

LEASE AGREEMENT

MEMORANDUM OF AGREEMENT entered into by and between:

PROVINCE TRADERS cc
CK90/026267/23
(Hereinafter referred to as the Lessor)

and

CAPE AGULHAS MUNICIPALITY herein represented by
REYNOLD STEVENS in his capacity as **Municipal Manager**
(Hereinafter referred to as the Lessee)

WHEREAS the Lessor is the Owner of a Building commonly known as the **ROTHMAN BUILDING** situated at **12 SELBY STREET, BREDASDORP,**

AND WHEREAS the Parties have agreed that the Lessee will hire Shops 3 in the Rothman Building, 12 Independent Street, Bredasdorp, from the Lessor upon certain terms and conditions, to run offices known as

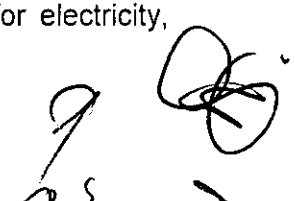
NOW THEREFORE THE PARTIES HERETO AGREE AS FOLLOWS:

- 1. The Lessor hereby lets and the Lessee hires the said shop from 1 February 2011 for a period of 3 (three) years ending 31 January 2014, after the expiration of which period a new lease may be negotiated by both parties. If it is the intention of either party not to negotiate a new lease then 3 (three) months prior to the expiry date, written notice must be given by that party.
- 2. The rental shall be R5 000,00 (Five Thousand Rands) per month for the first year and shall thereafter escalate at a rate of 10% (ten percent) per annum for the remaining period of this lease.
- 3. The Lessee shall pay a deposit of 2 (two) months rent (R10 000,00 [Ten Thousand Rands]) on signing of this Lease, which will be held by the Lessor against breakages, damages, and/or default of rental.

Handwritten initials and signatures, including "RS" and a signature.

4. All payments of rental will be made in advance on or before the 7th (seventh) day of each and every month and paid directly into the banking account of Province Traders cc, Standard Bank, Bredasdorp, account number 083362096, code 050012.
5. On termination of this Lease the Lessee shall be required to pay the last month's rental in the normal manner, as stipulated in Paragraph 2. Under no circumstances will the deposit being held by the Lessor be deemed to be in lieu of the last month's rental. Only once an agreement between both parties has been reached with regard to a settlement of possible breakages and/or damages, will the deposit, or balance thereof, be released to the Lessee.
6. Should the Lessee fail to pay any amount due by him in terms of this Lease on due date and remain in default for not less than 7 (seven) days after being notified in writing to do so by the Lessor, or commit any other breach of any condition of this Lease and fail to remedy such breach within a period of 10 (ten) days then, and in such an event the Lessor shall be entitled to cancel this Lease without prejudice to any other claim of any nature whatsoever that the Lessor may have against the Lessee as a result thereof.
7. The parties choose as their *domicilia citandi et executandi* the addresses mentioned below, provided that such *domicilium* of either party may be changed by written notice from such party to the other party with effect from the date of receipt or deemed by the latter of such notice.
 - a. The Lessor: 12 Selby Street, Bredasdorp, 7280.
 - b. The Lessee: 1 Dirkie Uys Street, Bredasdorp, 7280.

Any notice, acceptance, demand of communication properly addressed by either party to the other party at the latter's *domicilium* in terms hereof for the time being and sent by prepaid post shall be deemed to be received by the latter on the fifth business day following the date of posting thereof. This provision shall not be constituted as precluding the utilization of other means and methods (including facsimile and email) for the transmission of delivery of notices, acceptances, demands and other communications, but no presumption of delivery shall arise if any such other means or method is used.

8. The Lessor shall be responsible for rates and taxes due to the Municipality or other Authority in respect of the premises, but the Lessee shall be responsible for electricity, water, sanitation and refuse allocated to Shop 3.
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9. Any **extraordinary** or **excessive increase** in the Rates and Taxes, or any extra levy/levies which the Municipality, Local Authority, Provincial Government, or National Government sees fit to impose on said land or building of which Shop 3 forms a portion, **may** be added to the rental on a pro rata basis to be split 50% (fifty percent) between **all** the tenants and 50% (fifty percent) by the Lessor.
10. The Lessee shall not change the nature of the business as specified, without the written consent being had and obtained from the Lessor.
11. The Lessee shall not be entitled to sublet the premises or assign this Lease to any third party without the written consent of the Lessor being had and obtained, which consent shall not be unreasonably withheld.
12. The Lessee leases the property from the Lessor at own risk. The Lessee will not hold the Lessor accountable for any damages the Lessee may suffer due to shortcomings on the property, or any loss or damage to any goods on the property, for whatsoever reason.
13. The Lessee shall not be entitled to make any alterations or additions of any nature to the shops or building without the Lessor's written consent being had and obtained, and which must comply with Municipal by-laws.
14. The Lessor shall be responsible to keep the outside of the Building in a good state of repair, and shall also be responsible for repairs and maintenance on the inside of Shop 3 if damage(s) are caused due to lack of maintenance on the part of Lessor, or any exterior fault on the building. The Lessee shall be responsible to keep the inside of Shop 3 neat and tidy and in a good state of repair, fair wear and tear excepted. The Lessee shall under no circumstances paint the exterior of the building.
15. The Lessee shall keep and maintain all the plate glass in a good order and shall replace any damaged or broken glass due to negligence on the part of the Lessee.
16. No outside sign boards shall be erected on the building by the Lessee without the written consent of the Lessor. Such sign boards must also comply with Municipal by-laws.
17. The Lessee shall be entitled to use of the communal smoking area situated off the kitchen area of Shop 3 and which area is shared between Shops 1, 2 and 3.

