

OFFER TO LEASE

TO

(or its nominee)
("the Landlord")

HEREIN REPRESENTED BY ERIS PROPERTY GROUP (PTY) LTD

I/We, the undersigned,

("the Tenant")
(Registration No./ID No./CK No:.....)

hereby offer to lease the Leased Premises below on the following terms and conditions:

1. LEASED PREMISES

1.1 Unit..... measuring approximatelym² of rentable area situate at(insert address) ("the **Leased Premises**").

2. PERIOD OF LEASE

2.1 The lease shall commence on..... ("the lease commencement date").

2.2 The lease shall endure for an initial period of years.

2.3 Beneficial occupation in respect of the Leased Premises will commence on..... to

2.4 If the Leased Premises is not ready for occupation by reason of the previous tenant's failure to vacate or for any other reason whatsoever, the Tenant shall have no right to claim cancellation or damages and the lease commencement date shall be postponed until the first day of the month following the date upon which the Leased Premises is ready and available for occupation.

2.5 The Tenant shall not be entitled to take occupation of the Leased Premises unless and until the Tenant delivers, to the satisfaction of the Landlord, the following:-

2.5.1 A duly signed and completed agreement of lease together with annexures thereto;

2.5.2 A deposit or irrevocable bank guarantee as contemplated herein;

2.5.3 All relevant FICA documentation applicable to the Tenant; and

2.5.4 To the extent applicable, the payment of the tenant installation overrun as defined in the Landlord's standard agreement of lease.

3. **RENTAL**

The monthly rental is made up as follows:

3.1 **BASIC MONTHLY RENTAL**

3.1.1 From the lease commencement date, the basic monthly rental payable on the first day of each and every month by the Tenant in respect of the Leased Premises shall be R(excluding VAT), being per m² (excluding VAT). The basic monthly rental shall escalate at a rate of% per annum compounded on each anniversary of the lease commencement date.

3.1.2 The basic monthly rental and all other charges herein are payable monthly in advance, on the first day of every month, free of deduction and without set-off, to the Landlord's nominated agent at the agent's address.

3.2 **RATES AND TAXES**

3.2.1 In addition to the foregoing and from the lease commencement date, the Tenant shall be liable for and will pay the current assessment rates monthly in respect of the leased premises and which is currently R per month. In addition to the foregoing, the Tenant shall be liable for and pay any future increases in the assessment rates and taxes levied by the local authority and payable in respect of the property and/or building.

3.2.2 Furthermore, the Tenant shall pay its monthly pro rata share of any property levies, charges or taxes which may be imposed by the local or any other responsible authority in respect of the property and/or building.

3.2.3 If at any time after the beneficial occupation date or the lease commencement date, as the case may be, should the Leased Premises form part of a sectional title scheme or a share block scheme, and should the sectional title scheme or share block scheme impose any levies against the Landlord, then, the Tenant shall pay its pro rata share of such levy to the Landlord. In the event that any levies payable by the Landlord in respect of the Leased Premises be increased at any time by the body corporate or share block company after the beneficial occupation date or lease commencement date, as the case may be, then the Tenant shall be liable for and shall pay its pro rata share of such increase to the Landlord.

3.3 **PARKING**

The monthly rental payable by the Tenant in respect of parking will be as follows:

Covered Bays at R..... (excluding VAT) per bay
Shaded Bays at R..... (excluding VAT) per bay
Open Bays at R..... (excluding VAT) per bay

The monthly rental for parking shall escalate as at a rate of% per annum compounded on each anniversary of the lease commencement date.

