

AGREEMENT OF LEASE

BETWEEN

M & R PROPERTIES SERVICES (PROPRIETARY) LIMITED
REGISTRATION NUMBER: 70/00263/07

AND

TRUWORTHS LIMITED
REGISTRATION NUMBER 05/13923/06

RI 0259

AFR

MEMORANDUM OF AGREEMENT OF LEASE

PARTIES TO THE AGREEMENT OF LEASE:

M & R PROPERTIES SERVICES (PROPRIETARY) LIMITED

REG.NO. 70/00263/07

herein represented by JOHN DAVIS

who by his signature hereto warrants his authority to sign
(hereinafter called the Landlord)

AND

TRUWORTHS LIMITED

REG.NO 05/13923/06 1940 | 013923 | 06
(hereinafter called the Tenant)



The Landlord lets to the Tenant and the Tenant hires from the Landlord the premises as herein described on the terms as set out in this agreement of lease and in the attached Annexure(s).

PREMISES:

Identification: SHOPS 43 TO 46 jointly measuring approximately 225m² in extent

(See Annexure "P", premises outlined in red)

LEVEL: UPPER GROUND

(to be called the leased premises)

BUILDING:

Name of building: PROTEA SHOPPING CENTRE

Address of building: HIGH STREET
BRIXTON
JOHANNESBURG

Situated On: ERVEN 72, 952 AND 955
MAYFAIR WEST
JOHANNESBURG

(to be called the building and, together with the land on which it is situated, called the property)

TERM: INITIAL PERIOD - 3 Years, commencing on 1 April 2000
(see Annexure "D")

RENEWAL PERIOD – 3 Years (see Annexure "B")



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BASIC RENTAL (per month) (See Annexure "A" Clause 2)

FROM	TO	AMOUNT	VAT @ 14%	TOTAL
01.04.2000	31.03.2001	R6 846.25	R958.48	R7 804.73
01.04.2001	31.03.2002	R7 393.95	R1 035.15	R8 429.10
01.04.2002	31.03.2003	R7 985.47	R1 117.97	R9 103.43

Escalation subject to Annexure "J"

TURNOVER RENTAL (See Annexure "E")

Turnover Percentage : 6% on R1 000 000.00
5,5% on next R100 000.00
5% on next R100 000.00
4,5% over R1 200 000.00

Turnover Year End : JUNE
Turnover Due Date : SEPTEMBER

ADDITIONAL CHARGES (per month)

Rates and Taxes (See Annexure "A" Clause 3.1) :R153.75 plus VAT @ 14 % R21.53 –
Total R175.28 with effect from 1 April
2000

Contribution for electricity consumption on the leased premises
(See Annexure "A" Clause 3.2)

Operating Costs (Per Month) (See Annexure "A" Clause 3.3)

Not Applicable

Advertising and Promotions (Per Month)

Not Applicable

Other Services (See Annexure "A" Clause 3.7)

Beneficial Occupation Period prior to commencement date :Not applicable

Lease Fees (See Annexure "A" Clause 27) :Rnil

Deposit/Bank Guarantee (See Annexure "A" Clause 38) :Rnil

RENT PAYABLE AT (See Annexure "A" Clause 2)

COLLIERS RMS (PROPRIETARY) LIMITED

36 FRICKER ROAD, cnr HARRIES ROAD

ILLOVO

SANDTON

2196

or

P.O. BOX 62213, MARSHALLTOWN, 2107

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or

any other place that the Landlord may direct from time to time.

DOMICILIUM (See Annexure "A" Clause 35)

Landlord: c/o COLLIERS RMS (PROPRIETARY) LIMITED
 36 FRICKER ROAD, cnr HARRIES ROAD
 ILOVO
 SANDTON
 2196

Tenant: SRG HOUSE
 1 MOSTERT STREET
 CAPE TOWN
 8001

PURPOSE FOR WHICH THE LEASED PREMISES SHALL BE USED

(See Annexure "A" Clause 5)

Type of Business: FOR THE PURPOSE OF ENABLING THE Tenant TO SELL LADIES,
 GENTS AND CHILDREN'S WEARING APPAREL OF EVERY KIND
 AND DESCRIPTION, INCLUDING SHOES AND HANDBAGS, LADIES
 WIGS AND HAIRPIECES, LADIES AND GENTS JEWELLERY AND
 INCLUDING CERTAIN MANCHESTER ITEMS, AND ANY OTHER
 GOODS AND COMMODITIES OF WHATEVER KIND WHICH MAY
 CONVENIENTLY BE DEALT WITH IN CONJUNCTION WITH, AS
 COMPLEMENTARY OR INCIDENTAL TO, ALL OR ANY OF THE
 AFOREGOING GOODS AND FOR NO OTHER PURPOSE
 WHATSOEVER.

The Tenant agrees to pay on demand by the Landlord all Value Added Taxes leviable in terms of Act 89 of 1991 as amended from time to time or other taxes leviable from time to time in law in respect of any amounts payable by the Tenant in terms of this Agreement of Lease.

Should the rate of which VAT is leviable alter during the subsistence of this lease or any renewal thereof, such alterations shall be applied to the basic rental, operating costs and any other relevant charges so that the Tenant shall not benefit from any increases in the rate of VAT nor shall the Tenant be prejudiced by any decrease therein.

ANNEXURES

The following Annexure(s) form part of this agreement of lease:

- | | |
|------------|----------------------------|
| ANNEXURE A | - Overall Conditions |
| ANNEXURE B | - Renewal of Lease |
| ANNEXURE D | - Significant Dates |
| ANNEXURE E | - Turnover Rental |
| ANNEXURE F | - Airconditioning |
| ANNEXURE G | - Business Hours |
| ANNEXURE H | - Adjudication |
| ANNEXURE I | - Extract of Resolution |
| ANNEXURE J | - Gross Rental Escalations |
| ANNEXURE P | - Plan |


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SIGNED AT Cape Town ON THE 13th DAY OF June 2000.

WITNESSES:

1.

Russell

2.

HRS

ON BEHALF OF TRUWORTHS LIMITED
(TENANT)

A
.....
(TENANT'S SIGNATURE)

Deputy M.D. (CAPACITY)

~~who, by their signatures hereto, shall be liable jointly and severally as partners, and also in their individual capacities for all the obligations of the Tenant hereunder.~~

Phil
LR

SIGNED AT JOHANNESBURG ON THE 11 DAY OF July 2000.

WITNESSES:

ON BEHALF OF M&R PROPERTIES
SERVICES (PTY) LIMITED

1.

.....

2.

.....

(LANDLORD)
.....
(SIGNATURE)

.....

John
ML

ANNEXURE "A"

CLAUSE

1. GENERAL
2. PAYMENT OF AMOUNTS
3. ADDITIONAL CHARGES
4. CANCELLATION OF LEASE
5. PURPOSE FOR WHICH THE LEASED PREMISES SHALL BE USED
6. DEFECTS
7. MAINTENANCE
8. ALTERATIONS
9. SIGNS AND NAME-PLATES, ETC
10. INTERRUPTION OF SERVICES
11. PROVISION OF SERVICES
12. COMMUNAL CONVENiences AND SERVICES
13. DRIVEWAYS AND LOADING ZONES
14. INSPECTION, BUILDING OPERATIONS AND REPAIRS
15. KEYS AND LOCKS
16. CLEANING SERVICES AND REFUSE REMOVAL
17. NUISANCE
18. BURGLARY OR ATTEMPTED BURGLARY
19. DAMAGE DUE TO DISASTER
20. NON-LIABILITY
21. INSURANCE
22. PLATE-GLASS
23. ASSIGNATION, SUBLETTING AND ALIENATION
24. TRANSFER OF SHARES, CHANGE OF PARTNERSHIP AND CHANGE IN COMPOSITION OF A CLOSE CORPORATION
25. PRE-INCORPORATION CONTRACT
26. LIABILITY
27. COSTS
28. MONTHLY STATEMENT OF TURNOVER
29. "TO LET" NOTICES
30. SECURITY, FIRE-FIGHTING AND EVACUATION EXERCISES
31. ADMITTANCE TO THE PROPERTY
32. REGULATIONS AND CARETAKER
33. CONCESSION OR RELAXATION
34. RECOVERIES AND LEGAL ACTION
35. DOMICILIUM
36. COURT'S JURISDICTION
37. AGENTS COMMISSION
38. DEPOSIT/BANK GUARANTEE
39. SAFES OR OTHER HEAVY OBJECTS
40. FAILURE OF TENANT TO OPEN AND REMAIN OPEN
41. ADVERTISING AND PROMOTIONS FUND
42. OCCUPATIONAL HEALTH AND SAFETY ACT
43. RELOCATION
44. ENTIRE AGREEMENT

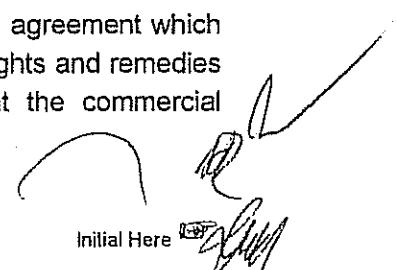
ANNEXURE "A"

GENERAL

1. 1.1 The singular in this agreement of lease (hereinafter referred to as the lease) shall include the plural and vice versa. Words signifying males shall also apply to females and words applying to individuals shall include corporate bodies. Wherever either party is referred to, it shall include the authorised representative(s) of the Landlord or the Tenant.
- 1.2 The rentable area of the leased premises and the building shall be measured and calculated by the Landlord in accordance with the American Standard Method, as adopted by the South African Property Owners Association.
- 1.3 The "pro rata share" referred to in sub-clauses 3.1, 3.2, 3.3, 3.7 and 3.8 hereof shall be calculated on the basis of the proportion of the rentable area of the leased premises to the total rentable area of the building.
- 1.4 Unless expressly stated to the contrary, where the Tenant is obliged to obtain the consent of the Landlord, the Landlord shall not unreasonably withhold such consent. Should a dispute arise in this regard the onus of proving that consent was unreasonably withheld shall lie with the Tenant.
- 1.5 Where the Tenant is responsible to restore, repair or reinstate the leased premises in terms of this lease, fair wear and tear shall be taken into account.
- 1.6 The Tenant acknowledges that inasmuch as turnover rental maybe payable by the Tenant, the Landlord is relying on the Tenant trading in the leased premises on an effective and positive basis, namely, that the Tenant shall use its best endeavours to keep its business fully stocked and properly staffed, and shall promote its business in a proper manner.

