

TRUWORTHS

Ref: ST/172 MayfairWest – BA letter

20 November 2019

Lodestone Investments (Pty) Ltd
c/o Fortress Income 2 (Pty) Ltd
PO Box 1255, Saxonwold, 2001

Attention: **Donovan de Lange**
E-mail: **delanged@fortressfund.co.za**

Tel: 011 – 612 6800

Dear Donovan,

RE: AGREEMENT OF LEASE ("Lease") BETWEEN LODESTONE INVESTMENTS (PTY) LTD ("Landlord") AND TRUWORTHS LIMITED ("Tenant") IN RESPECT OF THE RETAIL PREMISES CURRENTLY OCCUPIED BY THE TENANT AS A TRUWORTHS STORE AND DESCRIBED IN THE LEASE AS BEING SHOP NOS 43-46, MEASURING APPROXIMATELY 225 m² ("Leased Premises") AT PROTEA SHOPPING CENTRE, HIGH STREET, MAYFAIR WEST, JOHANNESBURG ("Property")

With reference to our lease proposal of 13 September 2019 ("Offer") amended, signed and accepted by you on behalf of the Landlord on 18 September 2019, we hereby confirm that our Board of Directors has approved the renewal of the Lease for the Leased Premises for a period of 5 (five) years from 1 April 2020 to 31 March 2025 ("Renewal Period") in accordance with the terms and conditions as set out in the Offer (as amended), subject to the following amendment:

1. The amendment of paragraph 7 of the Offer as follows:

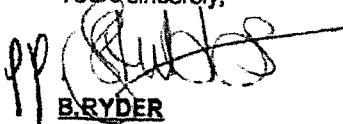
7. Other Lease Terms

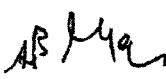
All other terms and conditions shall be in accordance with the existing Lease *mutatis mutandis* between the Landlord and the Tenant with respect to the Leased Premises, save as amended herein either expressly or by necessary implication, to which a renewal addendum will be added. The addendum shall be prepared by the Tenant at no cost to the Landlord. Each party shall carry its own legal and administration costs relating to the lease renewal.

Kindly confirm your acceptance of the terms and conditions as contained in this letter by initialling each page, signing same where indicated below, and dating and returning a copy of this letter by close of business on **6 December 2019** (to the following e-mail address: bryder@truworts.co.za).

Should you have any queries in respect hereof, kindly do not hesitate to contact me.

Yours sincerely,


BRYDER
PROPERTIES MANAGER


A.B. MIEK
DIVISIONAL DIRECTOR

TRUWORTHS

I, D DE WET

[insert full name], the undersigned, who is duly authorised to act on behalf of Lodestone Investment (Pty) Ltd, hereby acknowledge receipt of this letter and agree to be bound and entitled accordingly.

SIGNED AS ACCEPTED :



DATE :

25/11/2019

PLACE :

MORNINGSIDE



TRUWORTHS

Ref: 172 MayfairWest LeaseRenewal

13 September 2019

Lodestone Investments (Pty) Ltd
c/o Fortress Income 2 (Pty) Ltd
PO Box 1255, Saxonwold, 2001

Attention: Donovan de Lange
E-mail: delanged@fortressfund.co.za

Tel: 011 – 612 6800

Dear Donovan,

RE: AGREEMENT OF LEASE ("Lease") BETWEEN LODESTONE INVESTMENTS (PTY) LTD ("Landlord") AND TRUWORTHS LIMITED ("Tenant") IN RESPECT OF THE RETAIL PREMISES CURRENTLY OCCUPIED BY THE TENANT AS A TRUWORTHS STORE AND DESCRIBED IN THE LEASE AS BEING SHOP NO 43-46 , MEASURING APPROXIMATELY 225 m² ("Leased Premises") AT PROTEA SHOPPING CENTRE, HIGH STREET, MAYFAIR WEST, JOHANNESBURG ("Property")

We confirm that the current period of the Lease for the Leased Premises expires on 31st March 2020, whereafter the Tenant has an option to renew the Lease for a further period of 5 (five) years. Accordingly we wish to exercise the renewal option for the period from 01 April 2020 to 31 March 2025 ("Renewal Period").

As such we set out herein the proposed terms and conditions which, subject to the prior acceptance of the Landlord, we will present to our Board of Directors for their consideration for the renewal of the Lease for the Renewal Period ("Renewal Proposal"):

1. Leased Premises

The Leased Premises comprise the retail premises currently occupied by the Tenant and are described in the Lease as shop no. 43-46 , Protea Shopping Centre, measuring approximately 225 m², to remain as is.