4. OTHER CHARGES

In addition to the basic monthly rental, (to the extent applicable) operating costs, parking rental, rates and taxes and turnover rental, from the lease commencement date, the Tenant shall be liable, on demand, for payment of the following:

4.1 Utilities

- 4.1.1 Electricity, water, gas, sewerage, refuse and any other services consumed in or on the Leased Premises, and any levies and other municipal charges relating to services provided by any competent authority in respect of the Leased Premises included deposits and availability fees.
- 4.1.2 The Tenant shall pay for the electricity and water costs in respect of the air-conditioning system serving the Leased Premises.
- 4.1.3 Where a meter or meters is/are installed relating to the Leased Premises, the Tenant shall effect payment in accordance with the relevant meter readings, and where a meter has not so been installed, the Tenant shall pay a pro-rata share of such charges as shall be in respect of and attributable to the Leased Premises.
- 4.1.4 The Tenant shall be liable for electricity, water, refuse and sewerage costs consumed on or about the Leased Premises during the beneficial occupation period and for its pro rata share of all electricity, water, refuse and sewerage costs consumed on or about the property.
- 4.1.5 The Tenant shall pay for all meter reading charges incurred by the Landlord in respect of the sub-meter/s relevant to the Tenant's consumption.
- 4.1.6 Notwithstanding any provision to the contrary in this offer to lease and throughout the duration of this agreement, the Landlord shall be entitled, at the Landlord's sole discretion, to install a pre-paid electricity system ("the Pre-Paid System") at or in the Leased Premises. In the event that the Landlord elects to install a Pre-Paid System, then on the installation of the Pre-Paid System, the Tenant shall be required to obtain the supply of electricity in respect of the Pre-Paid System from the relevant local authority. In such event, the Tenant shall ensure that it obtains and maintains a sufficient credit balance in respect of this Pre-Paid System as and when required by the Tenant in order to conduct its business from the Leased Premises. The Landlord shall pay for all of the costs associated with the installation of the Pre-Paid System on presentation of invoice unless the Tenant has fallen into arrears in respect of its Total Monthly Rental then, in such event, the Pre-Paid System shall be for the Tenant's account.

4.2 **Common Area**

- 4.2.1 The Tenant shall pay for its pro rata share of all the common area electricity, water, gas, sewerage, refuse and any other common area costs in respect of the building and/or property serving the Leased Premises. The Landlord shall on a monthly basis estimate the common area costs for which the Tenant is liable.

4.3 **Operating Costs**

- 4.3.1 The basic monthly operating cost payable on the first day of every month by the Tenant in respect of the Leased Premises shall be R.....per m² (excluding VAT). The basic monthly operating cost shall escalate by% per annum compounded on each anniversary of the lease commencement date for the duration of the Lease Agreement.

4.4 **Other**

- 4.4.1 The Tenant shall pay for the repair and/or replacement of damaged shopfronts, plate glass, interior cleaning, plumbing and maintenance charges for the interior of the Leased Premises, including fixtures and fittings, equipment, and appurtenances of whatsoever nature.
- 4.4.2 The Tenant shall pay a pro-rata portion of the monthly maintenance charges in respect of the air-conditioning units in the Leased Premises and/or the building in the amount of R.....(excluding VAT). The aforesaid charges shall increase proportionately in accordance with such pro rata share when the air-conditioner maintenance fees increase in respect of the Leased Premises and/or the building.
- 4.4.3 If the Tenant fails to pay the basic monthly rental or any other charges on due date the Landlord shall charge the Tenant and the Tenant shall pay on demand interest on overdue sums at the rate of the publicly quoted basic prime rate of interest at which First National Bank Limited will lend funds on overdraft plus 2% compounded, per annum or part thereof. A certificate under the hand of a General Manager of such bank, whose appointment it will not be necessary to prove, shall constitute *prima facie* proof of the prime rate from time to time.
- 4.4.4 A certificate by the Landlord shall determine and prove the balance of the Tenant's indebtedness arising from this agreement at any time. It shall not be necessary to prove the appointment of authority of the person signing such certificate on behalf of the Landlord should it not be signed by the Landlord personally. The certificate shall be binding on the Tenant and shall be *prima facie* proof of the fact of the Tenant's indebtedness, of the amount thereof and that same is due and payable at the date of signature of such certificate, the production of which shall discharge any onus of proof, which may rest on the Landlord to prove any fact certified therein. Such certificate shall serve as a liquid document in any competent court for the purpose of obtaining provisional sentence or Summary Judgment against the Tenant thereon.