PAYMENT OF AMOUNTS

2. 2.1 All amounts due by the Tenant to the Landlord in terms of this agreement shall be paid monthly in advance on or before the first business day of each calendar month in the currency of the Republic of South Africa without deduction at the Landlord's address or at such other place within the Republic of South Africa as the Landlord may by written notice advise the Tenant from time to time.
- 2.2 All payments due by either party to the other in terms of this agreement which are not paid timeously shall (without prejudice to any other rights and remedies of the party entitled to receive payment) bear interest at the commercial

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✓ *Rufus*
29.

overdraft rate charged by the Landlord's bankers from time to time plus 5% per annum calculated from the date on which the payment falls due until the date on which payment is made; such interest shall be compounded monthly in arrear and, if the date of payment is not the last day of a month, then compounded finally on the date of payment.

- 2.3 Unless otherwise stated by the Landlord in writing, the receipt by the Landlord or its agent of any rent or other payment after due date shall not prejudice the Landlord or operate as a waiver, rescission or abandonment of any cancellation or any right of cancellation effected or acquired by the Landlord prior to such receipt and shall not give rise to a monthly tenancy.
- 2.4 The Landlord shall be entitled in its reasonable discretion to appropriate any payment received from the Tenant towards payment of any debt owing by the Tenant to the Landlord.
- 2.5 A certificate signed by a director, company secretary, credit manager or internal accountant of the Lessor or the managing agent shall be prima facie proof of the amount of any indebtedness owing by the Lessee to the Lessor at any time and also of the fact that the due date of payment of the whole or, as the case may be, any portion of that amount has arrived.

ADDITIONAL CHARGES

Rates and taxes

- 3.1 As from the commencement date of this Lease, the Tenant shall pay the amount indicated on page 2 of this Lease as "rates and taxes" monthly together with the basic rent, being his pro rata share of the rates and taxes in respect of the property.

In the event of the abovementioned rates and taxes being increased or decreased the Tenant's pro rata share shall be increased or decreased accordingly as from the date on which such increase or decrease becomes effective.

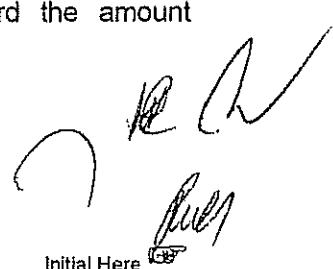
The Tenant shall pay a pro rata share of any cost, which the Landlord may incur in an attempt to acquire a decrease in the valuation of the property from the local authority.

Electricity consumption

- 3.2 The Tenant shall pay the costs of electricity for the leased premises as follows:

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- 3.2.1 If a separate meter has been installed on the leased premises, its reading shall be conclusive proof of the electricity consumption on the leased premises and the Tenant shall pay the costs involved to the supplier of electricity at the points of time and in the manner determined by the supplier. The onus of proving an inaccurate meter reading shall lie with the Tenant.
- 3.2.2 If a sub-meter has been installed on the leased premises its reading shall be conclusive proof of the electricity consumption on the leased premises and the Tenant shall pay the costs involved monthly together with the basic rent, to the Landlord. The said costs shall be calculated according to the same tariffs, levies and costs which would have applied to the Tenant if the supplier had supplied the electricity directly to the leased premises. The onus of proving an inaccurate meter reading shall lie with the Tenant.
- 3.2.3 Where the leased premises consist of offices, the Landlord shall cause to be installed a separate electricity sub-meter for the floor upon which the leased premises are situated and the Tenant shall be responsible for and refund to the Landlord the cost to the Landlord of its pro rata (area to area for that floor of the building) share of the electricity recorded as consumed by that sub-meter to which the following provisions shall apply:
 - 3.2.3.1 The number of units consumed shall be read from time to time from the sub-meter by the Landlord's representative or a meter reader appointed by the Landlord, and costed by him at a rate per unit equivalent to the rate per unit of the total of the tariff charges charged by the relevant authorities to the Landlord for the supply of electricity consumed as recorded by the main and demand meters.
 - 3.2.3.2 The Landlord shall attach to their account to the Tenant a copy of the reader's recording of the number of units and the cost thereof, which shall be final and binding unless the Tenant provides satisfactory proof that either the number of units or the charge made is wrong, and if so the number of units or the charge, as the case may be, shall be adjusted.
 - 3.2.3.3 The Tenant shall pay to the Landlord the amount charged.

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3.2.4 Notwithstanding the above, the Tenant shall also pay the cost of electricity consumed in respect of the air conditioning system serving the leased premises, which shall be:

3.2.4.1 metered separately;

or

3.2.4.2 apportioned by the Landlord on a pro rata basis provided, however, that in the event of the Landlord determining that as a consequence of the manner in which the Tenant has equipped and/or uses the leased premises the electricity consumption by the air conditioning system is adversely effected, the Landlord shall be entitled to take this into account in the apportioning of the Tenant's liability for the abovementioned cost of electricity.

3.2.4.3 In calculating the Tenant's pro rata share, the areas served by dedicated air-conditioning plants shall be excluded.

Water Consumption, refuse removal charges and sanitation fees

3.3 The Tenant shall pay for the cost of water consumed in the leased premises, the cost of removing the Tenant's refuse from the leased premises and sewerage charges, which shall be metered separately or apportioned, whichever method shall be the most practical under the circumstances.

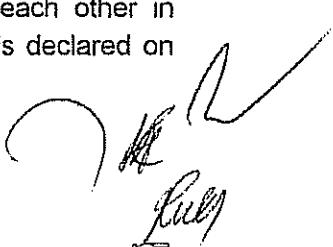
Dispute

3.4 In the event of a dispute between the parties as to any amount payable in terms of 3.1, 3.2 and 3.3 such amount shall be determined as follows:

3.4.1 The party raising the dispute, shall give the other party written notice declaring a dispute and specifying the details of the amount disputed.

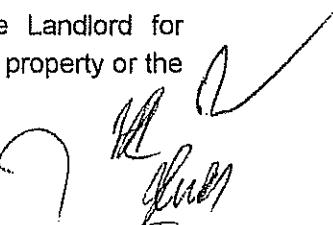
3.4.2 The amount in question shall then be determined by an adjudicator in accordance with the provisions hereof.

3.4.3 The parties shall endeavour to reach agreement with each other in writing within 21 days of the date on which the dispute is declared on who the adjudicator will be.



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- 3.4.4 Unless the parties reach such agreement, the adjudicator will be a person nominated by the selector (as hereinafter referred to) and shall be a person whom such selector regards as being an expert in relation to the determination of the amount in question.
 - 3.4.5 For the purpose hereof, the selector shall be the then president of the Law Society of the Province in which the leased premises are situated and, failing such office or such body, the senior officer of the body then governing the attorneys profession.
 - 3.4.6 The adjudicator in question shall make his determination within at the most 90 days from the date of his appointment. Should the adjudicator fail to make a determination within such period, then his appointment will lapse (unless otherwise agreed in writing between the parties) and the same procedure set out above will be used to appoint a further adjudicator, to whom the provisions hereof shall again apply. This procedure shall be repeated *ad infinitum* until a determination of the amount in question is made.
 - 3.4.7 The adjudicator in question shall in determining the amount in question act as an expert, and not as an arbitrator.
 - 3.4.8 The adjudicator shall give both parties an opportunity to make representations to him before determining the amount in question; such representation shall be made within 7 days of written request therefor by the adjudicator.
 - 3.4.9 The adjudicator/s may determine which party is liable for his fees; if he makes no such determination, his fees shall be borne equally by the parties.
 - 3.4.10 The determination of the amount in question by the adjudicator shall be final and binding on both parties.
- 3.5 Should the Tenant fail to make payment of any amount due in terms of 3.1, 3.2 and 3.3 hereof, the Landlord shall be entitled, without prejudice to any other rights and remedies which it may have, to withhold the supply of any of the commodities and services referred to in 3.2 and 3.3 until such time as the Tenant has made payment of such amount.
 - 3.6 It is clearly understood that amounts payable in terms of this clause do not constitute rental but constitute compensation payable to the Landlord for commodities and services provided in respect of the building, the property or the



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leased premises for the benefit of the Tenant together with other occupiers of premises on the property.