2. Lease Period

The Renewal Period shall commence on 01 April 2020 ("Renewal Commencement Date") and endure for a period of 5 (five) years to 31 March 2025, whereafter the Tenant shall have one option to renew the Lease for 5 (five) years, on the same terms and conditions as contained in the Lease, save for the Gross Rental and rental escalation rate which shall be a market related rental and market related rental escalation rate for a national clothing tenant of similar standing and size at the time, as read with Annexure A to the Lease.

Truworts Limited CIPC Reg. No. 1940/013923/06

Truworts is a registered Credit Provider No. NCRCP45

No.1 Mostert Street, Cape Town 8001 South Africa PO Box 4775 Cape Town, 8000 South Africa

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Executive Chairman: M.S. Mark / Directors: D.N. Dare, S.C Furlong, D.B. Pfaff, S.J. Proudfoot / Company Secretary: C. Durham

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3. Gross Rental

- 3.1. Gross Rental includes basic rental, operating costs and merchants' association/marketing fund contributions, as well as the Tenant's pro-rata share ("Share") of all contributions to assessment rates payable by the Landlord in relation to the Property ("Rates").
- 3.2. The Gross Rental for the Leased Premises for the Renewal Period shall commence at R21 130.15 per month as from the Renewal Commencement Date as follows:
 - 3.2.1. Basic Rental, Operating Costs and Merchants' Association/Marketing Fund:
R19 000.00 per month
 - 3.2.2. Tenant's Share of Rates:
R2 130.15 per month
plus any increases or decreases in the Tenant's Share of Rates subsequent to the Renewal Commencement Date as set out in Annexure B to the existing Lease.
- 3.3. The Gross Rental (excluding the Tenant's Share of Rates) shall escalate annually on the anniversary of the Renewal Commencement Date at a rate of 2% (two percent), subject to the CPI proviso as detailed in Annexure F to the Lease.

4. Additional Rental (Turnover Clause)

Where the Turnover Rental exceeds the aggregate annual Gross Rental, the Tenant shall pay the difference between the aggregate annual Gross Rental and the Turnover Rental as Additional Rental. Turnover Rental shall be calculated as set out in Annexure C to the existing Lease. The Turnover Rental percentage shall remain as per the existing Lease.

5. Other Charges for Tenant's Account

All other charges for the Tenant's account shall be as per the existing Lease.

6. VAT

- 6.1. All amounts reflected in this Renewal Proposal are exclusive of Value-Added Tax ("VAT"). Except where exempt, VAT shall be applicable to all charges arising out of this Renewal Proposal.



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- 6.2. VAT payments will be made at the VAT rate applicable at the time of payment, subject to the timely receipt of a valid VAT invoice. Should the rate at which VAT is leviable be amended during the currency of this Renewal Proposal, such amended VAT rate shall be applied to all applicable charges.

7. Other Lease Terms

All other terms and conditions shall be in accordance with the existing Lease *mutatis mutandis* between the Landlord and the Tenant with respect to the Leased Premises, save as amended herein either expressly or by necessary implication, to which a renewal addendum will be added. The addendum shall be prepared by the Tenant at no cost to the Landlord. Each party shall carry its own legal and administration costs relating to the lease renewal. Upon the conclusion of the Truworts - Fortress hybrid lease agreement, a new lease agreement *mutatis mutandis* will be drafted for the Leased Premises and signed by the parties. The new lease agreement will replace the existing Lease, as amended and extended.

8. General

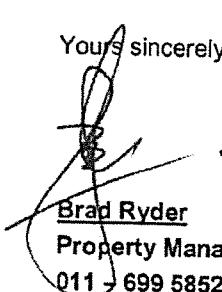
- 8.1. Neither party shall be regarded as having waived or shall be precluded in any way from exercising any right under or arising from the existing Lease by reason of such party having at any time granted an extension of time for or having shown any indulgence to the other party with reference to any payment or performance hereunder or having failed to enforce or delayed in the enforcement of any right of action against the other party.

On confirmation that the terms and conditions as set out in this Renewal Proposal are acceptable to the Landlord, a proposal will be prepared and submitted to our Board of Directors for their consideration.

Kindly confirm your acceptance of the terms and conditions as contained in this letter by initialling each page, signing same where indicated below, and dating and returning a copy of this letter by close of business on 31st October 2019 (to the following e-mail address: bryder@truworts.co.za) in order for us to present same to our Board of Directors for their consideration.

Should you have any queries in respect hereof, kindly do not hesitate to contact me.

Yours sincerely,


Brad Ryder
Property Manager
011 699 5852

TRUWORTHS

I, _____ [insert full name], the undersigned, who is duly authorised to act on behalf of **Lodestone Investment (Pty) Ltd**, hereby acknowledge receipt of this letter and agree to be bound and entitled accordingly.

SIGNED AS ACCEPTED : _____

DATE : _____

PLACE : _____