



LEASE AGREEMENT

COMMERCIAL PROPERTY

LESSOR : RICHARDS BAY TAXI CENTRE (PTY) LTD
REGISTRATION NO: 1995/000232/07
VAT REGISTRATION NO: 4650151626

LESSEE : NONHLAHLA FELICIA MBUTHU
IDENTITY NUMBER: 851119 0586 08 9
t/a MZIZI HAIR & BEAUTY SALON

PREMISES : SHOP 67
RICHARDS BAY TAXI CENTRE
BULLION BOULEVARD
Lot 12520
CBD
RICHARDS BAY

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PARTIES

The herein after mentioned Lessor and Lessee hereby enter into an agreement of Lease of Business Premises on the terms and conditions as set out herein. The parties to this agreement are:

RICHARDS BAY TAXI CENTRE (PTY) LTD
REGISTRATION NUMBER: 1995/00232/07

herein represented by **MR A H STEENKAMP**, Identity Number: **620426 5100 08 3**, he being authorised hereto (herein after referred to as the "Lessor")

and

NONHLAHLA FELICIA MBUTHU
IDENTITY NUMBER: 851119 0586 08 9
t/a MZIZI HAIR & BEAUTY SALON

herein represented by **NONHLAHLA FELICIA MBUTHU**, Identity Number: **851119 0586 08 9**, she being authorised hereto (herein after referred to as the "Lessee")

The parties agree as set out below.

2. INTERPRETATION

2.1 In this agreement, unless clearly inconsistent with or otherwise indicated by the context:

2.1.1 "the/this agreement" means the agreement set out in this document;

2.1.2 "the building" means the building situated on the property **LOT 12520, RICHARDS BAY**

2.1.3 The "commencement date" means **1 JUNE 2013** upon which date rent become due and payable in terms of this lease.

2.1.4 "the initial period" means the period referred to in paragraph 3.1:

2.1.5 "the premises" means **Shop 67** measuring approximately **30 m²** (square meters) based on the SAPOA standard method of measurement.

2.1.6 "the property" means **LOT 12520** in the City of Umhlathuze Administrative District of Kwazulu-Natal.

2.1.7 any reference to the singular includes the plural and vice versa;

2.1.8 any reference to natural persons includes legal persons and vice versa;

2.1.9 any reference to a gender includes the other gender;

2.2 Where appropriate, meanings ascribed to the defined words and expressions in 2.1 shall impose substantive obligations on the parties as provided for in the definition concerned.

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- 2.3 The clause headings in this agreement have been inserted for convenience only and shall not be taken into account in its interpretation.
- 2.4 Words and expressions defined in any sub-clause shall, for the purpose of the clause of which that sub-clause forms part, bear the meaning assigned to such words and expressions in that sub-clause.
- 2.5 This agreement shall be governed by and construed and interpreted in accordance with the laws of the Republic of South Africa.

3. COMMENCEMENT AND DURATION

- 3.1 The lease shall begin for a period of 1 **(ONE) MONTH** and shall commence on the **1st JUNE 2013** and terminate on the **30th JUNE 2013** and shall then continue for a definite period OF **2 (TWO) YEARS** which will commence on the **1st JULY 2013** and terminate on the **30th JUNE 2015** unless earlier terminated by mutual agreement or otherwise in accordance with the succeeding provisions of the lease.
- 3.2 Notwithstanding anything to the contrary contained in this agreement and in the particular clause 23, the Lessor shall be entitled to terminate this agreement by giving 14 (FOURTEEN) days written notice to that effect to the Lessee, if the Lessee, in the sole and absolute discretion of the Lessor and the remainder of the tenants, behaves in such a manner or conducts himself/itself in such a manner as to prejudice the Lessor's continued business of letting out shops in the building.

4. RENEWAL OF LEASE

- 4.1 Provided the Lessee shall have faithfully carried out and performed all the terms, conditions and stipulations herein and if the conditions of the Lease Agreement stays the same, the Lessee will have the right to automatically renew the Lease Agreement.

If there are any changes in the rent conditions and provisions of the Lease Agreement, it must be agreed to in writing on the rent conditions and provisions of the new proposed Lease Agreement at least **3 MONTHS** before the expiry of this lease.