Other Services

~~3.7 Should the water consumption on unmetered leased premises be more than normal, then the Landlord shall install a sub-meter on the leased premises at the cost of the Tenant to measure the consumption of water on the leased premises. Should a sub-meter be installed on the leased premises in terms of this sub-clause, the Tenant shall pay the cost of the water consumed on the leased premises monthly to the Landlord together with his basic rental. The cost shall be calculated accordingly to the same tariffs and levies which the Tenant would have paid if the supplier had supplied the water directly to him.~~

~~Should the Tenant's quantity and type of refuse consistently be abnormal in terms of clause 16.4 in the Landlord's reasonable opinion, the Tenant shall make special arrangements with the Landlord for its removal and the Tenant shall pay an amount agreed upon for refuse removal monthly together with the basic rent.~~

Deposits

~~3.8 If the Landlord is required to pay any deposit or furnish any banker's guarantee to any authority in connection with supply to the building of electricity, water or other services, the Tenant shall be obliged to pay a pro-rata share to the Landlord of such deposit paid or such banker's guarantee furnished.~~

CANCELLATION OF LEASE

4. 4.1 Should the rent, additional charges and any other amounts not be paid the Landlord may, notwithstanding any previous waiver, relaxation or concession which he may have granted, cancel the lease and enter and occupy the leased premises, provided the Tenant has been given 7 (seven) days written notice to rectify such infringement, and the Tenant has failed to do so, but notice need not be given on more than 2 (two) occasions during any calendar year.

Should the Tenant breach any other conditions of this lease, (excluding the non-payment of rent, additional charges and any other amount), the Landlord may, notwithstanding any previous waiver, relaxation or concession which he may have granted, cancel the lease and enter and occupy the leased premises provided the Tenant has been given 14 (fourteen) days written notice to rectify such infringement, and the Tenant has failed to do so.

- 4.2 A certificate signed by a director, company secretary, credit manager or internal accountant of the Landlord or the managing agent shall be prima facie proof of the amount of any indebtedness owing by the Tenant to the Landlord at any time and also of the fact that the due date of payment of the whole or, as the case may be, any portion of that amount has arrived.
- 4.3 Should the Landlord cancel the lease due to a breach by the Tenant, the Tenant shall remain liable for all amounts and rentals under the lease, until the lease would have terminated by effluxion of time, less any rental received from a replacement Tenant.
- 4.4 The Tenant shall be liable for any reasonable costs incurred to find a new Tenant in terms of sub-clause 4.3 above which shall not exceed agents commission.
- 4.5 Should the Landlord cancel the lease due to a breach by the Tenant, the Landlord shall have the right to re-enter the leased premises and remove all persons and/or property from the leased premises. Any property so removed shall be stored at the cost of and at the risk of the Tenant. The Tenant hereby irrevocably constitutes the Landlord as his agent for effecting the same of any such goods and for effecting any of the foregoing purposes.

PURPOSE FOR WHICH THE LEASED PREMISES SHALL BE USED

5. 5.1 The leased premises shall be used for the purpose described on page 3 of this lease and for no other purpose.
- 5.2 The Tenant shall keep the leased premises open during normal business hours or such amended hours as considered necessary in the interests of the business conducted therein by the Tenant.
- 5.3 The Tenant shall not:
 - 5.3.1 use the leased premises or allow the leased premises to be used for residential purposes, or
 - 5.3.2 permit any sale by public auction on the leased premises.
- 5.4 The Tenant shall decorate the display window space in a professional manner and the articles displayed in it shall be in keeping with the type of business for which the leased premises are rented, but he shall not allow decoration and display which may, in the opinion of the Landlord, detract from the appearance or image of the building.



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- 5.5 The Landlord does not warrant that the leased premises are fit for the purpose for which they are let or that the Tenant will be granted a licence in respect of the leased premises for the conduct of his business or that any licence granted will be renewed. The Landlord shall not be obliged to do any work or make any alteration or effect any repairs to the leased premises to comply with the requirements of any licensing authority. However, the Tenant shall be obliged to do so, at the Tenant's own cost.

The Landlord shall, however, provide the Tenant with all reasonable assistance required to acquire such licences, consents, authorities and permits provided the Tenant pays on demand all the Landlord's expenses in providing such assistance.

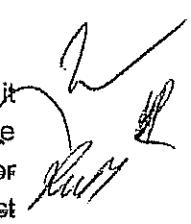
DEFECTS

6. Should the Tenant, on taking occupation of the leased premises, find any of the keys, locks, doors, windows, washbasins, taps, toilets, sanitary ware, drains or downpipes, electrical, other equipment or any other finishes relating to the leased premises not in good order, he shall notify the Landlord in writing of all defects within 14 (fourteen) days of taking occupation and the Landlord shall take all reasonable steps to repair such defects as soon as possible. Should the Tenant not give such notice, it shall be regarded as an acknowledgement that the abovementioned items were received in good order.

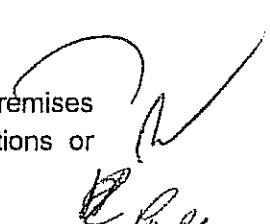
MAINTENANCE

7. 7.1 The Tenant shall keep the interior of the leased premises in good order and he acknowledges, subject to the provisions of clause 6 above, that he received the leased premises in a good and clean condition and free of insect infestation at the commencement of this lease. The Tenant undertakes to leave the leased premises in the same good order and condition at the expiration or prior termination of the lease or eventual vacation.
- 7.2 If the Tenant at the expiration or prior termination of the lease or at eventual vacation, fails to leave the leased premises in the condition contemplated in sub-clause 7.1, the Landlord may have the necessary repairs effected or other work done which is required for restoring the leased premises to the condition contemplated in sub-clause 7.1. The Tenant shall on demand immediately pay to the Landlord the amount of any expense incurred or to be incurred in terms of this sub-clause.

A certificate signed by an authorised representative of the Landlord and in which the amount of the expense mentioned above or of anticipated expenses is stated, shall serve as *prima facie* proof of the amount due and that the Tenant is liable to pay it. This provision shall in no way prejudice the Landlord's right stated in sub-clause 7.3.

- 7.3 If the Landlord is prevented from letting the leased premises, owing to the fact that work is being done to the leased premises in terms of sub-clause 7.2, the Tenant shall, in spite of termination of the lease, pay to the Landlord forthwith the amount calculated by multiplying the number of completed calendar months or fraction of a month during which the Landlord was thus prevented, by the monthly rental payable by the Tenant at the termination of the lease together with all other additional charges which were due by the Tenant at the termination of the lease.
- 7.4 The Tenant shall, at all times for the duration of the lease or any renewal thereof, keep and maintain in proper order all wiring, lamps and fittings for electric light and power as well as all pipes and fittings for the supply of water and sewerage to the leased premises which are situated in the leased premises and which serve the leased premises exclusively. The Tenant shall, however, also be responsible to repair all similar equipment which is situated in the leased premises and which do not serve the leased premises exclusively if the Landlord can prove that the Tenant was responsible for any damage thereto.
- 7.5 For the duration of the lease the Tenant shall be liable for the cost of replacement of, or repairs to, floor coverings, power and telephone and TV/FM outlets, defective fluorescent tubes, electric lamps, starters and choking coils, broken or cracked partitions, plate-glass, windows and door panels, louvres and other equipment supplied by the Landlord on the leased premises.
- 7.6 The Tenant shall not, without the Landlord's consent, effect repairs or permit repairs to be effected to the leased premises or replace equipment for which he is liable in terms of this clause. The Landlord ~~shall decide whether he himself or his authorised representative or the Tenant or any other parties shall effect repairs or replacement and he shall lay down conditions which shall apply to the work and replacement.~~ The work shall be completed to his reasonable satisfaction and the Tenant shall be liable for the costs, which shall be paid forthwith on demand.
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ALTERATIONS

8. 8.1 The Tenant may not effect any alterations or additions to the leased premises without the written consent of the Landlord. In the event of alterations or
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additions being made to the leased premises, the Tenant shall, if requested to do so in writing by the Landlord at the expiry or prior termination of the lease, remove such alterations or additions and restore the leased premises to the condition in which they were before the alterations and additions were made.

Should the alterations to which the Landlord agreed not be defined in an Annexure to this lease which has been signed or initialled by the parties to this lease, such written consent shall serve as *prima facie* proof of the alterations to which the Landlord gave his consent. For the purposes of this sub-clause the expression "alterations or additions" shall include but shall not be limited to the following :-

any free-standing walls, partitioning, shelving, additional lights, plugs or any electrical fittings, as well as additional wash basins, taps or any plumbing fittings.

