transfer, removal or disposal by the Lessee of Movable Assets in contravention of this Section shall constitute a Lessee Event of Default under Section 13.1(f), and the Lessor shall have all the rights and remedies (including rights to terminate the Agreement) under Section 13.3.



4.8 Access to Lease Property:

(a) *By Lessor:* The Lessee shall permit the Lessor and its designated representatives and agents during the Lessee's working hours to enter and inspect the Lease Property for the purpose of verifying the Lessee's compliance with this Agreement and any other requirements under Applicable Law; provided that any such visit shall not unreasonably interfere with the Lessee's performance of the Operations. Within seven (7) days prior to a visit, the Lessor shall notify the Lessee in writing of the names of the individuals to be permitted access and the time and date of such visit. Notwithstanding the foregoing, the Lessor shall not be required to provide the Lessee with such prior written notice in the event of an Emergency. The Lessee shall also grant access to the Premises for the Lessor or its designee for the purpose of maintaining and modifying structures, Utilities and equipment which are reasonably necessary for the efficient operation of the Lease Property, including without limitation:

- (i) constructing new facilities, installing new equipment, or undertaking other activities which have been approved by the Lessee;
 - (ii) within two (2) years prior to the Termination Date, installing new equipment and any other works necessary to ensure that the Lease Property continues to operate in a satisfactory manner after such date, provided that such installations and other works shall not unreasonably interfere with the Lessee's performance of the Operations; and
 - (iii) emergency action to safeguard the operations of the Lease Property, health, safety and security of its employees, or the quality of the environment in and around the Lease Property. The Lessee shall not deny the right of access through the Premises to other facilities controlled by the Lessor under any other circumstances to the extent that reasonable alternative means of access are not available.
- (b) *By Governmental Authorities:* The Lessee shall grant access to the Premises to Governmental Authorities for the purpose of carrying out any activities, which they are legally entitled to carry out in the Premises pursuant to Applicable Law.
- (c) *By Utilities Providers:* The Lessee shall grant rights of way and easements through the Premises for existing and future Utilities. The Lessee shall not take any action, which is detrimental to the efficient supply of such Utilities to the Lease Property and adjacent areas **PROVIDED THAT** any such rights shall not unreasonably affect the efficient operation of LITFC.
- (d) *By Others:* Subject to prior written notification of no less than seven (7) days by the Lessor to the Lessee, the Lessee shall grant access to the Premises to Lessor's employees and agents and the staff of any



contractors employed by them, to enable them to perform their work efficiently; provided that they do not unreasonably interfere with the Lessee's performance of the Operations.

ARTICLE V

MOVABLE ASSETS

- 5.1 Sale and Purchase of Movable Assets: Subject to the terms and conditions of this Agreement, upon the Effective Date, the Lessor shall sell to the Lessee, and the Lessee shall purchase from the Lessor, the Movable Assets for an aggregate purchase price of N12,731,000.00 (Twelve million seven hundred and twenty one thousand Naira Only).
- 5.2 Payment of Movable Assets Purchase Price: On the Effective Date, the Lessee shall pay the Lessor the Movable Asset Purchase Price by Bank transfer to an account of the Lessor previously designated by the Lessor in writing.
- 5.3 Conveyance of Movable Assets: On the Effective Date, and subject to its receipt of the Movable Asset Purchase Price and the satisfaction of the other conditions set forth in Article VII, the Lessor shall convey, transfer, assign and deliver to the Lessee, free and clear of all liens and encumbrances, the Lessor's right, title and interest in and to the Movable Assets, accompanied by any necessary bill of sale, assignments, or other instruments of transfer reasonably requested by the Lessee.

ARTICLE VI

OPERATIONS

- 6.1 Obligation of Lessee to Perform Operations: The Lessor hereby appoints the Lessee and the Lessee hereby accepts such appointment, to perform the operations and activities described in Appendix E (collectively, the "Operations") in accordance with the terms of this Agreement. The Lessor confirms that it hereby delegates to the Lessee all such powers and authority as are necessary for the Lessee to perform the Operations.
- 6.2 Use of Lease Property: The Lessee shall only perform the Operations within the Premises, and shall use the Lease Property for the sole purpose of performing the Operations in accordance with this Agreement.
- 6.3 Exclusivity: The Lessee shall have the exclusive right during the Lease Term to perform the Operations within the Premises.



- 6.4 Standards of Performance: The Lessee shall perform the Operations (a) in a safe, efficient, effective and economic manner, (b) with due care and skill and (c) in accordance with Applicable Law and Prudent Industry Standards.
- 6.5 Duties to Cooperate: The Parties shall cooperate in good faith to ensure at the Effective Date smooth and effective transfer of the provision of the Operations from the Lessor to the Lessee. In performing the Operations, the Lessee shall cooperate with the Lessor and the Regulator so as to enable the Lessor and the Regulator to perform their monitoring, supervisory and other duties relating to the Lease Property.

6.6. Performance Requirements:

- (a) *General Requirements*: The Lessee shall use its best efforts to (i) develop, market and promote the commercial use of the Lease Property in order to achieve maximum utilization thereof in a manner which is consistent with Applicable Law and Prudent Industry Practices, and (ii) ensure that there is no decline in the standards of the Operations.
- (b) *Interruptions*: The Lessee shall ensure that its performance of the Operations shall be as continuous and without interruptions as is reasonably practical. The Lessee shall maintain records of the number, duration, location and extent of all emergencies and unforeseen interruptions. Subject to prior written notification to the Lessor, the Operations may be interrupted in order to carry out maintenance, rehabilitation or reinforcement of the Lease Property. During any such repairs or in the event of an accident or Emergency requiring immediate interruption of the Operations, the Lessee may take all necessary measures to manage the same.

6.7 Labour

- (a) *Qualified Personnel*: The Lessee shall select and employ sufficient, suitably skilled and qualified personnel to enable it to perform the Operations in accordance with this Agreement.
- (b) *Sources of Labour*: The Lessee personnel may be sourced from Nigeria; **PROVIDED**, however, that the Lessee shall comply with the Staffing and Succession Plan as provided in Appendix G to the extent applicable. The Lessee shall use commercially reasonable efforts to employ as many Nigerian nationals as commercially practicable and feasible in management positions to the extent that there are Nigerian nationals, who satisfy the requirements for such positions.
- (c) *Employment Contracts*: With respect to personnel employed by the Lessee under Sections 6.7(b), the Lessee shall be responsible for the



negotiation of the applicable employment and labour contracts. Such contracts shall offer the respective employees terms and conditions of employment, which are in accordance with Applicable Law.

- (d) *Lessor Personnel:* Within thirty (30) days Prior to the Effective Date, the Lessee shall notify the Lessor in writing of the Lessor personnel that the Lessee wishes to employ. In effectuating such employment, the Lessor and the Lessee shall comply with all Applicable Laws. The Lessor shall be responsible for the retirement benefits including but not limited to all outstanding salaries and any relevant severance payments (if any) of its employees until the date on which they are employed by the Lessee.
- (e) *Training:* The Lessee shall be responsible for the preparation and implementation of all training of all staff working at the Premises in accordance with Appendix G ("the Staffing and Succession Plan") and Applicable Law.
- (f) *Identification of Lessee Personnel:* The Lessee shall ensure that its personnel are issued the appropriate identification documentation. Such identification documentation shall be produced to any official or authorized person who has reasonable grounds to request the identification of such personnel. Upon the termination of employment of such personnel, such identity documentation shall be returned to the Lessee.

6.8 Lease Equipment: The Lessee may purchase, at its own expense, additional equipment (i.e. not reflected in the Development Plan) to use for the satisfaction of its obligations hereunder, including without limitation its performance of the Operations to meet the Performance Requirements. Such additional equipment shall be the Lessee's property notwithstanding the termination of this Agreement for any reason unless the Parties otherwise agree that the Lessor shall become owner of such Lessee Equipment on the Termination Date. The Lessee shall, at its own expense, remove Lessee equipment from the Premises on the Termination Date. In the event that the Lessor requires such removal or the Lessee does not agree to transfer the same to the Lessor Nine (9) months prior to the Termination Date, The Lessee shall provide the Lessor with a full list of Lessee Equipment during the Termination Period and whether it is prepared to sell such Lessee Equipment to the Lessor. The purchase price for any Lessee Equipment shall be mutually agreed between the Parties.

ARTICLE VII

CONDITIONS PRECEDENT

7.1 Conditions to Obligations of Each Party: The obligations of the Lessor and the Lessee to consummate the transactions contemplated by this Agreement shall



be subject to the fulfillment prior to the Effective Date of the following conditions.

- (a) *Execution and Delivery of this Agreement:* Each Party shall have duly executed and delivered to the other Party this Agreement.
- (b) *No Injunction, etc.* Consummation of the transactions contemplated by this Agreement shall not have been restrained, enjoined or otherwise prohibited in any material respect by any Applicable Law, including any order, injunction, decree or judgment of any court or other Governmental Authority, and there shall not have been promulgated, entered, issued or determined by any court or other Governmental Authority to be applicable to this Agreement any Applicable Law making illegal the consummation of the transactions contemplated by this Agreement.
- (c) *Governmental Consents:* All consents or authorizations of Governmental Authorities that are required to lease, transfer or assign (as applicable) to the Lessee the Lease Property or Movable Assets, shall have been made or obtained.