5. **DEPOSIT**

5.1 The Tenant shall pay a deposit or deliver an irrevocable bank guarantee (on terms and conditions acceptable to the Landlord), as the case may be, in the amount of R..... to the Landlord on the Landlord's acceptance of this Offer to Lease. In the event that the Tenant delivers an irrevocable bank guarantee to the Landlord, such guarantee shall only expire three (3) months after the termination date.

5.2 The Landlord shall have the right of applying the whole or a portion of the deposit or the irrevocable bank guarantee, as the case may be, towards payment of the rent, water, electric current, gas, air conditioner or any other liability of whatsoever nature for which the Tenant is responsible including damages arising on cancellation. If any portion of the deposit or the irrevocable bank guarantee, as the case may be, is so applied, the Tenant shall forthwith reinstate the deposit or the irrevocable bank guarantee, as the case may be, to its original amount. The deposit (or the balance thereof) or the irrevocable guarantee (or the balance thereof), as the case may be, shall be refunded to the Tenant as soon as reasonably possible after the Tenant has vacated the Leased Premises and the Tenant has completely discharged all of the Tenant's obligations to the Landlord arising from the lease. The deposit or the balance thereof or the balance of the irrevocable bank guarantee, as the case may be, shall be refunded to the Tenant free of interest. The Tenant shall not be entitled to set off against the deposit or the irrevocable bank guarantee, as the case may be, any rent or any other amount payable by it.

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6. **LEASE COSTS**

All costs incidental to the preparation of the lease agreement shall be payable by the Tenant on signature hereof.

7. **INSURANCE**

The Tenant shall obtain insurance in respect of any liability which the provisions of the lease impose upon it and against any risks arising from operation of its business from the Leased Premises.

8. **USE OF THE LEASED PREMISES**

The Leased Premises shall be used solely for the purposes of and for no other purpose whatsoever. The Landlord does not warrant that the Leased Premises is suitable or fit for the purpose for which it has been let.

9. **SIGNAGE AND ALTERATIONS TO THE LEASED PREMISES**

9.1 The Tenant may not affix or display any signage in or about the Leased Premises without the Landlord's prior written consent. All signage affixed by the Tenant shall be removed by it at the request of the Landlord, and the Tenant shall make good any damage caused by such removal.

- 9.2 The Tenant may not affect any improvements, alterations or additions to the Leased Premises including, but not limited to, the air-conditioning units or the relocation thereof, without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
- 9.3 Subject to clause 9.1 above, any signage installed or erected by the Tenant must be done so in accordance with the Landlord's specifications and/or signage policy.

10. **TRUSTEE OF A COMPANY OR A CLOSE CORPORATION**

- 10.1 In the event that this agreement is entered into by the Tenant as a Trustee for and on behalf of a company or close corporation to be formed, then and in such event, the Tenant shall form such company or close corporation within a period of 30 (Thirty) days from the date of the Tenant's signature hereof.
- 10.2 In the event of the company or close corporation not being formed, or in the event of the company or close corporation being formed and the company or close corporation failing to ratify and adopt this agreement within 7 (Seven) days of its formation, then, in either of the aforementioned events, the person signing this agreement on behalf of the company or close corporation to be formed, shall be personally deemed to be the Tenant hereunder.