- 8.2 The Tenant shall ensure that
 - 8.2.1 the walls, floors and ceilings of the leased premises, and any exposed service ducting and any service equipment, are not damaged;
 - 8.2.2 the wiring which was installed for lighting purposes on the leased premises is not used for any purpose other than lighting;
 - 8.2.3 the electric outlets or electric wiring is not used for any other purpose than to supply power to normal equipment with a maximum loading of one kilowatt per outlet. For any deviation from this stipulation the Tenant shall first obtain the written consent of the Landlord.
- 8.3 Should consent as required in 8.1 and 8.2.3 be given, the alterations or use shall, nevertheless, be effected strictly in accordance with the requirements and conditions that the Landlord may lay down, as well as with all the rules and regulations made by the suppliers of electricity, insurance companies and by the local or other authorities from time to time.
- 8.4 The Tenant shall be liable for any damage to the electrical installation or the building which may result from the use by him of the electric plugs, whether or not with the consent of the Landlord.
- 8.5 If the Tenant, at the expiry or prior termination of the lease or when he eventually vacates the leased premises, has not yet removed the alterations, additions, fixtures and fittings in the leased premises in terms of 8.1 or has not yet properly repaired the leased premises to the reasonable satisfaction of the Landlord in terms of that sub-clause, the Landlord may have the alterations and additions removed and the leased

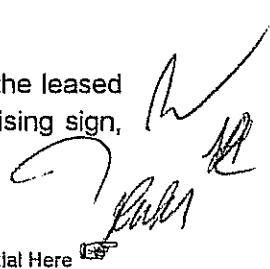

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premises repaired and/or restored at the Tenant's expense. Any additions thus removed or retained shall become the property of the Landlord without him having to compensate the Tenant for them.

- 8.6 The Tenant shall on demand pay to the Landlord the amount and payment shall be made forthwith for expenditure incurred or expenditure that still has to be incurred by the Landlord for the removal and repairs and/or restoration mentioned in sub-clause 8.5. A certificate signed by an authorised representative of the Landlord and in which the amount of expenses is stated, shall be *prima facie* proof of the amount due, and that the Tenant is liable to pay it. This provision shall not prejudice the Landlord's right to claim damages for loss of rent and additional charges from the Tenant if the leased premises, when vacated, cannot be let, because the alterations and repairs have not yet been effected to the satisfaction of the Landlord.
- 8.7 The Tenant shall erect in the leased premises such fixtures and fittings as may be necessary for the carrying on of the Tenant's business, of the best available quality and design which shall be in keeping with the general finish of the building and to the Landlord's architect's approval, and on the basis that the Tenant shall:-
 - 8.7.1 submit to the Landlord's architect working drawings, layouts, perspective details, colour schemes, an artist's impression and specifications ("the store layout plans") of all such fixtures and fittings to be installed and erected in the leased premises within 30 (thirty) days of signing the lease;
 - 8.7.2 obtain the approval of the Landlord's architect for the store layout plans;
 - 8.7.3 erect and install its fixtures and fittings strictly in accordance with the approved store layout plans prior to the opening date;
 - 8.7.4 permit and allow the Landlord's architect to inspect and reasonably supervise the implementation of the store layout plans.
 - 8.7.5 The store layout plans shall be prepared by a design consultant approved in writing by the Landlord.

SIGN AND NAME-PLATES, ETC.

9. 9.1 The Tenant shall not affix to or place, hang, or erect on any part of the leased premises or the property, any sign, name-plate, notice-board, advertising sign,

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flagpole, antenna or sun-blind, nor do or cause to be done any painting, writing or printing on any part of the leased premises or of the property without the written consent of the Landlord. If the Landlord consents, the work shall be done strictly in accordance with the Landlord's specifications.

- 9.2 The Tenant shall be required to provide a sign in compliance with the provisions of the Landlord's sign and shopfront specifications. The Tenant shall be obliged to obtain the written approval of the Landlord for any signage it wishes to erect in or on the premises and, provided such signage is in keeping with the general standard and finish of the shopping centre, consent shall not be unreasonably withheld.

INTERRUPTION OF SERVICES

10. The Landlord shall take all reasonable steps to ensure the supply of water, electricity and air conditioning where applicable, to the leased premises, but the Landlord shall not be liable for any damage arising from any delay, inconvenience or damage, whether direct or consequential, suffered by the Tenant as a result of an interruption in the supply of these services. The Tenant shall notify the Landlord immediately of any interruption in the supply of water, electricity or air conditioning and the Landlord shall take all reasonable steps to ensure that the interruption is rectified as soon as possible.

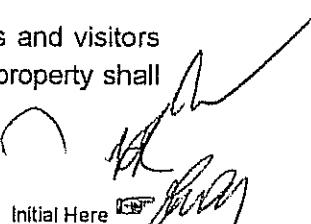
The Tenant shall not reduce the rental or withhold or defer payment of rental or any other amounts payable in terms of this lease or terminate the lease by reason of such an interruption.

PROVISION OF SERVICES

11. While this lease is in force, the Landlord may at any time take electric wires, air conditioning equipment, water pipes, telephone cables or any other equipment, conduit or wiring through the leased premises, should it be necessary for the supply of electricity, air conditioning, water or any other services to any other part of the building. The Landlord shall, however, endeavour to ensure that as little inconvenience as possible is caused to the Tenant. The Tenant shall not reduce the rental or withhold or defer payment of rental or any other amount or terminate the lease as a result of any such inconvenience or an interference with his business activities.

COMMUNAL CONVENIENCES AND SERVICES

12. 12.1 The Tenant or his directors, employees, clients, servants, invitees and visitors (hereinafter called invitees) together with the other Tenants of the property shall

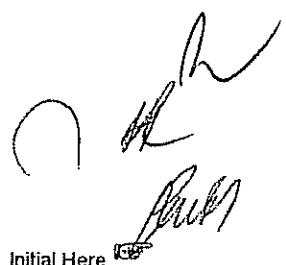
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be entitled to use the toilet conveniences, escalators, lifts, loading zones, kitchens, malls and passages, service corridors, staircases and other conveniences which are indicated by the Landlord for common use, subject to 12.2.

- 12.2 The Tenant shall comply with the rules laid down from time to time by the Landlord for the use of the above amenities and shall procure that his invitees shall not break such rules. Should there be an interruption in any of the common services, facilities or amenities or should any such services, conveniences, amenities or equipment become unusable, the Tenant shall not reduce the rental or withhold or defer payment of rental or any other amounts payable by him in terms of this lease, or terminate the lease.
- 12.3 common areas such as the backyard, loading zones, passages, malls and service corridors shall not be used by the Tenant for storage, display or sale of goods, supplying of services, the parking of vehicles or for any other purpose not permitted by the Landlord. The Tenant shall procure that the common areas shall not be misused by his invitees in any way.
- 12.4 No goods, packing cases, furniture, safes or other similar items, shall be taken onto the escalators or into the passenger lifts of the building without the prior consent of the Landlord. No vehicles of whatever nature shall be brought through any of the entrances to the property, except through appropriate vehicle entrances.
- 12.5 The Tenant shall ensure that the common areas and facilities are not used as eating-places or general resting places by his invitees and he shall procure that his invitees do not misuse the areas and facilities in any other way.
- 12.6 Common conveniences and facilities are used at the user's own risk, and the Landlord shall not be liable for injury to any person or for any damage or loss, however caused.

DRIVEWAYS AND LOADING ZONES

13. 13.1 The Tenant or his invitees shall not place, or permit to be placed, any sign, object or any obstruction whatsoever in or on the driveways, loading zones, basement parking, parking area or parkade which may impede their proper use. The loading zones shall be used solely for the loading or unloading of goods. Vehicles shall not be parked in a loading zone except for the loading and unloading of goods.



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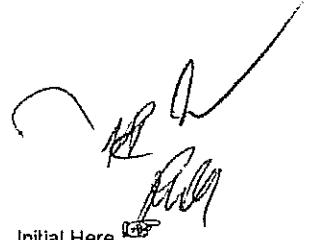
- 13.2 The Tenant shall procure that his invitees do not obstruct the entrances to the basement parking, parking areas, parkade, lifts, loading zones, driveways, passages or arcades in any way whatsoever.
- 13.3 The Landlord shall incorporate similar clauses in other leases concluded for the property, but the Landlord shall under no circumstances be liable to the Tenant or his invitees if the provisions of the clauses are not observed by any other Tenants, or their invitees.
- 13.4 The Tenant and his invitees shall park any vehicle in the parking space at their own risk, and the Landlord shall not be liable for any loss or damage whatever (whether due to his negligence or not) to any vehicle, its accessories or contents while it is thus parked. Moreover, the Landlord shall not be liable for any personal accident or third party claim which may arise from the use by the Tenant of such parking facilities.

INSPECTION, BUILDING OPERATIONS AND REPAIRS

14. 14.1 The Landlord may enter, inspect and have repairs to the leased premises effected which, in the Landlord's reasonable discretion, may be required, at all reasonable times.
- 14.2 In the event of the building not being fully completed on the date on which the Tenant should take occupation of the leased premises, or in the event of repairs or alterations to the building or on the leased premises being undertaken at a later stage and the Tenant being inconvenienced by building operations and resulting noise, the Tenant shall not be entitled to claim a remission of or a reduction in rent, damages or cancellation of the lease, as a result of the building operations.
- 14.3 The Landlord shall use its best endeavours to ensure that as little inconvenience as possible is caused to the Tenant.

KEYS AND LOCKS

15. When the Tenant vacates the leased premises, all keys and duplicate keys shall be delivered in good order to the Landlord. The Tenant shall be liable for any loss of or damage to the keys and locks of the leased premises and shall, at the request of the Landlord, replace the keys and locks or have the lock mechanism and lock combination changed, as the Landlord may elect, in addition to providing new keys.