7.2 Conditions to Obligations of Lessor: The obligations of the Lessor to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, prior to the Effective Date, of the following additional conditions (unless waived in writing by the Lessor).

- (a) *Representations and Warranties of Lessee:* The representations and warranties of the Lessee in Section 12.1 shall be true and correct in all material respects when made at and as of the Execution Date and the Effective Date with the same effect as though made at and as of such time, except that those representations and warranties which are made as of a specific date shall be true and correct in all material respects as of such date.
- (b) *Covenants of Lessee:* The Lessee shall have duly performed and complied in all material respects with all covenants and agreements contained in this Agreement required to be performed or complied with by it at or before the Effective Date.
- (c) *Officer's Certificate:* The Lessee shall have delivered to the Lessor a certificate in form and substance satisfactory to the Lessor, dated the Effective Date and signed by a duly authorized officer, as to the fulfillment of the conditions set forth in Sections 7.2(a) and (b).
- (d) *No Material Adverse Effect:* Between the Execution Date and the Effective Date, there shall have been no event, change or other occurrence that has or would result in a Material Adverse Effect of Lessor.



- (e) *Corporate Proceedings:* All corporate proceedings of the Lessee in connection with the transaction contemplated by this Agreement, and all documents and instruments incident thereto, shall be reasonably satisfactory in form and substance to the Lessor and its counsel, and the Lessor and its counsel shall have received all such documents and instruments, or copies thereof, certified, as may be reasonably requested. The Lessee shall have delivered to the Lessor a secretary's certificate certifying to (i) resolutions adopted by the Lessee evidencing the authorizations described in this Section, (ii) the constituent documents of the Lessee, and (iii) incumbency of the officer of the Lessee executing this Agreement and documents required hereunder.
- (f) *Movable Asset Purchase Price:* The Lessee shall have paid to the Lessor, and the Lessor shall have received, the Movable Asset Purchase Price, in accordance with Section 5.2.
- (g) *Performance Bond:* Within fifteen (15) days after the Execution Date, the Lessee shall deliver to the Lessor a performance bond in favour of the Lessor. Such bond shall exclude the payment of the Annual Lease Fees which is payable in advance, but shall include without limitation all of the Lessee's obligations under this Agreement to cover costs and liabilities arising from its obligations under this Agreement and all payments for liquidated damages due and payable by the Lessee hereunder. All premiums or other costs associated with obtaining and maintaining such performance bond shall be paid by the Lessee. Such performance bond shall be renewed annually such that it shall remain in full force and effect until thirty (30) days after the Termination Date. If thirty (30) days before the annual anniversary date of the performance bond it is not renewed for another year, such non-renewal of the performance bond shall be an event of default of the Lessee, and the Lessor shall have the right to call on the performance bond.
- (i) *Evidence of Insurance:* The Lessee shall within sixty (60) days from Execution Date have delivered to the Lessor certificates of insurance and other documentation reasonably required by the Lessor evidencing that the Lessee has obtained the insurance coverage on the Premises required under Section 8.1.

7.3 Conditions to Obligations of Lessee: The Obligations of the Lessee to consummate the transaction contemplated by this Agreement shall be subject to the fulfillment prior to the Effective Date of the following additional conditions (unless waived in writing by the Lessee):

- (a) *Representations and Warranties of Lessor:* The representations and warranties of the Lessor in Section 12.1 shall be true and correct in all material respects when made and at and as of the Execution Date and the Effective Date with the same effect as though made at and as of



such time, except that those representations and warranties which are made as of a specific date shall be true and correct in all material respects as of such date.

- (b) *Covenants of Lessor:* The Lessor shall have duly performed and complied in all material respects with all covenants and agreements contained in this Agreement required to be performed or complied with by it at or before the Effective Date.
- (c) *Officer's Certificate:* The Lessor shall have delivered to the Lessee a certificate in form and substance satisfactory to the Lessee, dated the Effective Date and signed by a duly authorized officer, as to the fulfilment of the conditions set forth in Sections 7.3(a) and (b).
- (d) *No Material Adverse Effect:* Between the Execution Date and the Effective Date, there shall have been no event, change or other occurrence that has or would result in a Material Adverse Effect of the Lessee.
- (e) *Bill of Sale:* The Lessor shall have delivered to the Lessee any necessary bills of sale, assignment agreements, novation agreements or other instruments of transfer reasonably requested by the Lessee in respect of the Movable Assets in form and substance reasonably satisfactory to the Lessee as required in Section 5.3.

7.4 Additional Covenants of Parties:

- (a) *Registration and Filing:* The Lessee shall file and register this Agreement with the applicable Government Authorities within fifteen (15) days after the Effective Date.
- (b) *Satisfaction of Conditions:* Each Party shall use its reasonable efforts to effectuate the satisfaction of the conditions requiring action by such Party under this Article. If such conditions have not been satisfied by such Party (or waived by the other Party) on or before the date occurs ninety (90) days following the Execution Date, then, unless otherwise agreed in writing by the Parties, the other Party shall have the right to terminate this Agreement following delivery of fifteen (15) days' prior written notice to the Party of whom action is required which still has not satisfied, whereupon each party shall be excused and relieved of all obligations and liabilities under this agreement, except as otherwise specified herein.



Property (if any), and the Lessee may witness such demonstrations. The Lessee shall prepare and implement its own staff training for fire hazards awareness and develop and maintain close relations with the fire emergency agencies in the Lease Property.

- (d) *Traffic*: Traffic operations, vehicular traffic and all transport activities related to the Premises shall be conducted in accordance with Applicable Laws and the Lessor guidelines.
- (e) *Signage*: The Lessee shall be responsible for installing appropriate signs within the Lease Premises to indicate the location of and access routes to the Premises.

8.3 Environment:

- (a) *Obligation to Comply with Environmental Laws*: The Lessee shall comply with all Applicable Laws concerning the protection of the environment, and shall take adequate steps to prevent and control the pollution of the air, land and sea by oil, chemicals, emissions, hazardous wastes, effluent, solid and other wastes in the Premises as required by such Applicable Laws. The Lessee shall consult with the relevant Governmental Authorities in taking such steps. The Lessee shall cooperate with the Lessor in achieving compliance with International Environmental conventions to which Nigeria is a party.
- (b) *Waste Disposal*: The Lessee shall arrange for the disposal of waste materials generated from the Premises in a manner acceptable to the Lessor and in accordance with Applicable Laws and Prudent Industry Standards. The Lessee shall not dump in the Lease Property any substance other than rainwater without the Lessor's prior written consent.
- (c) *Environmental Impact Assessments*: In carrying out the Development Plan, the Lessee shall comply with all Applicable Laws relating to the environment, including laws and regulations requiring the preparation and approval of environmental impact assessments to the extent applicable. Upon submission of such environmental impact assessments to a Governmental Authority, the Lessee shall submit to the Lessor a copy of the same, as well as a copy of any response from such Governmental Authority regarding the same.
- (d) *Obligation to Notify*: In the event that pollution occurs that may affect the Premises, the Lessee shall (a) inform the Lessor immediately of the same, (b) take all reasonable measures required for detecting, cleaning and containing such pollution and (c) provide the Lessor with frequent written updates on such measures being taken or remaining to be taken by the Lessee.



- 9.3 Latent Defects: The Lessor shall remedy any Latent Defects, which materially impair the Lessee's use of the Lease Property and the performance of its Operations.
- 9.4 Utilities: The Lessor shall provide reasonable assistance to the Lessee in making its arrangements for the supply of the Utilities to the Premises.
- 9.5 Security: The Lessor shall provide reasonable assistance to the Lessee in making its arrangements for the supply of the security to the Premises.
- 9.6 Licenses; Permits: The Lessor shall obtain and keep in force all necessary licenses, permits and warranties which are necessary for the Lessor to fulfill its obligations hereunder and shall provide reasonable assistance to the Lessee in its efforts to obtain and keep in force the licenses and permits required to be obtained or maintained by the Lessee under Section 8.7.
- 9.7 Taxes: The Lessor shall pay any taxes, levies, duties or other fees levied by Governmental Authorities and are required by Applicable Law to be paid by the Lessor as a result of the performance of its obligations hereunder.

ARTICLE X

FORCE MAJEURE

- 10.1 Effect of Force Majeure: In the event that a Party can not perform its obligations hereunder due to an event of Force Majeure, such Party shall be excused from the performance of such obligations, and shall not be considered to have committed an Event of Default, from the date on which such event of Force Majeure has commenced and until a reasonable period of time after termination thereof. All payment obligations shall be suspended during the period of *Force Majeure*. Notwithstanding the foregoing, the Lessee shall take all reasonable steps to minimize any losses resulting therefrom. The affected Party shall resume the performance of its obligations hereunder as soon as practicable after such event of Force Majeure has ceased.
- 10.2 Notice: The Party affected by the event of Force Majeure shall as soon as practicable provide written notice to the other Party and the Regulator of the occurrence of such event of Force Majeure. Such notice shall include a detailed description of the event of Force Majeure, an estimate of the duration of such event, the reasons for which such Party is unable to perform its obligations hereunder due to such event and a plan to mitigate and remedy such event, if possible. Such Party shall provide the other Party with regular updates of the foregoing information.