[Handwritten signature]
12/10/10

BETTERMENT CLAUSE

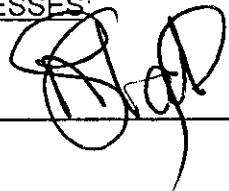
18. All alterations and improvements to Shop 3 shall be to the cost of the Lessee, but on termination of the lease, shall remain for the benefit, or the property of the Lessor.

JURISDICTION

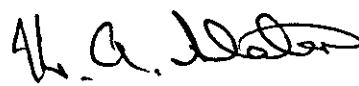
19. The parties agree to the jurisdiction of the Bredasdorp Magistrates Court in connection with any action or suit arising from this Agreement or the cancellation thereof.

SIGNED AT BREDASDORP ON THIS 13th DAY OF April 2011.

AS WITNESSES:

- 1. 

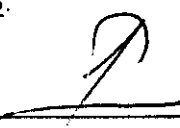
- 2. _____

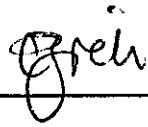


K. A. SLATER:
PROVINCE TRADERS cc (LESSOR)

SIGNED AT BREDASDORP ON THIS 14 DAY OF April 2011.

AS WITNESSES:

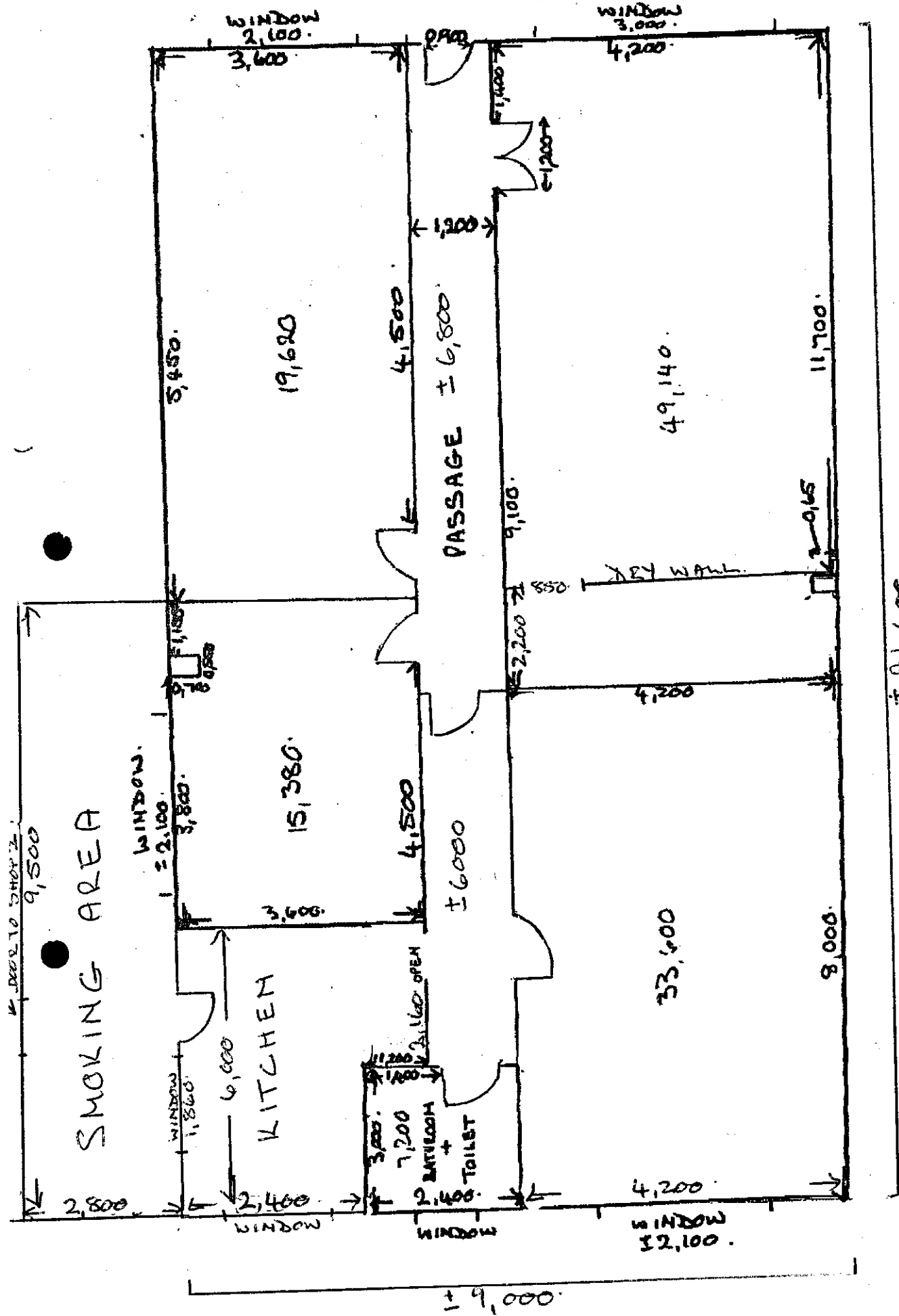
- 1. 