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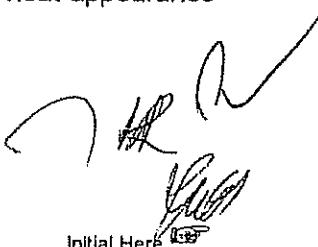
CLEANING SERVICES AND REFUSE REMOVAL

16. 16.1 The Landlord shall provide cleaning services for the common areas of the property. The Landlord shall determine the nature and quality, as well as the times and frequency, of the cleaning services for which he is responsible, and the Tenant and his employees shall not impede the services of the employer's workmen or hinder them in performing their duties.
- 16.2 The Tenant shall at his own cost clean the inside of the leased premises, as well as its signs on the outside of the leased premises. The Tenant shall also regularly clean, according to the Landlord's instructions, all plate-glass, louvres (whether of glass or otherwise), and window frames on the inside, as well as on the outside, of the leased premises. If the leased premises are provided with food preparation facilities, for example a cookerhood, fat filters, extract ducting and grease traps, these facilities shall be regularly cleaned by the Tenant according to the Landlord's instructions at the Tenant's cost. Should the Tenant not adhere to such instructions the Landlord shall be entitled to arrange for the cleaning thereof and recover the cost thereof from the Tenant, which cost shall be payable on demand.
- 16.3 If the Tenant himself is responsible for the cleaning services on the leased premises, the Tenant shall follow all reasonable instructions by the Landlord with regard to the cleaning of the leased premises.
- 16.4 The Landlord shall be responsible for the removal of refuse from the property in accordance with arrangements with the local authority. The Tenant shall keep refuse inside the leased premises and shall not leave any refuse outside the leased premises except if there has been prior approval from the Landlord in writing.

The Landlord shall decide, in its sole discretion, on the times and frequency of removal of refuse from the leased premises. Should the Tenant's quantity and type of refuse from time to time be abnormal in the Landlord's opinion, the Tenant shall make special arrangements with the Landlord for its removal and the cost of such removal shall be paid by the Tenant on demand.

NUISANCE

17. 17.1 The Tenant shall not do or permit or cause anything to be done which, in the reasonable opinion of the Landlord, constitutes a nuisance or may cause inconvenience to, or in any way disturb the peace of the Landlord or other Tenant in the property or which may detract from the general neat appearance of the property or the leased premises.



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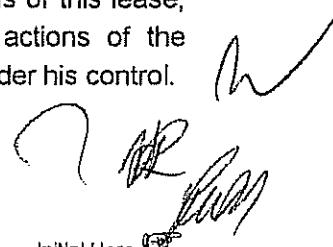
- 17.2 The Tenant shall also be obliged at his own expense to comply with the requirements of all regulations, laws, provincial ordinances and the local authority's orders and regulations concerning the conduct of the Tenant's business.
- 17.3 The Tenant may not exhibit, store or leave goods or articles on the pavements or the stairs or landings or in passages or entrances or entrance-halls or arcades of the property.
- 17.4 The Tenant shall have no right of entry to the roof or machine rooms of the building and operating areas of the Landlord.

BURGLARY OR ATTEMPTED BURGLARY

18. The Tenant shall be responsible for the repair of any damage to the exterior and interior of the leased premises, resulting from burglary or attempted burglary of the leased premises.

DAMAGE DUE TO DISASTER

- 19.1 If as a result of fire, storm or any other cause whatsoever the leased premises are substantially destroyed or they are rendered unfit for the purpose for which they were leased, and the Landlord elects within 60 (sixty) days of the date of the destruction or damage not to give the Tenant written notice that it intends to keep the lease valid, the lease shall be deemed to have been cancelled on the date of such destruction and/or damage; however, if the Landlord gives notice within the above period that it intends to keep the lease valid the provisions of clause 19.2 shall "mutatis mutandis" apply.
- 19.2 Should the leased premises be partially damaged by fire, storm or any other cause whatsoever, to such an extent that the Tenant is still reasonably able to use them for the purpose described in the lease, the Landlord shall ensure that the leased premises are repaired as soon as reasonably possible and the Tenant shall be entitled to a reduction in rental and other charges payable in terms of this lease for as long as the leased premises are being repaired. The parties shall endeavour to agree on the amount of such reduction. In the event of a dispute as to the amount of such reduction, the decision of the Landlord's auditor shall be final and binding on the parties. The Tenant shall not be entitled to any reduction in the rental and other charges payable in terms of this lease, however, if the premises are partially damaged through the actions of the Tenant, his representatives or employees or any other person under his control.

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NON-LIABILITY

20. The Landlord shall not be liable for any damage or loss whatsoever which the Tenant may suffer on the leased premises or in or on the property, irrespective of the cause and the Tenant indemnifies the Landlord against liability for any damage or loss whatsoever which the Tenant's directors, employees, clients, servants, invitees, visitors or any other person may suffer on the leased premises, irrespective of the cause.

INSURANCE

21. 21.1 The Landlord shall be entitled (but not obliged):

- 21.1.1 to insure the building and permanent fixtures and fittings and installations forming part thereof against all or any of the risks for which insurance is available to owners of property of this nature on the basis that the property is used for non-hazardous purposes; such risks may include (but are not limited to) the risks of fire, lightning, explosion, riot, strike, malicious damage, storm, special perils, impact, earthquake, earth tremor and political riot.
- 21.1.2 to take out insurance in respect of loss of rental and rates and taxes in respect of the building against all or any of the risks for which insurance is available to owners of property of this nature on the basis that the property is used for non-hazardous purposes; such risks may include (but are not limited to) the risks of fire, lightning, explosion, riot, strike, malicious damage, storm, special perils, impact, earthquake, earth tremor, political riot and loss of gross income and for a period not more than 24 months;
- 21.1.3 to take out insurance for an amount of not more than R2,000 000,00 per any one claim or series of claims arising out of any one event (with no limit in respect of the number of claims made during any period of insurance) and against any risk of:
- 21.1.3.1 any injury, damage or loss (whether direct or indirect, consequential or otherwise) suffered by any person in the building or on the property or by such persons and all other persons in the leased premises from whatsoever cause arising and, in particular, without limiting the generality of the foregoing, whether caused by theft, fire, flood,

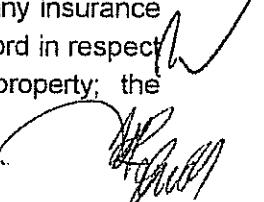
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lightning, earthquake, war, riot, strikes, civil commotion or any other cause whatsoever;

- 21.1.3.2 any delay, inconvenience, damage or loss (whether direct or indirect, consequential or otherwise) which may be suffered by any person in the leased premises as a result of any interruption of the water supply, refuse removal services, electrical supply or any other service or source of supply whatsoever in connection with the building;
- 21.1.3.3 any injury, damage or loss (whether direct or indirect, consequential or otherwise) caused to any person by items falling from the building, whether giving rise to the *actio de effusis et ejectis* or not.
- 21.2 The Landlord shall determine the amount ("the basic amount") of the insurance effected in terms of 21.1.1 hereof from time to time on the basis of the replacement value (including the cost of necessary professional fees and escalations in cost) of the building.
- 21.3 The Landlord may place such insurance with any insurer/s selected by it.
- 21.4 At the written request of the Tenant, the Landlord shall notify the Tenant as to what the risks insured against are, what the basic amount is and what the premiums are.
- 21.5 The Tenant will not do or permit anything to be done which may adversely affect any insurance effected in terms of 21.1 hereof or increase the premiums.

If the premiums are increased as aforesaid, the Tenant shall (without prejudice to any other remedies or rights which the Landlord may have) bear the cost of such increase, which shall be payable to the Landlord on demand.

- 21.6 The Tenant undertakes that it will not (nor will it permit persons claiming occupation of the leased premises under it to do so) keep or use any inflammable material or substances of whatsoever nature (except insofar as it may be reasonably necessary for the conduct of the business of the Tenant and in such event only with the consent of the Landlord, which shall not be unreasonably withheld) which may invalidate or adversely affect any insurance policy which has been taken out or may be taken out by the Landlord in respect of the building or which may cause a fire in the building or on the property; the

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Tenant hereby indemnifies the Landlord against any damage or loss which the Landlord may suffer as a result of the presence of such inflammable material or substance.

- 21.7 The Tenant shall effect insurance against any liability which the provisions of the lease impose upon him and against risks arising from running his business on the leased premises.

PLATE-GLASS

22. The Tenant shall be responsible for replacing any broken or damaged plate-glass at his expense irrespective of the cause of the breakage or damage.

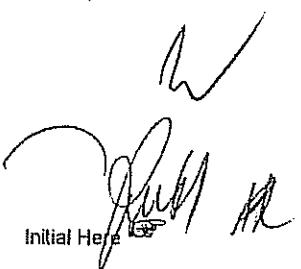
ASSIGNATION, SUBLetting AND ALIENATION

23. The Tenant shall not cede, transfer, pledge or in any way dispose of any of his rights and/or obligations in terms of this lease. The Tenant shall not sub-let the leased premises or any part thereof nor allow anyone else to occupy the leased premises or any part thereof without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.

Should the Landlord sell or otherwise dispose of the building/property or cede or assign its rights or delegate its obligations in respect thereof, to a third party/ies at any time during the currency of this lease or any renewal thereof, the Tenant undertakes to hold itself bound by the terms of this lease to such third party as the new Landlord, and this lease shall continue unchanged and of full force and effect as fully as though the Landlord had remained unchanged.