- 10.3 Termination: If an event of Force Majeure extends for more than one hundred twenty (120) non-consecutive days within a period of six (6) consecutive Months or ninety (90) consecutive days, or an event of Force Majeure causes substantial damage or destruction to the Lease Property so that they are not capable of repair within ninety (90) days after the termination of such event of Force Majeure, then either Party may terminate this Agreement by giving not less than thirty (30) days written notice of such termination to the other Party.

ARTICLE XI

DOCUMENTATION AND AUDITS

11.1 Records and Reports:

- (a) *Maintenance of Books and Records*: The Lessee shall prepare and maintain registers, books, records and other means of recording information in the quality and quantity required for facilitating efficient management and supervision of the Lease Property, for providing information to the Lessor, and for informing the public and its customers of the quality and performance of its Operations.
- (b) *Lease Property*: Beginning on the Effective Date, the Lessee shall prepare and maintain current records of the Lease Property in sufficient detail as required by the Lessor to provide a full understanding of the location and state of the Lease Property. Such records shall be comprised of physical drawings, databases and calculation sheets along with historical records relating to their constitution, repairs, and maintenance, including all works carried out as replacements, rehabilitation and maintenance. Physical plans for buildings shall clearly identify and describe the as built profiles.
- (c) *Copies of Records*: The Lessee shall provide the Lessor and the Regulator with copies of the foregoing records as requested by the Lessor from time to time.
- (d) *Disclosures*: The Lessee shall obtain the Lessor's written approval prior to disclosing any confidential information related to its Operations or the Lease Property to the public.
- (e) *Retaining Requirements*: The Lessee shall retain all records, reports and other documentation required to be prepared and maintained by the Lessee hereunder for at least three (3) years prior to the Termination Date.
- (f) *Other Information*: The Lessee shall provide to the Lessor any other information as the Lessor may reasonably require.



- 11.2 Annual Report: The Lessee shall prepare an annual report which shall include, at a minimum, the following technical and financial information: (a) any circumstances having an impact on the financial obligations of the Lessee under this Agreement; (b) renovation works and repairs carried out or to be carried out; (c) exceptional events such as pollution incidents, fires; (g) Emergencies; (d) measures, if any, taken by the Lessee during the applicable year with respect to its obligations hereunder related to the protection and preservation of the environment; (e) the Operations during the applicable year; and (f) an audited set of accounts prepared in accordance with generally accepted international accounting principles and practices (the "Annual Report"). The Lessee shall submit to the Lessor and the Regulator the Annual Report within one hundred twenty (120) days after the end of each year during the Lease Term (or such earlier date as required under Applicable Law). The Parties shall agree upon the format of the Annual Report. The Lessee shall provide any clarification of the Annual Report requested by the Lessor and the Regulator.
- 11.3 Planning and Investment Report: The Lessee shall prepare a planning and investment report which shall include, at a minimum, the following information: (a) detailed five (5) year capital program which identifies areas for expansion of the Operations; (b) proposals for improving Operations; and (c) human resource proposals ("Planning and Investment Report"); and (d) a benchmarking of all of the foregoing against the Development Plan. The Lessee shall submit to the Lessor and the Regulator the first Planning and Investment Report within one hundred twenty (120) days after the Effective Date. On or prior to the fifth (5th) anniversary of such date and each five (5) years thereafter, the Lessee shall submit to the Lessor and the Regulator the Planning and Investment Report, which includes the information, described above for such period. The Parties shall agree upon the format of the clarification of the Planning and Investment Report requested by the Lessor and the Regulator.

ARTICLE XII

REPRESENTATIONS AND WARRANTIES

- 12.1 Lessee Representation and Warranties: The Lessee represents and warrants that:
- (a) It is a Nigerian Limited Liability Company duly organized and validly existing under the laws of the Federal Republic of Nigeria.
 - (b) It is not in violation of any Applicable Law or judgment entered by any Government Authority, which violations, individually or in the aggregate, would affect its performance or any obligations under this Agreement. There are no legal or arbitration proceedings or any proceeding by or before any Governmental Authority, now pending or (to the best



knowledge of the lessee) threatened against the lessee that if adversely determined, could reasonably be expected to have a material adverse effect on the financial condition, operations, prospects or business, as a whole, of the lessee, or its ability to perform under this agreement.

- (c) Neither the execution and delivery of this agreement, nor the compliance with the terms and provision hereof will conflict with or result in breach of, or require any consent under, the charter or by-laws of the lessee, or any Applicable Law or regulation, or any order, writ, injunction or decree or any court, or any agreement or instrument to which the lessee is party or by which it is bound or to which it is bound or to which it is subject, or constitute a default under any such agreement or instrument.
- (d) It has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery performance by the lessee of this agreement has been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by the Lessee and constitutes a legal, valid and binding obligation of the lessee enforceable in accordance with its terms.
- (e) It is financially solvent, able to pay all debts as they mature and possesses sufficient working capital to perform its obligations hereunder.
- (f) It has (a) carefully examined this Agreement, together with all Appendices attached here to, thoroughly and become familiar with their respective terms and provisions; (b) investigated to its satisfaction all Applicable Laws and it can perform its obligations hereunder in accordance therewith; the experience, resources, resources, qualification and capabilities to perform its obligations hereunder; and (d) made all investigations and inspections that it deems necessary to perform its obligations hereunder, including without limitation investigations and inspections of the Lease Property.

12.2 **Lessor Representations and Warranties:** The Lessor represents and warrants that:

- (a) It is a public authority duly constituted and validly existing under the laws of Nigeria and is authorized and qualified to do business in Nigeria.
- (b) It is not in violation of any Applicable law or judgment entered by any Governmental Authority, which violations, individually or in the aggregate, would affect its performance of any obligations under this Agreement. There are no legal arbitration proceedings or any proceeding by or before any Governmental Authority, now pending or



(to the best knowledge of the Lessor) threatened against the Lessor that;

- (c) Neither the execution and delivery of this Agreement, nor the compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, (Memorandum and Articles of Association) of the Lessor, or any Applicable Law or regulation, or any order, writ, injunction or decree of any Court, or any agreement or to which the Lessor is a party or by which it is bound or to it is subject, or constitute a default under any such agreement or instrument.
- (d) It has all necessary power and authority to execute, deliver and perform its obligations under this Agreement; the execution, delivery and performance by the Lessor of this Agreement has been duly authorized by all necessary action on its part; and this Agreement has been duly and validly executed and delivered by the Lessor and constitutes a legal, valid and binding obligation of the Lessor enforceable in accordance with its terms.
- (e) It has obtained all approvals, consents and authorizations that are required from any Governmental Authority under Applicable Law to consummate the transactions contemplated herein.
- (f) As of the Effective Date it has good title to the Movable Assets and full legal right and power to transfer and deliver such Movable Assets to the Lessee in the manner contemplated by this Agreement. Upon delivery of such Movable Assets against payment therefore pursuant to the terms of this Agreement, the Lessee shall receive good title thereto, free and clear of all liens, other than the obligation to obtain any required authorizations or consents by a Governmental Authority in connection with the transfer of any such Movable Assets.

ARTICLE XIII

DEFAULT:

13.1 Lessee Event of Default: Except if resulting from a Lessor Event of Default or Force Majeure, each of the following events shall be considered to constitute "Lessee Event of Default".

- a) The Lessee becomes insolvent, is declared bankrupt, makes an arrangement for the benefit of its creditors, petitions or applies to any Court or tribunal for the appointment of a receiver or a trustee for itself or any part of its property, or commences or has commenced against it any legal proceedings for its reorganization, readjustment of debt, dissolution or liquidation.



- b) The Lessee fails to pay the Lease Fees in accordance within Appendix F.
- c) The Lessee commits a material breach of a material provision of this Agreement.

13.2 Lessor Event of Default: Except if resulting from a Lessee Event of Default or Force Majeure, each of the following events shall be considered to constitute a "Lessor Event of Default:" Lessor Event of Default."

- (a) The Lessor becomes insolvent, is declared bankrupt, makes an arrangement for the benefit of its creditors, petitions or applies to any Court or tribunal for the appointment of a receiver or a trustee for itself or any part of its property, or commences or has commenced against it any legal proceedings for its reorganization, readjustment of debt, dissolution or liquidation.
- (b) The Lease Property (in whole or in part) is expropriated, compulsorily acquired or nationalized by a Governmental Authority.
- (c) The Lessor commits a material breach of a provision of this Agreement.

13.3 Other Events of Default. Upon an Event of Default described in Section 13.1(b), (c), (d) or 13.2(c), the party that is not in default (the "Non-Defaulting Party") shall deliver to the party which is in default (the Defaulting Party) a written response to the Non-Defaulting Party within such fifteen (15) days period, then the Non-Defaulting Party may terminate this Agreement. If, however, the Defaulting Party does respond to the Non-Defaulting Party, then, within such fifteen (15) days period of the Non-Defaulting Party's receipt of such written response, the Non Defaulting Party's shall deliver to the Defaulting Party a written notice stating whether there is such an Event of Default, and if so, granting the Defaulting Party a reasonable period of time (not to exceed thirty (30) days) to remedy such Event of Default. If such time period expires and the Defaulting Party has not cured the Event of Default, the Non-Defaulting Party may terminate this Agreement.



ARTICLE XIV

TERMINATION

14.1 Termination. This Agreement may be terminated in any of the following ways:

- (i) the expiry of the Lease Term;
- (ii) upon the occurrence of an Event of Default in accordance with Article 13;
- (iii) upon the occurrence of an event of Force Majeure in accordance with Article 10.