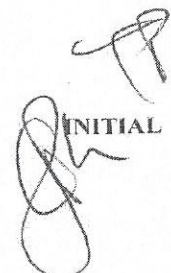
The Lessor is then prepared to lease the leased premises to the Lessee for a further period of **2 (TWO) YEARS** from the **1st JULY 2015** to the **30th JUNE 2017**.

- 4.2 If the Lessee is interested in extending the lease in terms of the preceding proviso, he must notify the Lessor of his intention to do so in writing at least **6 MONTHS** before expiry of his lease failing which it shall be deemed that he does not wish to renew the lease.
- 4.3 Should the parties fail to agree on the rent conditions and provisions and conditions of the lease agreement they shall appoint an Estate Agent having at least **FIVE (5) years** experience in the letting of industrial and commercial property in the **RICHARDS BAY /EMPANGENI** district who shall determine the rental and escalation for the renewal period. Should the parties not agree on the Estate Agent who is to arbitrate the issue, the Natal Region Office of the Institute of Estate Agents shall make the appropriate appointment.

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5. USE AND SUITABILITY OF THE PREMISES

The Lessee shall use the premises for the purpose of selling **AIRTIME, PUBLIC PHONE SERVICES, FAX, COPY and PRINTING SERVICES, DVD CLEANING, INTERNET SERVICE, STATIONERY, REFRESHMENTS AND A HAIR AND BEAUTY SALON ONLY** and for no other purpose whatsoever without the Lessor's prior written consent, which consent the Lessor will not unreasonably withhold.

6. DEPOSIT

- 6.1 The Lessee shall pay a deposit or provide an unconditional bank guarantee to the Lessor on/or before the commencement date equal to the amount of the last month's rental which amount of **R6 122,20 (SIX THOUSAND ONE HUNDRED AND TWENTY TWO RAND TWENTY CENTS)** shall be retained by the Lessor or its appointed agent until the Lessee vacates the premises on the termination of this agreement and the complete discharge of all the Lessee's obligations to the Lessor arising from this lease have been fulfilled.
- 6.2 The Lessor shall have the right to apply the whole or any portion thereof towards payment of rental, electricity, municipal charges, key replacement, renovations or any liability of whatsoever nature for which the Lessee is responsible. If the whole or any portion of the deposit is so applied the Lessor shall immediately reinstate the deposit to its original amount.
- 6.3 In the event that the Lessor is satisfied that the Lessee has restored the said premises to the same condition as at the commencement of this agreement, then the Lessor shall return to the Lessee the deposit so paid. In the event of the said premises not being redelivered to the Lessor in the same good order and condition as at commencement of this agreement, then the Lessor shall, in addition to any remedies it may be entitled to, utilise the deposit hereby paid to effect the necessary repairs and/or to pay any other amount due by the Lessee to the Lessor or to any other person or authority concerned, fair wear and tear excepted to the Lessor's consent.

7. RENT

- 7.1 During the first month of this agreement the Lessee shall pay the Lessor the rental of **R174,96/m² OR R5 248,80 (FIVE THOUSAND TWO HUNDRED AND FORTY EIGHT RAND EIGHTY CENTS)** exclusive of Operating Costs and VAT)
- 7.2 During the next year of this agreement the Lessee shall pay the Lessor a monthly rental of **R188,96/m² OR R5 668,70 (FIVE THOUSAND SIX HUNDRED AND SIXTY EIGHT RAND SEVENTY CENTS)** exclusive of Operating Cost and Vat.
- 7.3 The aforesaid rental shall escalate by **8% (EIGHT PERCENT)** on the **1st (first) day of JULY** each year.
- 7.4 The monthly rental payable in terms of this lease and the amounts recoverable in terms of paragraph 9 and 10 shall be payable monthly in advance, without deduction, on or before the **1st (FIRST) day** of each and every calendar month.
- 7.5 Should any cheque drawn by the Lessee be dishonoured, the Lessor shall have the right thereafter to refuse or accept any payment from the Lessee hereunder made in any mode otherwise than in cash by legal tender.
- 7.6 Any payments made in cash into our Bank account will incur a 2% (two per cent) handling fee.

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