11. **SURETY**

- 11.1 (Insert Name)does hereby binds himself /themselves jointly and severally as Surety/ies for and co-principal debtor *in solidum* with the Tenant as defined in this Lease or any extension, amendment or renewal thereof to the Landlord for the due fulfilment and performance by the Tenant of all of its obligations to the Landlord. The Surety/ies hereby renounce/renounces the benefits of cession of action, excussion and division.
- 11.2 A certificate by the auditor of the Landlord shall determine and prove the balance of the Surety's/ies' indebtedness. The certificate shall be binding on the Surety/ies and shall be *prima facie* proof of the fact of the Surety's/ies' indebtedness of the amount thereof and that same is due and payable at the date of signature of such certificate, the production of which shall discharge any onus of proof, which may rest on the Landlord to prove any fact certified therein. Such certificate shall serve as a liquid document in any competent court for the purpose of obtaining provisional sentence or Summary Judgment against the Surety/ies thereon.
- 11.3 The Surety/ies consents/consent to the jurisdiction of the Magistrates' Court in respect of any action or application arising out of or connection with this Lease notwithstanding that the amount in issue may exceed the jurisdiction of the Court. Notwithstanding the foregoing, nothing herein contained shall preclude the Landlord from instituting legal proceedings in the relevant High Court having jurisdiction.
- 11.4 The Surety/ies choose/chooses the Leased Premises as its *domicilium citandi et executandi* for purposes of any notice, communication or payment required in terms hereof.

12. TENANT INSTALLATION

- 12.1 The Landlord shall provide an allowance of R..... (excluding VAT) towards the Tenant's installation requirements provided that the Landlord's standard lease agreement has been signed by the Tenant. Layout plans and cost estimates can be prepared for consideration by both parties on any tenant installation work to be carried out. The Landlord's standard specifications will apply.
- 12.2 The Tenant shall procure at its own cost the issue of a valid certificate of compliance in respect of the electrical installations in the Leased Premises as contemplated in Government Notice R2920 of 23 October 1992 at the termination of this lease and after any alterations to the electrical installations in the Leased Premises have been affected.

13. LIMITATION OF LIABILITY

The Landlord, its agents or employees, shall not be liable for any loss, damage or injury, irrespective of the cause, suffered by the Tenant, its directors, its agents, its employees, invitees or any other person.

14. ASSIGNMENT AND SUB-LETTING

The Tenant shall not cede or assign any of its rights or obligations arising out of this document to any other party, and/or sub-let the whole or any portion in the Leased Premises.

15. CREDIT BUREAU

- 15.1 The Tenant and/or the signatory hereof hereby grants permission to the Landlord to conduct a credit check in respect of the Tenant and/or the signatory hereof with any registered credit bureau in order to obtain consumer credit information relating to the Tenant and/or the aforesaid signatory including, but not limited to, the Tenant's and/or the signatory's credit history, financial history and identity. The Tenant and/or the signatory hereto hereby indemnifies and holds the Landlord harmless against all and any claims whatsoever and howsoever arising as a result of the aforesaid credit check.
- 15.2 The Tenant hereby consents and authorises the Landlord at all times to:-
- 15.2.1 contact, request and obtain information from any credit provider (or potential credit provider) or registered credit bureau relevant to an assessment of the behaviour, profile, payment patterns, indebtedness, whereabouts, and creditworthiness of the Tenant;
- 15.2.2 furnish information concerning the behaviour, profile, payment patterns, indebtedness, whereabouts, and creditworthiness of the Tenant to any registered credit bureau or to any credit provider (or potential credit provider) seeking a trade reference regarding the Tenant's dealings with the Landlord.

16. **VALUE ADDED TAX**

The Tenant shall in addition to all amounts payable in terms of the lease, pay to the Landlord all Value Added Tax (VAT) or any similar tax, levy or duty which may be payable by the Landlord upon demand. It is specifically recorded that all amounts referred to herein are exclusive of VAT.

17. **BREACH**

Should the Tenant fail to comply with any of the terms and conditions of this agreement, the Landlord shall be entitled, to forthwith cancel this agreement and to resume possession of the Leased Premises.

18. **DOMICILIUM**

Any notice, communication or payment required in terms hereof shall be delivered to the following addresses, which the parties choose as their respective *domicilium citandi et executandi*:

The Landlord: C/o Eris Property Group (Pty) Ltd
3 Gwen Lane,
Sandton Central
2196

The Tenant: The Leased Premises.

19. **OFFER TO LEASE**

19.1 This offer to lease, once signed by the Tenant, constitutes an irrevocable offer to lease which may be accepted by the Landlord within 60 (sixty) days of receipt of the offer from the Tenant. If this offer is accepted by the Landlord, it will constitute a firm and binding offer to lease between the parties.