14.2 Procedures: Within one year prior to the expiration of the Lease Term, the Parties shall agree to the procedures to be adopted and followed by them relating to the transfer of the Lease Property on such termination. The Lessor shall have the right, at its own expense, to take any measures during the last year of the Lease Term (or as the case may be, upon early termination) necessary to ensure the continuity of the performance of the Operations. Each party shall be responsible for the costs and expenses incurred by it in performing its obligations under this Article. Notwithstanding the foregoing, in the event that Lessor terminates this Agreement as a result of a Lessee Event of Default, the Lessee shall pay the Lessor for all such costs and expenses.

14.3 Continuity of Operations: The Lessee shall ensure smooth continuation and provision of the Operations throughout the period from its receipt of any termination notice of this Agreement until the effective date of such termination, or during the last year of the Lease Term if no such notice is served. The Parties agree to minimize disruption of the Operations performed by the Lessee.

14.4 Surrender of Lease property: Within thirty (30) days prior to the Termination Date, the Parties shall conduct a joint survey on the Lease Property at shared cost. On the Termination Date, all rights and interest of the Lessee in the Lease Property and all structures and fixed equipment thereon or alterations or improvements made thereto pursuant to Section 4.3(b) (excluding those owned by the Lessee pursuant to the terms hereof) shall cease immediately, and the Lessee shall peaceably and quietly surrender to the Lessor the Lease Property in a good working condition in accordance with Prudent Industry Standards (excluding reasonable wear and tear). In the event that the Lessee does not return the Lease Property in such condition, all costs, which the Lessor incurs in causing the Lease Property to be in such condition, shall be paid by the Lessee. The Lessor or its designee shall have the immediate right to enter and take full possession of the Lease Property to perform the Operations and to remove the Lessee, its employees and representatives, and any other parties who may occupy any part of the premises. Except for



improvements made pursuant to the Development Plan, the Lessor may require the Lessee, at the Lessee's own expense, to remove or undo any improvements or alterations made by the Lessee to the Lease Property.

- 14.5 **Movable Assets:** The Lessee shall, at its own expense, remove the Movable Assets from the premises within ninety (90) days after the Termination Date, unless the Lessor notifies the Lessee in writing that it wishes to purchase the Movable Assets within thirty (30) days prior to the Termination Date.
- 14.6 **Intellectual Property:** In the event the intellectual Rights are held by third parties, the Lessee shall make all reasonable efforts to obtain the granting of a license under terms that will permit the reproduction, translation, use and lease of a sub-license by the Lessor for such purpose. The parties shall take all steps that may reasonable be necessary or desirable to fully effectuate the provisions of this Section.
- 14.7 **Cooperation Exchange of Information:** The Lessee shall use its best efforts and act in good faith to cooperate with the Lessor or any new Lessee to perform the Operations on or after the Termination Date. Such cooperation required of the Lessee shall include without limitation the provision of all relevant documentation and information held or used by the Lessee relating to the Lease Property and the Operations (including manuals, records, data, etc), but shall exclude any intellectual Property Rights.

ARTICLE XV

COMPENSATION

- 15.1 **Compensation Upon Force Majeure:** The Parties shall bear their respective costs and neither party shall be required to pay the other Party any costs arising out of an event of Force Majeure.
- 15.2 **Compensation On Termination Due To Lessee Event Of Default:** If the termination is due to a Lessee event of default, the compensation payable by the Lessee to the Lessor shall be the aggregate of Annual Lease fees and all costs, expenses, charges incurred or sustained as a result of such termination.
- 15.3 **Compensation on Termination due to a Lessor Event of Default:** If the termination is due to a Lessor event of default, the compensation payable by the Lessor to the Lessee shall be the aggregate of: (a) any and all cost, expenses, charges and penalties incurred or sustained as a result of such termination, including the cost of removal of the Movable Assets (if any) (b) Any and all construction and development cost incurred by the Lessee pursuant to the conduct of the Development Plan calculated on a pro rated basis.



- 15.4 Compensation on Expiry of the Lease Term: The Parties shall bear their respective costs upon the expiry of the Lease Term.
- 15.5 Delayed Payment to the Lessee: If for any reasons, other than those attributable to the Lessee, the Lessor fails to pay the payments that it is required to make in accordance with this Article on the Termination Date, the Lessor shall be liable to pay interest at the rate of NIBOR plus [five percent (5%)] compounded monthly for the period of the delay until payment thereof.
- 15.6 Delayed Payment to the Lessor: If for any reason, other than those attributable to the Lessor, the Lessee fails to pay the payments that it is required to make in accordance with this Article on the Termination Date, the Lessee shall be liable to pay interest at the rate of NIBOR plus [five percent (5%)] compounded monthly for the period of the delay until payment is made thereof.
- 15.7 Remedies Cumulative: The exercise of the right to terminate this Agreement by either Party shall not preclude such party from availing any other rights or remedies that may be available to it under law. All remedies available to the parties shall be cumulative and the exercise or failure thereof of one or more remedies by any party shall not limit or preclude the exercise of or constitute a waiver of any other remedies by such party.

ARTICLE XVI

INDEMNITIES; LIABILITIES

- 16.1 Lessee Indemnity: The Lessee shall indemnify, defend, and hold harmless the Lessor, from and against any and all liabilities, losses, expenses and claims for personal injury or property damage or any Lessee's acts or omissions in the performance of its obligations hereunder. Without limitation to the foregoing, the Lessee shall indemnify and keep indemnified the Lessor for any breach by the Lessee of any of the terms, representations and warranties contained herein.
- 16.2 Lessor Indemnity: The Lessor shall indemnify, defend and hold harmless the lessee, from and against any and all liabilities, losses, expense and claims for personal injury or property damage that arise from or out of the Lessor's negligent act or omissions in the performance of its obligations hereunder. Without limitation to the foregoing, the Lessor shall indemnify and keep indemnified the Lessee for a breach of any of the terms, representations and warranties contained herein.
- 16.3 Cumulative Remedies: All rights and remedies provided hereunder to the Lessor and/or the Lessee and all rights and remedies available to the Lessor and/or the Lessee under Applicable Law shall be cumulative and concurrent. The exercise by the Lessor or the Lessee of its rights or remedies under this



Agreement shall not operate as a waiver of its rights and remedies under Applicable Law.

ARTICLE XVII

GOVERNING LAW; DISPUTE RESOLUTION

- 17.1 Governing Law: This Agreement shall be governed by, construed and enforced in accordance with the laws of Nigeria, excluding any provisions of conflicts of law that would cause the laws of another jurisdiction to apply.
- 17.2 Disputes: Any dispute, controversy or claim arising out of or in relation to or in connection with this Agreement and the activities carried out hereunder, including without limitation any dispute as to the construction, validity, interpretation, enforceability or breach of this Agreement (each a "Dispute") shall be exclusively and finally settled pursuant to the dispute resolution process described in Sections 17.3 and 17.4.
- 17.3 Mutual Consultation: If either Party believes that a Dispute exists, it may deliver a notice to the other party requesting that the Dispute be referred to the senior management of the parties. Any such notice shall include the names of the senior management of the party nominated to attempt to resolve the Dispute, and a schedule of their availability during the twenty one (21) day period following the date of the notice. Within seven (7) days after receipt of a notice pursuant to the preceding sentence, the other party shall provide a notice to the party nominated to attempt to resolve the Dispute, and a schedule of their availability during the remainder of the twenty one (21) day period following delivery of the notice, the nominated members of the senior management of the parties shall meet as frequently as possible, and shall attempt in good faith to use best efforts to resolve the Dispute.
- 17.4 Binding Arbitration: If the parties cannot resolve the Dispute in accordance with the procedure specified in Section 17.3, then any party may submit such Dispute to arbitration by notice to the other party. Such arbitration shall be governed by the Rules of Arbitration of the International Chamber of Commerce, as in effect on the date of such notice. The arbitral tribunal shall consist of three (3) arbitrators. The party initiating the arbitration shall provide written notice to the other party of the arbitrator that it nominates. Within fourteen (14) Days of the receipt of such notice, the other party shall provide to the initiating party a written notice identifying the name of the second nominated arbitrator, with the understanding that if such nomination is not made within such ten (10) Days period, then the International Court of Arbitration of the International Chamber of Commerce (the "ICC Court") shall make such appointment. Within (10) Days of the date of the appointment of the second arbitrator, the two arbitrators shall be appoint the third arbitrator, with the understanding that if the two arbitrators are not able to agree on third arbitrator within such ten (10) Day period, then the third arbitrator shall be appointed by the ICC Court. All three of the arbitrators shall be



experienced in contracts of a similar nature to this Agreement, and all three individuals shall also be proficient in the written and spoken forms of the English Language. The arbitration proceedings shall be conducted and all related communications shall be in the English Language. The arbitration shall be final and binding upon the parties. The parties hereby waive, to the extent permitted by Applicable Law, any right to appeal or to review of such an award by any court or tribunal. Any award may be entered in any Court having jurisdiction for purposes of enforcement. The arbitral tribunal shall presumptively award legal fees and arbitral costs to the winning party, but the arbitral tribunal shall retain the right to make such other equitable allocation with regard to such fees and costs as it may determine. However, where all the parties are Nigerian, then the Arbitration Rules set out in the Arbitration and Conciliation Act shall apply. The arbitration shall be held in Abuja, Nigeria.