~~TRANSFER OF SHARES, CHANGE OF PARTNERSHIP AND CHANGE IN COMPOSITION OF A CLOSE CORPORATION~~

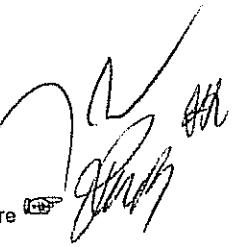
24. 24.1 If the Tenant is a private company, its shareholding shall not be altered for the duration of the lease to such an extent that the persons in whom the control presently vests, shall no longer be in control.
- 24.2 If the Tenant is a partnership, its composition shall, for the duration of the lease, not be changed. However, if there is any change the partners who signed this lease, or the partners referred to in 24.3 shall remain jointly and severally liable in terms of this lease as if the partnership had not been changed.

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- 24.3 If one or more but not all the partners of the partnership sign this lease, the partners who have signed it have, by their signatures, warranted to the Landlord that they are authorised to bind the other partners to all the conditions of this lease including the provisions of this sub-clause.
- 24.4 If a change in shareholding or of the composition of a partnership as contemplated in sub-clause 24.1 and 24.2 may occur, the Landlord shall only release the Tenant from his obligations in terms of the lease provided the Tenant applies therefor in writing and
- 24.4.1 satisfies the Landlord about the newly-intended shareholding or the newly-intended composition and it is acceptable to the Landlord or
- 24.4.2 introduces another Tenant to the Landlord who is acceptable to the Landlord and
- 24.4.3 the Tenant in case of paragraph 24.4.1 or the Tenant in case of 24.4.2 enters into a new lease with the Landlord for at least the unexpired term of this lease at a rental and on such terms as the Landlord may require at such stage.
- 24.5 The provisions of clauses 24.1 and 24.4 shall "mutatis mutandis" apply if the Tenant is a Close Corporation.

~~—PRE-INCORPORATION CONTRACT—~~

25. 25.1 If in entering into this agreement the person who signs as Tenant acts as trustee for a company or close corporation to be formed, then this shall be clearly indicated by such person under his signature as Tenant, failing which he shall be deemed to act in his personal capacity.
- 25.2 In the event that the person signing as Tenant in so doing acts as trustee for a company or close corporation to be formed then the following shall apply:
- 25.2.1 Such person undertakes to use his best endeavours to procure before the commencement date that such company or close corporation is incorporated, that such company or close corporation ratifies or adopts this contract and that in this regard the provisions of Section 35 of the Companies Act, 1973 or Section 53 of the Close Corporation Act 1984 (as the case may be), are complied with.

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- 25.2.2 Such person shall notify the Landlord in writing whether or not the provisions of 25.2.1 have been complied with before the commencement date and, if such provisions have been complied with, shall provide the Landlord with the name and registration number of such company or close corporation. If required by the Landlord such person shall forthwith provide the Landlord with any proof thereof which the Landlord may require.
- 25.2.3 If the provision of 25.2.1 are complied with, such person shall bind himself as surety and co-principal debtor with such company or close corporation for its obligations in terms of this lease on the terms contained in Annexure "C" and shall execute such suretyship in favour of the Landlord before the commencement date.
- 25.2.4 If the provisions of 25.2.1 are not complied with, such person will be personally liable as Tenant in terms of this agreement.
- 25.2.5 Until such time as the provisions of 25.2.1 are complied with or not, all obligations of the Tenant and all rights of the Tenant in terms of this agreement shall be fulfilled or exercised as aforesaid pending compliance or non-compliance (as the case may be), with the provisions of 25.2.1.

LIABILITY

26. If the Tenant is a Company or Close Corporation the Directors, Shareholders and Members, as the case may be, of the Company or Close Corporation shall, simultaneously with the signing of this lease, sign the suretyship being Annexure "C" in which they acknowledge that they shall be jointly and severally liable for the due fulfilment of the Tenant's obligations in terms of this lease.

COSTS

27. The Tenant undertakes on signing of the lease, to pay the amount indicated on page 2 of this lease as "Lease fees".

The stamp-duty on the lease and any renewal thereof and possible addenda thereto shall be borne in equal shares between the Landlord and the Tenant, by the Tenant and shall be payable on demand.

MONTHLY STATEMENT OF TURNOVER

28. Notwithstanding anything to the contrary in the provisions of this lease, the Tenant of shop premises shall submit to the Landlord within 14 (fourteen) days of the end of each calendar month an unaudited statement of the gross turnover for that specific month. The Landlord shall treat this information as confidential, and shall use it only for the purpose of determining trading trends and not for the calculation of turnover rentals. Gross turnover shall be the total sales excluding V.A.T.
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"TO LET" NOTICES

29. The Landlord shall be entitled, in the 3 (three) months before the expiry or termination of the lease, to place "To Let" notices in a prominent position on the leased premises and to show the interior of the leased premises to potential Tenants at any reasonable time/s. During this period the Landlord or any new Tenant of the leased premises may exhibit on the windows or doors of the leased premises any notices required for any application relating to the leased premises or any trade licence for the leased premises. The Tenant shall also permit the interior of the leased premises to be shown at any reasonable times to probable purchasers of the building and/or the leased premises.

SECURITY, FIRE-FIGHTING AND EVACUATION EXERCISES

30. The Tenant shall take part and co-operate with the Landlord in security activities, exercises of fire-fighting, prevention of fire and evacuation which the Landlord may order from time to time.

ADMITTANCE TO THE PROPERTY

31. For security purposes the Landlord shall lock the entrances to the property at a set time after business hours and shall make available only selected entrances which, in the Landlord's opinion, are necessary to admit or to let out the Tenant or his staff. The Landlord may from time to time stipulate the ways by which entry to the building may be gained after business hours.

REGULATIONS AND CARETAKER

32. 32.1 The Landlord shall be entitled from time to time to make regulations and to appoint a caretaker for the management, safety, care, cleanliness and good order of the building and the property and for the parking of vehicles on the property as it in the reasonable exercise of its discretion deems fit.
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- 32.2 The Tenant agrees to be bound by such regulations provided that such regulations shall not conflict with the existing provisions of this agreement.
- 32.3 Such regulations, including any additions or amendments thereto, shall only be binding upon the Tenant once reduced to writing and submitted to the Tenant.

CONCESSION OR RELAXATION

33. Any concession, indulgence or relaxation which may be granted by the Landlord to the Tenant, and in particular the acceptance of rental and other additional charges after the due date or of a lesser sum than the full amount of rental or other charges or of other moneys, shall in no way detract from or prejudice the Landlord's rights in terms of the lease, nor be considered a waiver by the Landlord of his rights in terms of the lease.

RECOVERIES AND LEGAL ACTION

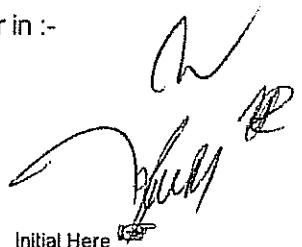
34. If the Landlord incurs any costs (whether the Landlord institutes legal proceedings or not) for the collection of any amounts or the compliance with any provision of the lease, with or without a claim for cancellation of the lease, the Tenant shall be liable to the Landlord for such costs, including all legal costs, collection commission, (both as between attorney and client as well as between party and party) and for any costs incurred in tracing the Tenant.

DOMICILIUM

35. The parties choose the addresses indicated on page 3 of this lease as *domicilium citandi et executandi* for all matters which may arise from the lease or at such other address in the Republic of South Africa as the parties may advise each other in writing from time to time. All notices which either party addresses to the other shall be deemed to be duly delivered within 5 (five) working days after they have been posted by prepaid registered mail.

COURT'S JURISDICTION

36. The parties confirm that the Tenant carries on business at the leased premises as contemplated in Section 28 (1) (a) of the Magistrate's Court Act, 1944 as amended from time to time, or any other Act that may replace it. The Landlord shall at its election institute any action that may arise directly or indirectly from this lease either in :-



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- 36.1 the Magistrate's Court having jurisdiction even though the amount involved may exceed the limitations contemplated in sections 29 (1) and 46 (2) (c) of the said Act, or
- 36.2 in the Supreme Court having jurisdiction.

AGENTS COMMISSION

37. The Tenant warrants that he has had no negotiations with any leasing agent other than an employee of the Landlord with regard to this lease. The Tenant indemnifies the Landlord against any claim for commission which, as a result of the Tenant's action, may be brought against the Landlord.

DEPOSIT/BANK GUARANTEE

38. 38.1 Simultaneously with the signature of this agreement by the Tenant, the Tenant shall pay to the Landlord the deposit as shown on page 3 of this lease.
- 38.2 The deposit shall be held by the Landlord subject to the following:
 - 38.2.1 The deposit shall be held by the Landlord as security for the due compliance by the Tenant with all its obligations in terms of this agreement (including any cancellation hereof).
 - 38.2.2 The deposit shall be refunded to the Tenant by the Landlord within 90 days of the termination of this agreement but subject to 38.2.3 hereof.
 - 38.2.3 The Landlord may deduct from the deposit any amount which is payable by the Tenant to the Landlord; provided that pending the resolution of any dispute in regard thereto (whether relating to the nature of the amount, or that it is due or any other dispute), whether by litigation or negotiation, the Landlord shall be entitled to retain that portion of the deposit which is equivalent to the amount which the Landlord claims is due by the Tenant to the Landlord until such time as the dispute is resolved notwithstanding that this agreement has terminated.
 - 38.2.4 Should the Landlord at any time prior to the termination of this agreement deduct any amount from the deposit in terms of 38.2.3 hereof, the Tenant shall on demand furnish the Landlord

~~with an amount equivalent to the amount so deducted, which amount will then form part of the deposit.~~

~~38.2.5 The Landlord shall not be responsible for the payment of any interest on the deposit held.~~

~~38.3 Notwithstanding anything to the contrary contained in this clause the Tenant may, at its election, provide the Landlord with a bank guarantee for the amount shown on page 3 of this lease, to which all the terms and conditions as set out in this clause shall, mutatis-mutandis, apply.~~

SAFES OR OTHER HEAVY OBJECTS

39. The Tenant shall not, without the Landlord's prior written consent, be permitted to bring any safe or other heavy object into the leased premises or the building, and the Tenant shall be responsible for the repair, to the satisfaction of the Landlord, of any damage to the leased premises or to the building, caused as a result of such heavy object being brought into the leased premises or the building.