19.2 This offer to lease shall upon the signature hereof by the Landlord, constitute a binding agreement of lease between the Landlord and the Tenant. No variation to this agreement shall be of any force or effect unless reduced to writing and signed by both parties.

19.3 The Tenant shall sign the Landlord's standard agreement of lease, a specimen copy of which is available for inspection from the Landlord on request.

19.4 Until this offer to lease is signed by the Landlord, the Tenant shall not be entitled to claim or allege the existence of any agreement of lease, whether express, tacit or oral.

20. ADDITIONAL TERMS

20.1 The parties agree to the following additional terms:-

20.1.1 [DELETE IF NOT APPLICABLE]; and

20.1.2[DELETE IF NOT APPLICABLE].

21. GENERAL

21.1 The Tenant consents to the jurisdiction of the Magistrates' Court in respect of any action or application arising out of or connection with this lease notwithstanding that the amount in issue may exceed the jurisdiction of the Court. Notwithstanding the foregoing, nothing herein contained shall preclude the Landlord from instituting legal proceedings in the relevant High Court having jurisdiction.

21.2 The Tenant shall, prior to occupation of the Leased Premises, sign the Landlord's standard agreement of lease, a specimen copy of which is available for inspection from the Landlord on request.

21.3 The Tenant records that all verbal or written warranties and representations, whether express or implied, made by or on behalf of the Landlord have been accurately recorded in this agreement and the Tenant furthermore records that it has not entered into this Lease by reason of any other warranty or representation made to him by or on behalf of the Landlord which is not set out in this lease agreement.

21.4 No latitude, extension of time or other indulgence granted by the Landlord to the Tenant will prejudice any right of the Landlord, or form the basis of any waiver, estoppel or novation of any obligation under this Lease.

22. REQUIRED DOCUMENTATION

The following documents will be submitted to the Landlord for the Landlord's records, in compliance with the Financial Intelligence Centre Act 38 of 2001:

If Tenant is a Company-

- a) CM1 (Certificate of Incorporation) – stamped by Registrar of Companies;
- b) CM29 (Register of Directors) – stamped by Registrar of Companies;
- c) CM22 (Notice of Registered Office – stamped by Registrar of Companies;
- d) Copies of Identity Documents of all the current directors listed on the CM29;
- e) Company / Board Resolution authorising lease signatory to sign same on behalf of the company;
- f) Vat Registration Certificate;
- g) Proof of Income Tax Registration from SARS;
- h) Verification of Trade Name and business address by supplying copy of a utility bill, Telkom Bill or the like.

If Tenant is a close corporation-

- a) CK1 (Founding Statement and Certificate of Incorporation);
- b) CK2 (Amended Founding Statement), if applicable;
- c) Resolution authorising lease signatory to sign same on behalf of the close corporation;
- d) Vat Registration Certificate;
- e) Proof of Income Tax Registration from SARS;
- f) Verification of Trade Name and business address by supplying copy of a utility bill, Telkom Bill or the like.

If Tenant is a sole proprietor-

- a) Certified Copy of Identity Document;
- b) Vat Registration Certificate;
- c) Proof of Income Tax Registration from SARS;
- d) Verification of Trade Name and residential address by supplying copy of a utility bill, Telkom Bill or the like.

SIGNED at on this the day of 20....

As Witnesses :

1. _____
2. _____

Signatory

(Full name of signatory),
for and on behalf of the **Landlord:**
herein represented by Eris Property Group
(Pty) Ltd
who warrants that he/she is duly authorised
thereto

SIGNED at on this the day of 20.....

As Witnesses :

1. _____
2. _____

Signatory

(Full name of signatory),
for and on behalf of the **Tenant:**
who warrants that he/she is duly authorised
thereto

SIGNED at on this the day of 200...

As Witnesses :

1. _____
2. _____

Surety

(Full name of signatory),