- 17.5 **Waiver of Sovereign Immunity:** The Lessor hereby irrevocable and unconditionally agrees that, to the extent that it, or any of its assets characterized as sovereign immunity or otherwise, from any legal proceedings, whether in Nigeria or elsewhere, to enforce any liability or obligation related to or arising from this Agreement, including, without limitation, immunity from service of process, immunity from jurisdiction or judgment of any Court or tribunal, immunity from execution of a judgment and immunity of any of its property from attachment prior to any entry of judgment, or from attachment, or from attachment in aid of execution upon a judgment, it hereby expressly and irrevocably waives any such immunity, to the extent permitted by Applicable Law and agrees not to assert any such right or claim in any such proceedings, whether in Nigeria or elsewhere.

ARTICLE XVIII

MISCELLANEOUS

- 18.1 **Amendments:** No change, amendment, or modification of this Agreement shall be valid or binding upon the parties hereto unless such change, amendment, or modification shall be in writing and duly executed by both parties hereto.
- 18.2 **Assignment:** This Agreement may be assigned to other parties only upon the prior written consent of the non-assigning party hereto, except the Lessor may assign this Agreement in whole or in part to any Governmental Authority, without the Lessee's consent, but with prior written notification to the Lessee. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the assignee; any assignment not in accordance with the provisions of this Section shall be void and without force or effect.



- 18.3 Sub-Contracting: The parties may engage any contractor or sub-contractor possessing the requisite skill, expertise and capability to perform some, but not all of its obligations under this Agreement **PROVIDED** that the party engaging the sub-contractor shall, at all times, be solely responsible for the action and omissions of that sub-contractor.
- 18.4 Survival: All rights accrued prior to the termination of this Agreement shall survive its termination.
- 18.5 Entire Agreement: The terms and provisions contained in this Agreement (including the Appendices) constitute the entire agreement between the parties with respect to the subject matter hereof.
- 18.6 Notices: Any notice, request, document, or other communication required or permitted under this Agreement may be given in any manner provided herein to the address or number provided below and shall be deemed effective as indicated: (a) if in writing and delivered in person or by courier, on the date it is delivered; (b) if sent by electronic or facsimile transmission, on the date that the sender receives written confirmation of such receipt by the recipient, **provided** that where a copy is sent in accordance with clause (a) or (b) above; or (c), if sent by certified or registered mail (airmail, if overseas) or the equivalent return receipt requested), on the date that mail is delivered unless the date of such delivery or receipt, as applicable, is not a business day in the place of such delivery or receipt, or such communication is delivered or received, as applicable, after the close of business on a business day in the place of such delivery or receipt, in which case such communication shall be deemed given and effective on the next business day in the place of such delivery or receipt following such day. Notices shall be given as follows:

(a) **For the Lessor:**

LAGOS INTERNATIONAL TRADE FAIR COMPLEX MANAGEMENT BOARD

Trade Fair Complex.

Badagry Expressway, Ojo

Lagos Nigeria

Attention: Managing Director/CEO

Telephone:

Facsimile:

(b) **For the Confirming Party:**

BUREAU OF PUBLIC ENTERPRISES

11, Osun Crescent

Abuja, Nigeria

Attention: Director General

Telephone: 234-94234670

Facsimile: 234-94134672



(c) **For the Lessee:**
Aulic Nigeria Limited
Suite 483, Main Auditorium Block,
Lagos International Trade Fair Complex,
Badagry Expressway, Ojo,
Lagos, Nigeria.
Attention: Managing Director/CEO
Telephone: 01-4826533, 0803040224
Facsimile: 01-3455491

- 18.7 Confidentiality: Each party agrees to hold in confidence for a period of five (5) years following the termination of this Agreement, any information supplied to such party (the "Receiving Party") by the other party (the "Disclosing Party") and related to the Lease Property, the Movable Assets, the Operations or this Agreement. The Receiving party shall be entitled to disclose such information to its officers, directors, employees and or agents who have a need to know in order to assist the Receiving Party in the performance of its obligations hereunder; provided that the Receiving Party shall be responsible for ensuring that all such persons keep such information within any one of the following categories or any combination thereof: (a) information that was in the public domain prior to the Receiving Party's receipt thereof from the Disclosing party or that subsequently becomes part of the public domain by publication or otherwise except by the Receiving party's wrongful act; (b) information that the Receiving party can show was lawfully in its possession prior to receipt thereof from the Disclosing party through no breach of any confidentiality obligation; or (c) information received by the Receiving party from a third party having no obligation of confidentiality contained herein if the Receiving party discloses such confidential information as required by Applicable Law.
- 18.8 No Waiver: Any failure of any party to enforce any of the provisions of this Agreement or to require compliance with any of its terms at any time during the term of this Agreement shall in no way affect the validity of this Agreement, or any part hereof, and shall not be deemed a waiver of the right of such party thereafter to enforce any and each such provision.
- 18.9 Severability: The invalidity of one or more phrases, sentences, clauses, sections or articles contained in this Agreement shall not affect the validity of the remaining portions of this Agreement so long as the material purposes of this Agreement can be determined and effectuated.
- 18.10 Further Assurances: The parties agree to provide such information, execute and deliver any such instruments and documents and to take such other actions as may be necessary or reasonably requested by the other party



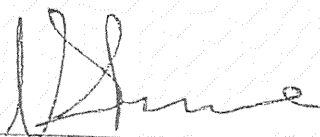
that are not inconsistent with the provisions of this Agreement and that do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

- 18.11 Compliance With Laws; Officials Not to Benefit: The Lessee shall comply with all laws applicable to its performance under his Agreement including those dealing with improper or illegal payment, gifts or gratuities. In any event, the Lessee represents and warrants that it has not paid, promised to pay or authorized the payment of, and agrees that it shall not pay, promise to pay or authorize the payment of, any money or anything of value, directly or indirectly to any person (whether a government official or private individual) for the purpose of or where there is a likelihood of illegally or improperly inducing any official or political party or official thereof in obtaining or retaining business, or to take any other action favourable to the Lease Property, the Movable Assets, the Operations, the Lessor, the Lessee, or third party thereto.
- 18.12 Transitional Period: Transitional period shall be the period between the Execution Date and the Effective date, not exceeding ninety (90) days from the Execution date. Both parties shall mutually agree on a Transitional plan to be implemented during the Transitional period.
- 18.13 Schedules All schedules are fully and expressly incorporated into this Agreement.



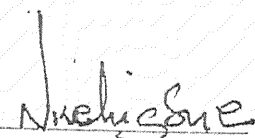
IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THEIR
RESPECTIVE COMMON SEALS TO BE AFFIXED HERETO THE DAY AND
YEAR FIRST ABOVE WRITTEN

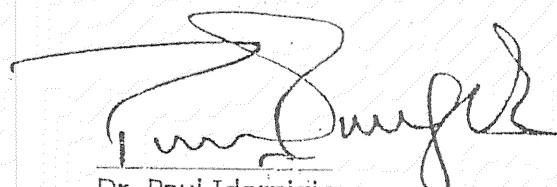
THE COMMON SEAL OF THE WITHIN NAMED LESSOR
LAGOS INTERNATIONAL TRADE FAIR
COMPLEX MANAGEMENT BOARD
is hereto affixed in the presence of


Executive Director

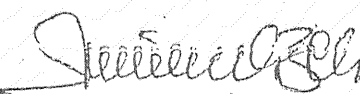

Company Secretary

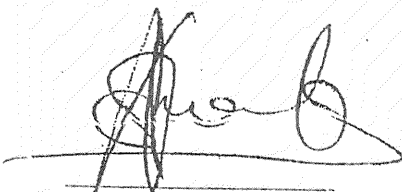
THE COMMON SEAL OF THE WITHIN NAMED CONFIRMING PARTY FOR
LESSOR THE BUREAU OF PUBLIC ENTERPRISES
is hereto affixed in the presence of


Mrs. Irene N. Chigbue
Director General


Dr. Paul Idornigie
General Counsel

THE COMMON SEAL OF THE WITHIN NAMED LESSEE
AULIC NGERIA LIMITED
is hereto affixed in the presence of


Dr. Nick C. Ezech
Chief Executive Officer


Ahmed Ismaila
Legal Adviser



Appendix A

All that piece or parcel of land, buildings and appurtenances thereon lying being situate at Lagos International Trade Fair Complex, at Kilometre 15, Lagos-Badagry Expressway, Oluti Village in Ojo Local Government Area of Lagos State; having an area of approximately 322 hectares, more particularly delineated in Survey Plan attached herewith.