FAILURE OF TENANT TO OPEN AND REMAIN OPEN

40. 40.1 The Tenant shall open the leased premises for business with the public on the COMMENCEMENT DATE as defined in Annexure "D", fully stocked, fully fixtured and fully staffed.

40.2 The Tenant shall thereafter keep the leased premises open for business as aforesaid for the duration of this lease.

40.3 Should the Tenant breach the provisions of 40.1 and/or 40.2, then, without prejudice to any other remedy/ies available to the Landlord, the Tenant shall pay to the Landlord for the period the Tenant is in default as liquidated damages and not as a penalty an amount equal to the basic rental, in addition to the rental payable at the termination or cancellation of this lease.

ADVERTISING AND PROMOTIONS FUND

41. The Tenant shall pay, in addition to the basic rental referred to on page 2 of the lease, the amounts as indicated on page 2 of the lease as "Advertising and Promotions Fund" towards an advertising and promotions fund which will be administered by the Landlord. The object of the fund will be to promote the business of the Tenants by sales promotions and centre-wide advertising.

OCCUPATIONAL HEALTH AND SAFETY ACT NO. 85 OF 1993 (AS AMENDED)

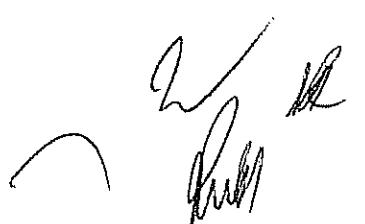
42. The Tenant confirms that with effect from the beneficial occupation date of this lease it has acquired full control in respect of the use of the leased premises for purposes of the Occupational Health and Safety Act No. 85 of 1993 (As Amended), and the Tenant hereby indemnifies the Landlord or any duly appointed agent against any claims arising from the Tenant's non-compliance with the provisions of this Act.

RELOCATION—

43. ~~The Landlord may from time to time relocate the Tenant within the building to premises which in the reasonable opinion of the Landlord are reasonably comparable to the premises previously let, in which event the Landlord shall pay to Tenant all reasonable costs connected with the relocation.~~

ENTIRE AGREEMENT

44. 44.1 This lease constitutes the entire agreement between the Landlord and the Tenant.
- 44.2 The parties acknowledge that all terms, conditions, representations, warranties and promises have been included in this lease.
- 44.3 Any variation to this lease must be in writing and signed by the parties to this lease.

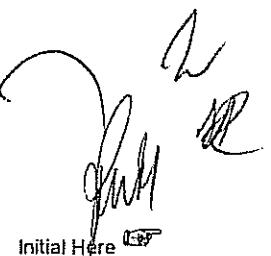
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ANNEXURE "B"

RENEWAL OF LEASE

The Landlord is prepared to lease the leased premises to the Tenant for a further period (herein referred to as the Renewal Period) as set out on page 1 of this lease as from the first day following the termination of the Initial Period, provided that the parties agree in writing on the rent, conditions and provisions of the proposed lease at least 3 (three) months before the expiry of the Initial Period.

If the Tenant is interested in extending the lease in terms of the preceding proviso, he must notify the Landlord of his intention to do so in writing at least 6 (six) months before the expiry of the Initial Period, failing which it shall be deemed that he does not wish to renew the lease.



A handwritten signature in black ink, appearing to read "John Doe".

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ANNEXURE "D"

OCCUPATION

The Landlord shall endeavour to give the Tenant approximately 30 (thirty) days notice of the approximate date on which the leased premises will be available for shopfitting ("the beneficial occupation date").

The Landlord shall give the Tenant beneficial occupation for the period specified on page 3 of this lease for the purposes of shopfitting, prior to the opening date, rent free.

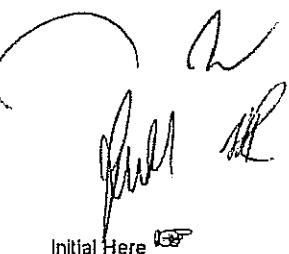
The leased premises will be deemed available for shopfitting when the leased premises have been substantially completed, and if the Tenant disputes this, a certificate of substantial completion from the Landlord's architect shall be final and binding on both parties.

If the Landlord does not give the Tenant beneficial occupation of the leased premises for any reason on the beneficial occupation date, the Tenant shall not be entitled to cancel this agreement as a result thereof, but shall be obliged to accept occupation of the leased premises when they are ready for occupation as certified by an architect appointed by the Landlord for such purpose. The Tenant shall have no claim against the Landlord for the intervening period.

COMMENCEMENT DATE

This shall be the date on which the Tenant commences trading from the leased premises. Should this not be the first day of a calendar month, the lease shall commence on the first day of that calendar month. The Tenant shall be liable to pay pro rata rental and other charges payable in terms of this lease for the period from the commencement date to the last day of that calendar month.

From the above date the leased premises shall be the responsibility of the Tenant who shall be liable for any damage to the leased premises or the property caused by the Tenant or his invitees.



A handwritten signature consisting of stylized initials and a surname, followed by the words "Initial Here" and a small square box.

ANNEXURE "E"

TURNOVER RENT

1. As from the commencement date of this lease until the next succeeding ~~28th day of February~~ ^{30th day of June} the monthly rent payable by the Tenant to the Landlord shall be the percentage referred to on page 2 of this lease of the nett turnover for the said period divided by the number of completed calendar months in such period, but not less than the basic rental as mentioned in this lease.

2. As from the next succeeding 1st day of ~~March~~ ^{July} until the expiry date of the lease the rental payable by the Tenant to the Landlord in respect of each calendar month shall be equal to 1/12 (one-twelfth) of the percentage referred to on page 2 of this lease of the nett turnover of the complete twelve-month period during which that month falls, but not less than the basic rent as mentioned in this lease.

3. If at the end of the tenancy there is an incomplete twelve-month period, the monthly rental payable in respect of that incomplete twelve-month period shall be the percentage referred to on page 2 of this lease of the nett turnover for such incomplete twelve-month period divided by the number of completed calendar months in such incomplete period, but not less than the basic rent as mentioned in this lease.

4. If the rent determined by clauses 1, 2 and 3 of this Annexure in respect of any calendar month shall be less than the basic rent, then the rent in respect of that calendar month shall be the basic rent.

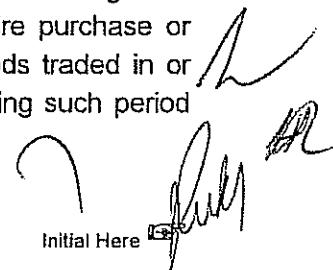
5. As and from the commencement date of this lease until the expiration of the lease, the Tenant shall pay to the Landlord the basic rental applicable. The balance, if any, of the rent in respect of the period from the commencement date of the lease until the next succeeding ~~28th day of February~~ ^{30th day of June} shall be payable by not later than the next succeeding ~~31st day of May~~ ^{30th day of September} and the balance, if any, of the rent in respect of each succeeding twelve-month period shall be payable simultaneously with delivery to the Landlord of the statement referred to in clause 9 of this Annexure.

If at the end of the tenancy there is an incomplete twelve-month period, then the balance, if any, of the rent in respect of that incomplete period shall be payable within 3 (three) months of its expiration.

6. 6.1 Should the turnover rent in respect of any twelve-month period exceed the basic rent for that twelve-month period then, on the first day of the month following the delivery to the Landlord of the statement referred to in clause 9 of this Annexure and on the first day of each month after that until delivery of the next such statement, the Tenant shall pay to the Landlord 1/12 (one-twelfth) of such excess (such payments being hereinafter referred to as interim payments), provided that such interim payments, if any, shall be payable as from the date

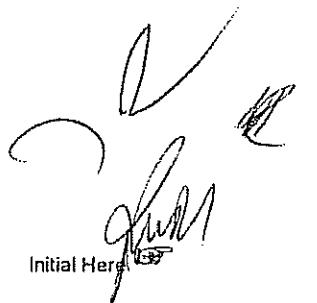
not later than the first day of the fourth month following a particular twelve-month period.