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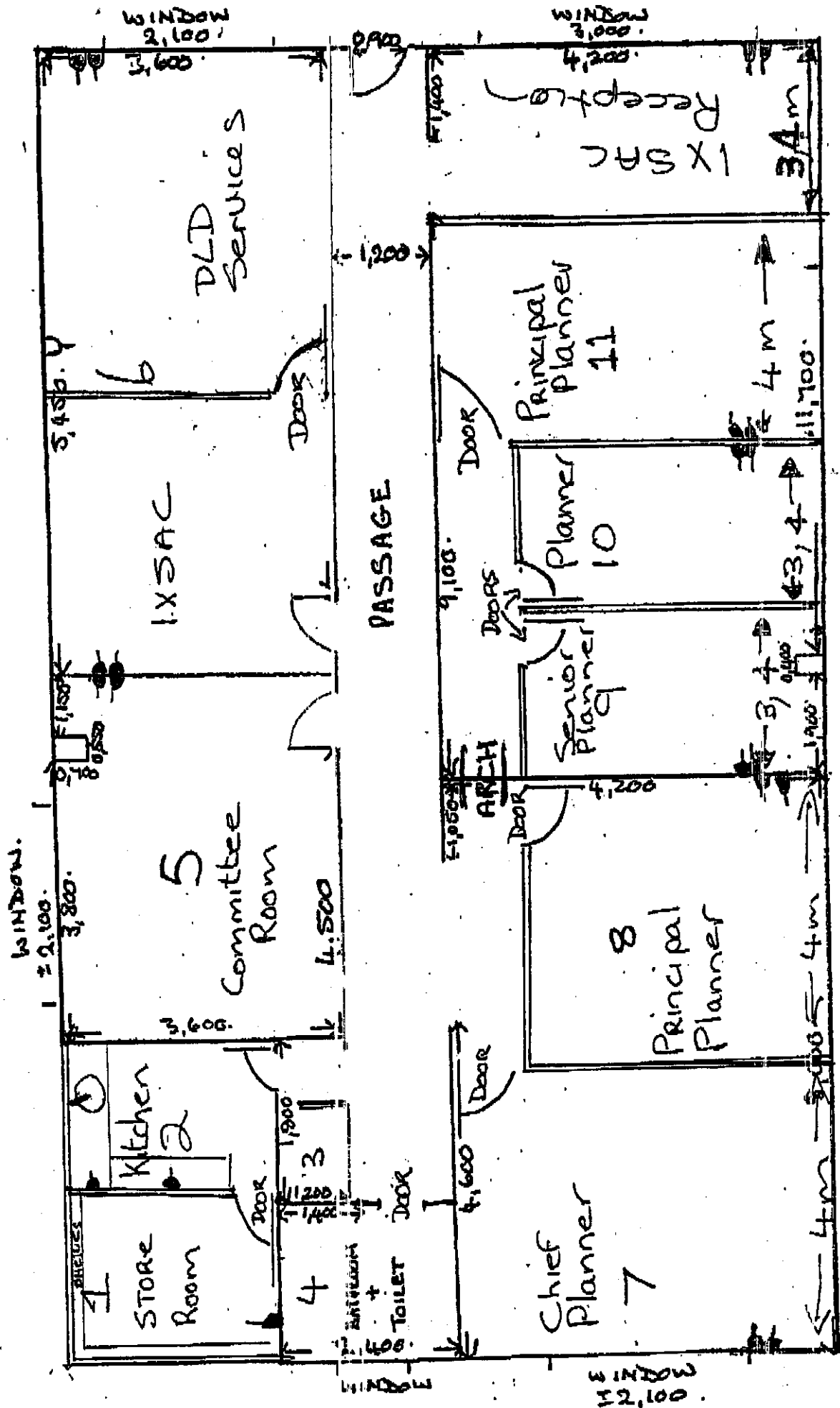
R STEVENS
CAPE AGULHAS MUNICIPALITY (LESSEE)

INDEPENDENT STREET



a. ACTUAL OFFICES (NOT DRAWN TO SCALE)

INDEPENDENT STREET



b. PAST TENANTS IDEA OF ALTERATIONS (NOT DRAWN TO SCALE)