PLAN SHEWING SITE FOR
PERMANENT GRADE AIR COMPLEX

WAGON CREEK, WYOMING

SECTION 10, T4S, R10E, S4E

SECTION 11, T4S, R10E, S4E

SECTION 12, T4S, R10E, S4E

SECTION 13, T4S, R10E, S4E

SECTION 14, T4S, R10E, S4E

SECTION 15, T4S, R10E, S4E

SECTION 16, T4S, R10E, S4E

SECTION 17, T4S, R10E, S4E

SECTION 18, T4S, R10E, S4E

SECTION 19, T4S, R10E, S4E

SECTION 20, T4S, R10E, S4E

SECTION 21, T4S, R10E, S4E

SECTION 22, T4S, R10E, S4E

SECTION 23, T4S, R10E, S4E

SECTION 24, T4S, R10E, S4E

SECTION 25, T4S, R10E, S4E

SECTION 26, T4S, R10E, S4E

SECTION 27, T4S, R10E, S4E

SECTION 28, T4S, R10E, S4E

SECTION 29, T4S, R10E, S4E

SECTION 30, T4S, R10E, S4E

SECTION 31, T4S, R10E, S4E

SECTION 32, T4S, R10E, S4E

SECTION 33, T4S, R10E, S4E

SECTION 34, T4S, R10E, S4E

SECTION 35, T4S, R10E, S4E

SECTION 36, T4S, R10E, S4E

SECTION 37, T4S, R10E, S4E

SECTION 38, T4S, R10E, S4E

SECTION 39, T4S, R10E, S4E

SECTION 40, T4S, R10E, S4E

SECTION 41, T4S, R10E, S4E

SECTION 42, T4S, R10E, S4E

SECTION 43, T4S, R10E, S4E

SECTION 44, T4S, R10E, S4E

SECTION 45, T4S, R10E, S4E

SECTION 46, T4S, R10E, S4E

SECTION 47, T4S, R10E, S4E

SECTION 48, T4S, R10E, S4E

SECTION 49, T4S, R10E, S4E

SECTION 50, T4S, R10E, S4E

SECTION 51, T4S, R10E, S4E

SECTION 52, T4S, R10E, S4E

SECTION 53, T4S, R10E, S4E

SECTION 54, T4S, R10E, S4E

SECTION 55, T4S, R10E, S4E

SECTION 56, T4S, R10E, S4E

SECTION 57, T4S, R10E, S4E

SECTION 58, T4S, R10E, S4E

SECTION 59, T4S, R10E, S4E

SECTION 60, T4S, R10E, S4E

SECTION 61, T4S, R10E, S4E

SECTION 62, T4S, R10E, S4E

SECTION 63, T4S, R10E, S4E

SECTION 64, T4S, R10E, S4E

SECTION 65, T4S, R10E, S4E

SECTION 66, T4S, R10E, S4E

SECTION 67, T4S, R10E, S4E

SECTION 68, T4S, R10E, S4E

SECTION 69, T4S, R10E, S4E

SECTION 70, T4S, R10E, S4E

SECTION 71, T4S, R10E, S4E

SECTION 72, T4S, R10E, S4E

SECTION 73, T4S, R10E, S4E

SECTION 74, T4S, R10E, S4E

SECTION 75, T4S, R10E, S4E

SECTION 76, T4S, R10E, S4E

SECTION 77, T4S, R10E, S4E

SECTION 78, T4S, R10E, S4E

SECTION 79, T4S, R10E, S4E

SECTION 80, T4S, R10E, S4E

PLAN NO. 1387

TRACING NO. 54912

CONVEYING NO. 5952

ITEM NO. 1387

GENERAL OF THE FEDERAL

LAND OFFICE

WASHINGTON, D.C.

1900

1901

1902

1903

1904

1905

1906

1907

1908

1909

1910

1911

1912

1913

1914

1915

1916

1917

1918

1919

1920

1921

1922

1923

1924

1925

1926

1927

1928

1929

1930

1931

1932

1933

1934

1935

1936

1937

1938

1939

1940

1941

1942

1943

1944

1945

1946

1947

1948

1949

1950

1951

1952

1953

1954

1955

1956

1957

1958

1959

1960

1961

1962

1963

1964

1965

1966

1967

CERTIFIED TRUE COPY OF ORIGINAL

PLATINUM COPY OF ORIGINAL

GENERAL OF THE FEDERAL

LAND OFFICE

WASHINGTON, D.C.

1900

1901

1902

1903

1904

1905

1906

1907

1908

1909

1910

1911

1912

1913

1914

1915

1916

1917

1918

1919

1920

1921

1922

1923

1924

1925

1926

1927

1928

1929

1930

1931

1932

1933

1934

1935

1936

1937

1938

1939

1940

1941

1942

1943

1944

1945

1946

1947

1948

1949

1950

1951

1952

1953

1954

1955

1956

1957

1958

1959

1960

1961

1962

1963

1964

1965

PLAN SHEWING SITE FOR

PERMANENT GRADE AIR COMPLEX

WAGON CREEK, WYOMING

SECTION 10, T4S, R10E, S4E

SECTION 11, T4S, R10E, S4E

SECTION 12, T4S, R10E, S4E

SECTION 13, T4S, R10E, S4E

SECTION 14, T4S, R10E, S4E

SECTION 15, T4S, R10E, S4E

SECTION 16, T4S, R10E, S4E

SECTION 17, T4S, R10E, S4E

SECTION 18, T4S, R10E, S4E

SECTION 19, T4S, R10E, S4E

SECTION 20, T4S, R10E, S4E

SECTION 21, T4S, R10E, S4E

SECTION 22, T4S, R10E, S4E

SECTION 23, T4S, R10E, S4E

SECTION 24, T4S, R10E, S4E

SECTION 25, T4S, R10E, S4E

SECTION 26, T4S, R10E, S4E

SECTION 27, T4S, R10E, S4E

SECTION 28, T4S, R10E, S4E

SECTION 29, T4S, R10E, S4E

SECTION 30, T4S, R10E, S4E

SECTION 31, T4S, R10E, S4E

SECTION 32, T4S, R10E, S4E

SECTION 33, T4S, R10E, S4E

SECTION 34, T4S, R10E, S4E

SECTION 35, T4S, R10E, S4E

SECTION 36, T4S, R10E, S4E

SECTION 37, T4S, R10E, S4E

SECTION 38, T4S, R10E, S4E

SECTION 39, T4S, R10E, S4E

SECTION 40, T4S, R10E, S4E

SECTION 41, T4S, R10E, S4E

SECTION 42, T4S, R10E, S4E

SECTION 43, T4S, R10E, S4E

SECTION 44, T4S, R10E, S4E

SECTION 45, T4S, R10E, S4E

SECTION 46, T4S, R10E, S4E

SECTION 47, T4S, R10E, S4E

SECTION 48, T4S, R10E, S4E

SECTION 49, T4S, R10E, S4E

SECTION 50, T4S, R10E, S4E

SECTION 51, T4S, R10E, S4E

SECTION 52, T4S, R10E, S4E

SECTION 53, T4S, R10E, S4E

SECTION 54, T4S, R10E, S4E

SECTION 55, T4S, R10E, S4E

SECTION 56, T4S, R10E, S4E

SECTION 57, T4S, R10E, S4E

SECTION 58, T4S, R10E, S4E

SECTION 59, T4S, R10E, S4E

SECTION 60, T4S, R10E, S4E

SECTION 61, T4S, R10E, S4E

SECTION 62, T4S, R10E, S4E

SECTION 63, T4S, R10E, S4E

SECTION 64, T4S, R10E, S4E

SECTION 65, T4S, R10E, S4E

SECTION 66, T4S, R10E, S4E

SECTION 67, T4S, R10E, S4E

SECTION 68, T4S, R10E, S4E

SECTION 69, T4S, R10E, S4E

SECTION 70, T4S, R10E, S4E

SECTION 71, T4S, R10E, S4E

SECTION 72, T4S, R10E, S4E

SECTION 73, T4S, R10E, S

APPENDIX B

Fixed Assets

S/N	DESCRIPTION
1	Main Administrative Block
2	Auditorium/Enago Hall Block
3	NITEL/NIPOST/Business Centre Block
4	VIP Block
5	Main Stadium (Festival Square)
6	Exhibition Hall 1
7	Satellite Halls 5-12 (attached to Hall 1)
8	General Store (attached to Hall 8)
9	Exhibition Hall 2
10	Exhibition Hall 3
11	Exhibition Hall 4
12	Water Works Building
13	Water Distribution Tower
14	Pre-Fabricated Portakabin Structure
13	Pre-Fabricated Structure
14	Lagos Chambers of Commerce Office – Pre-fabricated Structure
15	VIP Hut (Plywood Structure)
16	Police/Media (Plywood Structure)
17	2(nos) Outdoor Refreshment Kiosk
18	Three (3) Ware Houses



19	Property 4 -2(nos) Security Post
20	Lake Restaurant
21	School Premises
22	Trade Fair Complex Motel
23	Police Post
24	9(nos) Out Door Transformer Huts (Sub-station)
25	5(nos) Sewage Treatment Huts
26	5(nos) Borehole Huts
27	2(nos) Type 2
28	4(nos) Gates/Security Houses
29	Fountain and Trade Fair Symbol (Lagos)
30	Main Petrol Services Station Building (Unipetrol)
31	Service Bay
32	Generator House
33	Store House
34	Toilet Block
35	Training School
36	Lawn Tennis Courts



APPENDIX C

MOVABLE ASSETS **SCHEDULE A – LIST OF PLANT AND MACHINERY**

The under listed items of plant and machinery have been inspected in-situ and priced based on the conditions they were found.