- 6.2 On delivery of the next such statement as contemplated in clause 6.1 above, the total of all such interim payments made by the Tenant shall be dealt with as follows :
 - 6.2.1 If the total of all interim payments referred to in clause 6.1 is greater than the amount by which the turnover rent in respect of the twelve-month period for which such statement is delivered, exceeds the basic rental payable for such twelve-month period, then the difference shall be paid by the Landlord to the Tenant.
 - 6.2.2 If the total of all interim payments referred to in clause 6.1 is less than the amount by which the turnover rent in respect of the twelve-month period for which such statement is delivered, exceeds the basic rent payable for such twelve-month period, the amount by which the turnover rent exceeds the basic rental payable in respect of the twelve-month period concerned, less the total of all interim payments made by the Tenant since delivery of the previous such statement, shall be paid by the Tenant to the Landlord together with the delivery of the statement referred to in clause 9 of this Annexure.
 - 6.2.3 If the turnover rent does not exceed the basic rent for such twelve-month period, the total of the interim payments shall be refunded by the Landlord to the Tenant.
 - 6.2.4 All payments by the Landlord to the Tenant in terms of this clause shall be made within 15 (fifteen) days of receipt of the statement concerned.
- 6.3 Should interim payments become payable in terms of 6.1 above and the Tenant anticipate a downturn in its nett turnover during the twelve-month period concerned, the Tenant may request the Landlord that such interim payments be adjusted proportionally provided that the Tenant submits its official budget to the Landlord confirming such anticipated downturn. The Landlord shall decide on the extent to which the interim payments are to be adjusted for the period concerned.
7. The term "nett turnover" in respect of any twelve-month or shorter period shall mean the total nett cash selling price (that is exclusive of any taxes paid at the point of sale, interest, finance charges and any other like charges) from all goods sold during such period, whether such goods are sold for cash, on terms or credit, hire purchase or otherwise. All discounts allowed, all credits passed in respect of goods traded in or repossessed and all amounts reasonably written off as bad debts during such period

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shall be taken into account and deducted from the amount of such turnover, provided that any amounts written off which are subsequently recovered shall be added to the turnover for the period in which they are recovered.

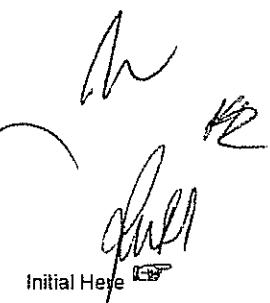
8. A "twelve-month period" shall mean a period running from the first day of ~~March~~ ^{July} in any one year to the last day of ~~February~~ ^{June} in the following year, both dates inclusive.
9. Within 3 (three) months of the end of every twelve-month period and if at the end of the tenancy there is an incomplete twelve-month period then also within 3 (three) months of its expiration, the Tenant shall deliver to the Landlord a statement of the nett turnover for that twelve-month or shorter period certified as correct and as determined in terms of clause 7 above, by the respective auditors of the Tenant and of any subsidiary/holding or associated companies of the Tenant which may be trading on the leased premises. Such statement shall be delivered at the place where the rent, in terms of this lease, is payable at that time.
10. The Landlord's auditors may at all reasonable times inspect and take extracts from the books and records of the Tenant and any subsidiary, holding or associated companies of the Tenant which may be trading on the premises insofar as such books and records may relate to the nett turnover for any period and the Tenant shall make all such books and records available for such inspection.
11. If a dispute arises between the Landlord and the Tenant in regard to the nett turnover for any period such dispute shall be resolved in accordance with the provisions of Annexure "H" hereto.
12. The term "basic rent" in this Annexure shall mean the basic rent as indicated on page 2 of this lease and excludes all additional charges in terms of clauses 3 and 41 of Annexure "A".

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ANNEXURE "F"

AIRCONDITIONING

1. The Landlord shall provide air-conditioning during business hours. The times for air-conditioning on the leased premises to be switched on and off before and after business hours shall be determined by the Landlord.
2. The Landlord shall take all reasonable steps to ensure that the air-conditioning plant is fully tested before occupation of the leased premises. The Tenant acknowledges that the Landlord, after occupation of the leased premises, shall require a reasonable period for testing and regulating the air-conditioning system and that air-conditioning may not be of a reasonable standard during this period. The Landlord shall use its best endeavours to limit this period to a minimum.
3. The Tenant shall co-operate with the Landlord at all times to ensure the most effective functioning of the air-conditioning system.
4. Under no circumstances shall the Tenant install or have installed any air-conditioning units on the leased premises without prior written approval having been obtained from the Landlord, nor shall the Tenant in any way interfere with the air-conditioning system.



Initials H.E.

ANNEXURE "G"

BUSINESS HOURS

In this agreement of lease -

"business hours" means the times listed below from Mondays to Saturdays:

Mondays to Fridays	08h30 to 17h00
Saturdays	08h00 to 13h00

throughout the year or otherwise as amended from time to time in terms of sub-clause 5.2 of Annexure "A" to this lease.

Non-compliance with the above trading hours shall constitute a material breach of this agreement of lease.



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ANNEXURE "H"

ADJUDICATION

Save as specified expressly to the contrary in this lease agreement, all differences or disputes (hereinafter together referred to as the DISPUTES) shall be resolved (unless the parties otherwise agree in writing) as follows:

1. The DISPUTE in question shall be declared by the party raising the DISPUTE giving the other party written notice thereof. The date of receipt by the addressee of the notice declaring the DISPUTE is hereinafter referred to as the DISPUTE DATE.
2. Unless the parties otherwise agree in writing, the DISPUTE in question shall be determined by an adjudicator within at most 90 (ninety) days from date of his appointment.

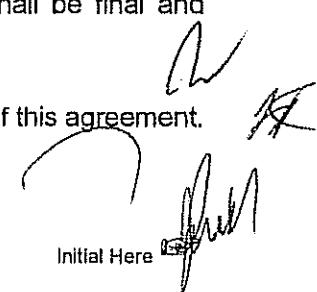
Unless the parties agree in writing within 21 (twenty-one) days of the DISPUTE DATE on who the adjudicator will be, the adjudicator will be a person appointed by the selector ("the SELECTOR") and shall be a person whom the SELECTOR regards as being an expert in relation to the DISPUTE in question.

For the purpose hereof, the SELECTOR shall be the then President of the Law Society of the Province in which the leased premises are situated and failing such office or such body, the senior officer of the body then governing the attorney's profession.

Should the adjudicator fail to make a determination within the aforesaid 90 (ninety) day period, then his appointment will lapse (unless otherwise agreed in writing between the parties) and the SELECTOR will appoint a further adjudicator within not more than 30 (thirty) days after the lapse of such 90 (ninety) day period. This procedure shall be repeated ad infinitum until a determination of the DISPUTE is made.

3. The adjudicator shall in determining the DISPUTE in question act as an expert, and not as an arbitrator.
4. The adjudicator shall give both parties an opportunity to make representations to him before determining the DISPUTE; such representation shall be made within 14 (fourteen) days of written request therefore by the adjudicator.
5. The adjudicator/s may determine which party is liable for its fees; if he makes no such determination, his fees shall be shared equally by the parties hereto.
6. The determination of the DISPUTE in question by the adjudicator shall be final and binding on both parties.

The provisions of this annexure are divisible from the other provisions of this agreement.

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**EXTRACT OF A RESOLUTION OF THE BOARD OF DIRECTORS OF TRUWORTHS LIMITED
PASSED ON 16 FEBRUARY 1999**

**GENERAL AUTHORITY
SIGNING POWERS**

RESOLVED

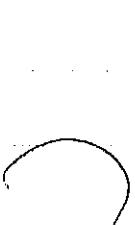
THAT in connection with any lease of immovable property, WAYNE MARTIN VAN DER MERWE, or ANTHONY JOSEPH TAYLOR or PHILLIP MURRAY BOYD THOMPSON, for a period of 3 (three) years reckoned from 16 February 1999 be and are hereby authorised to settle and conclude at their entire discretion all terms and conditions in respect of any proposed :-

- (i) Lease and / or sub-lease agreements, whether as lessee or sub-lessee, lessor or sub-lessor,
- (ii) Exercising of any option contained in any agreements of lease or sub-lease,
- (iii) Cessions of any lease or sub-lease agreements, whether as cedent or cessionary,
- (iv) Assignment of any lease or sub-lease agreements, whether as assignor or assignee,
- (v) Cancellation of any lease or sub-lease agreements,
- (vi) Variation or amendment of any lease or sub-lease agreements,

and that without derogating from the foregoing, the authority granted above shall be deemed to extend to any lease and / or sub-lease agreements which are currently in force.

Certified a true and faithful extract of the Resolution which it purports to be.


Wayne Martin Van Der Merwe
DIRECTOR




ANNEXURE "J"

GROSS RENTAL ESCALATIONS

1. The gross monthly rental for the initial Lease period, as well as the option period(s) will escalate at the rate of 8% (Eight percent) per annum, subject to the proviso that should the Consumer Price Index (defined by the Central Statistical Service) as reflected by the official inflation rate, drop to 5% (Five Percent) or below and remain at that level for at least 2 (Two) years consecutively, then the rental escalation percentage for the balance of the lease period shall be amended to 1% (One Percent) above the average CPI (inflation rate percentage) for the latest available period of 12 months as obtained 2 (Two) months prior to the month during which the escalation in rent is to be effected. For example, if the rent escalation takes effect on 1 April, then during the month of February of the same year, the latest average CPI percentage available in February (which percentage pertains to the preceding 12 month period as set out above) shall determine the rent escalation rate to take effect on 1 April.
2. The Tenant shall notify the Landlord in writing at least 30 (Thirty) days before the commencement of the next anniversary date of the lease of the adjusted rental escalation percentage for the balance of the lease period.
3. The provisions of this Annexure is divisible from the other provisions of this contract.

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