S/No.	Item	Qty	Location	Condition	Purchase Price N
1.	250 Man Diesel electric generating sets	2	Admin Bldg	Good	1,750,000.00
2.	25 KVA leister electric generating set	1	Power Station	Serviceable	51,000.00
3.	250 KVA Man Diesel electric generating set	1	VIP Block	Bad	55,000.00
4.	510 KVA Cummins electric generating set	1	Trade Fair Motel	Functional	1,200,000.00
5.	175 KVA Man Diesel electric generating set	1	Hall 11	Serviceable	60,000.00
6.	250 KVA Perkins electric generating set	1	Hall 4	Vandalized	35,000.00
7.	175 KVA Man Diesel electric generating set	1	Hall 6	Bad	45,000.00
8.	175 KVA Man Diesel electric generating set	1	Hall 2	Good	350,000.00
9.	250 KVA Man Diesel electric generating set	1	Hall 1	Bad	75,000.00
10.	30 HP submersible pumps and borehole accessories	6	Water Pumping Stations	3 Out of use 3 functional	1,500,000.00

5,121,000.00

SCHEDULE C – OFFICE FURNITURE, FITTINGS & EQUIPMENT

The items of office furniture, fittings and equipment are scattered all over the various rooms and offices consisting of assorted types of executive tables with extensions and chairs, swivel chairs, bookshelves, rug carpets, clerical chairs and desks with drawers, cupboards, upholstery chairs, plastic chairs, refrigerators, garden lawn mowers, standing fans, window unit air-conditioners, in offices, split unit air-conditioners in the auditorium, fixed guest seats in the auditorium, velvet curtains and window blinds, wall fans stainless steel wash-hand basins, standing mirrors, metal table and racks in the workshop, electric kettles, centre tables, filling cabinets, filling trays, telephone handsets, fax machine (Panasonic), steel safe manual typewriters (Olympia), Power stabilizers, wall clocks, vacuum cleaner (National), IBM electric typewriter, conference table with chairs, television sets with TV Stands, fire extinguishers, side stools, washing machine (Voss), spinner (Voss) and dryer, deep freezer, ovens, cookers (Voss), mixers and grills.

Most of these items are no longer functional and have been out of use for more than six years ago and will be disposed of as scraps. In view of this fact, the items have been priced at **N4, 200,000.00 (Four million two hundred thousand Naira)**

Therefore, the total purchase price for the movable asset at LITFC is **N12, 731,000.00 (Twelve million seven hundred and thirty one Naira)**

SCHEDULE B – LIST OF EXISTING VEHICLES

S/No.	Item	Qty	Location	Condition	Purchase Price N
1.	Peugeot 504 GR Saloon Car (Reg. No. FG 158 A04; Acquired in 1992)	1	Cash office	Serviceable	60,000.00
2.	Civilian Bus (Reg. No. FG 075 A04; Acquired in 1994)	1	Staff Bus	Serviceable	75,000.00
3.	Bedford RU Truck (Reg. No. FG 145 A04; Acquired in 1985)	1	Maintenance Dept.	Serviceable	30,000.00
4.	Peugeot 504 Station Wagon (Reg. No. FG 189 A04; Acquired in 1992)	1	Security Dept	Bad and out-of-use	45,000.00
5.	Motorized lawn mowers	2	Maintenance Dept.	Good	3,200,000.00
6.	Set of office machines at the business center and the internet equipment.		Business center	Some good, some bad	400,000
7.	One unit Toyota avenus	1	ED,s Office	Old	65,000
8.	One unit of pegeot 406	1	ED,s Office	Old	54,520

3,929,520.00

APPENDIX D

30 YEARS DEVELOPMENT PLAN

The proposed development plan for this project is tabulated below. The table shows a schedule of investments needed to implement the operating/Business plan for this proposal. The development plan is staggered over the first ten years of the concession period. The remaining period of the concession will be devoted to the management, monitoring and maintenance of the structures to ensure sustainability. As could be seen from the table, most of the planned developments would run beyond one year and last for two, three or more years. The expected investments over such elongated periods have been lumped together.

Concession Year	Type of Development and Investment	Total Cost (NGN)
1 - 2	Restructuring and rehabilitation of existing facilities such as erection of perimeter fence and reconstruction of security gate house, repair/resurfacing of existing road network, drainage, sewage and water supply systems, and erection of street lightings, renovation of existing administrative block and other essential building/facilities such as fire service, police station.	1,600,000,000
3 - 5	Redesigning of the entire Lagos International Trade Fair Complex especially the Satellite halls and unoccupied open space to provide for exhibition halls, office complexes, multipurpose conference centers of international standard, shopping complexes, multipurpose conference centers of international standard, shopping complexes and appropriate parking spaces.	2,100,000,000
6	Development of the mini-stadium into an indoor and outdoor sporting arena and a cultural center, Bonded warehouse and Container Terminal.	2,800,000,000
7- 10	Redevelopment of the existing lawn tennis courts and adjoining open land area into residential complexes (20 Nos. blocks of 30 Nos. 2/3 bedroom) Luxury Flats	2,900,000,000
	Redevelopment of the existing cattle market and adjoining open spaces into a five-star hotel with adequate parking spaces, perimeter fence and installation of security monitoring devices.	2,500,000,000
	Commissioning and start – up of the proposed 5-star hotel,	50,000,000

11 – 13	Development of a permanent exhibition hall Dome and show room for use by multinational companies on information technology, electrical/electronic, automotive and cosmetics manufacturers as well as fashion designers. The dome will create tourist attraction on the approach to the Trade Fair Complex.	2,500,000,000
	Redesigning of Road network and provision of modern transport system in and out of the complex.	700,000,000
	Establishment of Approved ECOWAS free Trade Zone within the complex	1,200,000,000
14 – 16	Development of educational institutions to accommodate nursery, primary, secondary and vocational schools.	400,000,000
	Development and equipping of a standard 80-bed hospital to cater for residents and other users of the Trade Fair Complex. ECOWAS free Trade Zone.	1,150,000,000
Total Investment throughout period of concession		NGN 17,900,000,000

CAPITAL EXPENDITURE PROJECTIONS

S/N	Expenditure Item	Year 1 N'000	Year 2 N'000	Year 3 N'000	Year 4 N'000	Year 5 N'000	Year 6 N'000	Year 7 N'000	Year 8 N'000	Year 9 N'000	Year 10 N'000
	<u>Capital Expenses</u>										
1	Rehabilitation of existing facilities, repair /resurfacing of existing road network, and renovation of existing administrative block, etc.	800,000	800,000	-	-	-	-	-	-	-	-
2	Redesigning of the Trade Fair Complex, satellite halls and open spaces for construction of exhibition halls, multipurpose conference centre and office shopping complexes.	-	-	700,000	700,000	700,000	-	-	-	-	-
3.	Construction of in-door/outdoor sporting arena and a cultural centre, bonded warehouse and container terminal	-	-	-	-	-	1,400,000	1,400,000	-	-	-
4.	Construction of residential complexes and a 5 star hotel	-	-	-	-	-	-	1,350,000	1,350,000	1,350,000	1,350,000
	Total (capital Expenses)	800,000	800,000	700,000	700,000	700,000	1,400,000	2,750,000	1,350,000	1,350,000	1,350,000

APPENDIX E

OPERATIONS

INVESTMENT PLAN AND TARGET

1	New Investments	Amount (N'000)	Source	Timeline
	New Equity	800,000	Personal Resources of the Chief Executive	Injection of new equity into the project starts from the 1 st year of Concession
	New Machinery & Equipment	(i) 7,085 (ii) 7,681	Internally Generated Funds	(i) 4 th Year of Concession (ii) 8 th Year of Concession
	Other Remunerations (Vehicles)	(i) 4,020 (ii) 4,374	Internally Generated Fund	(i) 4 th Year of Concession (ii) 8 th Year of Concession

2		Period	Percentage Rate of Improvement	Remarks
	New Equity	As need arises beginning from Year I especially on environmental issues	242%	Satisfactory
	New Machinery & Equipment	4 th and 8 th years of Concession respectively	170% and 94% respectively	Satisfactory
	Other Remunerations (Vehicles)	4 th and 8 th years of Concession respectively	209% and 175% respectively	Satisfactory

The two tables above give details of the New Investment Plan and Target which relate to (i) Injection of new equity into the project (ii) Purchase of new items of machinery and equipment, and (iii) Other Remunerations which specifically apply to vehicles in this case.

As could be seen from the tables, injection of new equity which is estimated at N800,000,000.00 will start immediately the documentation, signing of agreement and handing over of the Trade Fair Complex to Aulic Nigeria Limited are completed. The new equity will be utilized in dealing with environmental and other pressing matters where bank loans will be inappropriate to be utilized because environmental issues are essentially non revenue – generating in nature except for solid waste management where token fees could be charged.

The Trade Fair Complex does not require elaborate items of machinery and equipment since it is not a production facility. It is proposed that Aulic Nigeria Limited will refurbish the serviceable items of electric generating sets which it will recover as items of moveable assets. These refurbished electric generating sets will be in service till the 4th year when new additions will be made and later by the 8th year when further additions will be made and the old non-serviceable ones scrapped.

Aulic Nigeria Limited will also refurbish some of the vehicles which it will recover and make further additions in the 4th and 8th years respectively.

ENVIRONMENTAL TARGETS

The Lagos International Trade Fair Complex is akin to a vast housing estate with large shopping complexes and vast areas of undeveloped land with thickets of bushes here and there. Redevelopment of the complex will not cause any noticeable adverse effects to the environment and therefore would not require very elaborate environmental management techniques and/or technology.

The easily identifiable environmental problems which are prevalent within the Trade Fair Complex are:

- Flooding
- Solid Wastes Management
- Dilapidated road network
- Traffic Issues/Atmospheric Pollution
- Prevalence of unused Areas,

Aulic Nigeria Limited will tackle each of these problems as follows:

Flooding

The Lagos International Trade Fair Complex occupies about 322 hectares of low-lying sandy soil without any natural floodline for draining of flood water after any heavy rainfall. In addition to the nature of the topography of the complex, some buildings (notably the Trade Fair Police Station) was built across an existing floodline which was created following the sand filling of the complex some years ago. To make matters worse, virtually all the drainages built within the Complex have all been damaged or blocked thereby throwing off floodwater unto the roads rather than collecting and draining them off into the lake.

Immediate solution to the problem of flooding will therefore include the following:

- Opening up of blocked drainages
- Reconstruction of damaged drainages and construction of additional new ones
- Relocation of existing Trade Fair Police Station and opening up of the floodline to allow for free outflow of floodwater from the Complex

Solid Wastes Management

The wastes generated within the complex are mainly solid in nature consisting of organic wastes such as bio-degradable materials like vegetables, fruits (rotten Pine-apples and Pine-apple peels, Oranges and Orange peels, rotten Tomatoes, Okro, Onions and other farm produce) and inorganic wastes such as torn cartons and packaging materials, pieces of broken bottles and flat metal sheets, old and damaged motor and motor cycle tyres and spare parts, discarded items of broken furniture, polyethylene and cellophane bags, etc).

Aulic Nigeria Limited shall adopt three basic methods to handle these wastes. They are:

(i) Waste Recycling

A mini waste recycling plant shall be built to handle such wastes as polyethylene and cellophane bags and other plastic materials which are not bio-degradable. The waste plastic materials and cellophane bags shall be sorted out and taken to the recycling plant for pelletisation after which the PVC pellets shall be bagged and sold to plastic industries where they will be utilized as raw materials.

W
The dump shall be created for dumping broken bottles and pieces of metal and discarded motor parts until the dump grows large enough for the items to be carted away to other plants in town where they will be utilized as raw material inputs. The broken bottles and glasses shall be sent to the glass making plant at Agbarra while the pieces of metal and motor parts shall be sent to a nearby iron smelting plant. Arrangement for implementing these programmes shall be firmed up in due course.

(ii) Composting

An isolated part of the Trade Fair Complex shall be identified where a composting facility shall be developed for handling the bio-degradable wastes from the market.

(iii) Incineration

A modern incineration facility shall be built for burning of the inorganic materials such as torn cartons and packaging materials, discarded items of office stationery and pieces of paper, etc. Waste collectors shall be engaged who will go round offices and the market to collect these paper wastes for incineration.

Dilapidated Road Network

Virtually all the roads within the Complex would require one form of rehabilitation or the other. The roads are full of potholes and are fast becoming impassable and unmotorable. Aulic Nigeria Limited shall resurface and rehabilitate these roads, construct culverts and gutters at appropriate points to drain off flood water avoid flooding and damaging of the roads.

Traffic Issues/Atmospheric Pollution

As a result of bad roads within the Complex traffic jams have developed and have resulted into nuisance. This will be solved as soon as the roads are rehabilitated and redesignated to ensure smooth traffic flow and less of atmospheric pollution resulting from exhaust fumes from cars trapped in the traffic jams.

Prevalence of Unused Areas

The LITFC in its present state has a lot of undeveloped plots of land which miscreants have turned into hiding places from where they move out to carry out their nefarious activities. These unused plots have also been converted into solid waste dumping sites and places where people go to defecate.

As part of the Development Plan proposed by Aulic Nigeria Limited, these unused plots shall be mapped out for various development projects which will ensure proper utilization of the plots during the Concession period and thereafter. Some of the proposed projects include a housing estate, 5-star hotel, warehouses for industrial purposes and warehousing of goods, creation of a container terminal and bounded warehousing facility and leisure parks for relaxation, amongst others. Aulic Nigeria Limited believes that these developments will put these plots into useful uses and so avoid the environmental nuisance which they had hitherto constituted.

The estimated cost and timeline for embarking on tackling these environmental issues are given below.

77

N

APPENDIX F

LEASE FEES

The Lease shall pay the following fees to the Lessor in consideration of this Agreement and the right to perform the Operations:

- (a) an initial payment of N200,000,000.00 (Two hundred million Naira) to be paid within fifteen (15) days after the Execution Date (the "Commencement Fee");
- (b) an annual payment of a sum as specified in the schedule below to be paid on or before the Effective Date, and on or before the same date every twelve (12) months thereafter (the "Lease Fee")

ANNUAL (FIXED) LEASE FEES

Year	Movable Assets Purchase Price in NGN	Commencement fee	Annual (Fixed) Lease Payments in NGN	Total Payment in NGN\$	Discount Factor	Net Present Value of Total Payment in NGN (@8%)
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7
1	12,731,000	200,000,000	100,000,000	312,731,000	1.0000	312,731,000
2			100,000,000	100,000,000	0.9259	92,590,000
3			200,000,000	200,000,000	0.8573	171,460,000
4			200,000,000	200,000,000	0.7938	158,760,000
5			200,000,000	200,000,000	0.7350	147,000,000
6			200,000,000	200,000,000	0.6806	136,120,000
7			787,269,000	787,269,000	0.6302	496,136,923.80
8			1,000,000,000	1,000,000,000	0.5835	583,500,000
9			1,000,000,000	1,000,000,000	0.5403	540,003,000
10			1,000,000,000	1,000,000,000	0.5002	500,200,000
11			1,000,000,000	1,000,000,000	0.4632	463,200,000
12			1,000,000,000	1,000,000,000	0.4289	428,900,000
13			1,000,000,000	1,000,000,000	0.3971	397,100,000
14			1,000,000,000	1,000,000,000	0.3677	367,700,000
15			1,000,000,000	1,000,000,000	0.3405	340,500,000
16			2,000,000,000	2,000,000,000	0.3152	630,400,000
17			2,000,000,000	2,000,000,000	0.2919	583,800,000
18			2,000,000,000	2,000,000,000	0.2703	540,600,000
19			2,000,000,000	2,000,000,000	0.2502	500,400,000
20			2,000,000,000	2,000,000,000	0.2317	463,400,000
21			2,000,000,000	2,000,000,000	0.2145	429,000,000
22			2,000,000,000	2,000,000,000	0.1987	397,400,000
23			2,000,000,000	2,000,000,000	0.1839	367,800,000
24			2,000,000,000	2,000,000,000	0.1703	340,000,000
25			2,000,000,000	2,000,000,000	0.1577	315,400,000
26			2,000,000,000	2,000,000,000	0.1460	292,000,000
27			2,000,000,000	2,000,000,000	0.1352	270,400,000
28			2,000,000,000	2,000,000,000	0.1252	250,000,000
29			2,000,000,000	2,000,000,000	0.1159	231,800,000
30			2,000,000,000	2,000,000,000	0.1073	214,600,000
TOTAL NGN			40,000,000,000. (Forty Billion Naira)			10,964,297,923.80

LABOUR RELATIONS PLAN

Statutorily, going by the terms and conditions of the Concession of the Lagos International Trade Fair Complex (LITFC), Aulic Nigeria Limited will not inherit any of the existing staff of the Trade Fair Management. They are to be returned to the Ministry of Commerce, Abuja. However, Aulic Nigeria Limited has a social responsibility to cater for the existing staff of LITFC who may not be disposed to relocating to Abuja. In this regard, the Company shall engage the services of those of them who are willing, capable and are found fit to work with Aulic Nigeria Limited. The company will also extend this gesture to staff of LITFC who are technically skilled and have not reached the retirement age but were disengaged during the recent staff rationalization exercise by the Federal Government. These old staff and the new ones shall all be subject to Aulic Nigeria Limited new Conditions of Service.

The recruitment of old hands from LITFC will provide some benefits to the Company. The envisaged benefits include:

- (i) Smooth transition and take-over from the Management of LITFC.
- (ii) Providing the necessary guide to Aulic Nigeria Limited. They will assist in identifying and locating existing water supply/distribution lines, electric/telephone cables, sewage systems and others which are laid underground within the Trade Fair Complex.
- (iii) Assisting Aulic Nigeria Limited to carry out the requisite repair, maintenance and upgrading, where necessary, of existing facilities.
- (iv) Assisting in running the on-the-job training and skills transfer to new staff.

Aulic Nigeria Limited shall engage the services of a competent firm of Management Consultants to assist in firming up requisite policies in human resources and manpower development issues especially in the areas of personnel and administration matters as well as industrial relation issues. The firm of Management Consultants will help to formulate feasible policies in such key areas as:

- Employment
- Wage and salary administration
- Promotion, Transfers, Discipline and Discharge
- Benefits, Health and Welfare Policies
- Safety and Workmens' Compensation
- Staff Training and Retraining Policies
- Labour Relations
- Preparation of Draft Conditions of Service

The Management Consultants are expected to further carry out appropriate job analysis and job evaluation based on the Terms of Reference to be given by the Board/Top Management of Aulic Nigeria Limited and prepare specifications and guidelines for recruitment and firing of staff and dealing with other personnel and administration matters including determining the pay structure with appropriate pay grades.

