

## AGREEMENT OF LEASE

### PARTIES

1 The parties to this agreement are :-

1.1 **HOLLEY BROTHERS (PTY) LIMITED ;**

and

1.2 **TREATED TIMBER PRODUCTS (PTY) LIMITED.**

### DEFINITIONS

2 In this agreement unless the context clearly indicates otherwise :-

2.1 "THE LESSOR" means **HOLLEY BROTHERS (PTY) LIMITED**, Registration Number 71/04134/07 of Broadmoor Farm, Wartburg, represented herein by Michael Norman Hunt Holley, a director duly authorised hereto ;

2.2 "THE LESSEE" means **TREATED TIMBER PRODUCTS (PTY) LTD**, Registration Number 2001/004082/07 of TTP House Redlands Estate, George McFarlane Lane, Pietermaritzburg, represented herein by Lloyd Windham Holley, a director duly authorised hereto;

2.3 "THE PREMISES" means that portion of the Farm Broadmoor, Wartburg, depicted on the diagram annexed marked "A" and hatched in red including the buildings, the Office, the Kirsten House and other

improvements situate thereon but excluding the portion of the Premises occupied by STARCH ;

- 2.4 "THE BUSINESS" means the timber/pole business carried on by the Lessee ;
- 2.5 "STARCH" means **NATAL STARCH (PTY) LIMITED**, the current occupiers of the adjoining property.

### PREAMBLE

3.1 The Lessor is the owner of the Premises which forms part of an area currently occupied by the Lessee in terms of a Lease which has expired ;

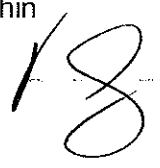
3.2 The Lessor has agreed to let the Premises to the Lessor for a further period on the terms set out herein.

### LEASE

4.1 The Lessor hereby let the Premises to the Lessee on the terms and conditions contained herein ;

4.2 The Lease shall be deemed to have commenced on the 1 April 2023 and shall terminate on 31 March 2028.

4.3 The parties record that the Lessee does not have an automatic option to renew the current Lease, however should the Lessee wish to renew the Lease on the same terms and conditions contained in this lease, the Lessee must give the Lessor notice in writing 1 year prior to the termination of the Lease. Acceptance by the Lessor will only be deemed to have been given once reduced to writing and communicated to the Lessee by the Lessor. In the event that the Lessee does not request a renewal of the Lease a year prior to termination of this Lease and/or the Lessor does not agree to the renewal and/or the Lessor does not communicate an acceptance within



a month of the renewal request, the Lease will terminate on the mentioned termination date.

### **RENT**

5.1 The rental payable shall be (Hundred and Eight Thousand Rand) R108 000.00 plus Vat per month during the first year and shall escalate each year on 31 March by 8% compounded annually ;

5.2 The rental shall :-

5.2.1 be payable monthly in advance in cash or bank cheque to the Lessor free of commission or exchange and shall be paid directly into the Lessor's Bank account at First National Bank, Corporate Branch, Pietermaritzburg, Branch Code 257355, Account No 50940588260 or such other account as the Lessor may from time to time designate in writing ;

5.2.2 reach the Lessor on or before the 1<sup>st</sup> day of each month ;

5.3 The parties record that the premises are rated and in the event of the rates or taxes or charges for use of water being increased during the currency of the Lease, the rental payable for the Premises shall be increased forthwith and without notice by the pro-rata amount of such increase of new tax or charges attributable to the Premises.

### **USE OF PREMISES**

6.1 The parties record that the Premises are let to the Lessee for the purpose of conducting the Business thereon. The Lessee shall not be entitled to conduct any trade other than the business without the consent of the Lessor ;

6.2 The Lessee undertakes that it will :-

6.2.1 Not make any structural alterations to the Premises without consent of the Lessor in writing being the first had and obtained ;

A handwritten signature in black ink, consisting of a stylized '18' or similar characters, located in the bottom right corner of the page.

- 6.2.2 Not affix any fixtures and fittings to the Premises without the consent of the Lessor in writing first being had and obtained, such consent, however, not to be unreasonably withheld ;
- 6.2.3 Not directly or indirectly carry on any offensive trade or business nor do or permit to be done, any act which causes damage or disturbance, nuisance or annoyance to the Lessor, Starch or any neighbouring properties ;
- 6.2.4 Maintain the interior and exterior of the Premises as well as all roads and drains on the Premises and the perimeter fence in a properly tenable state of repair to the satisfaction of the Lessor and shall repair or replace any windows, light and electrical fittings, plumbing fixtures, locks, or other fixtures or fittings, damaged or broken during the currency of this Lease ;
- 6.2.5 Not permit any staff to reside on the Premises or in the compound or houses of the Lessor adjoining the Premises or in the land occupied by Starch, nor employ any person residing on the farm Broadmoor other than in terms of a written agreement with the Lessor. Any breach of this provision, unless remedied by the Lessee within 30 days of receiving notice from the Lessor of the breach, shall entitle the Lessor to cancel this Agreement subject to its rights to claim damages flowing from the Lessee's breach. In the event of the Lessee requiring further accommodation for its staff, the Lessor will endeavour to make further houses available on the same terms as are set out in this Agreement, save that the applicable rental for such house or houses shall be confirmed in an exchange of emails between the Lessor and the Lessee ;
- 6.2.6 Throughout the currency of this Agreement, the Lessee shall insure and maintain insurance to the satisfaction of the Lessor, over all buildings and improvements on the Premises at their replacement cost and shall note the interest of the Lessor on such policy of insurance, the cost of which will be shared equally between the Lessee and the Lessor. Furthermore, the Lessee shall take out and maintain adequate insurance cover to the satisfaction of the Lessor, to cover the Lessor fully in the event of damage to the property of the Lessor or any third party on the Premises, or on Broadmoor Farm, or on neighbouring farms in the vicinity resulting from fire or other insurable risk emanating from the Premises or the actions of the Lessee or its servants. The Lessee shall furnish proof of such insurance of the Lessor on demand and, in default of such proof of insurance being furnished, the Lessor shall be

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entitled to take such insurance as it deems necessary to cover all the above eventualities and to recoup the premiums paid by it from the Lessee. The parties will each attend to their respective firebreaks on each side of the perimeter fence at the beginning of the fire season ;

- 6.3 The Lessee shall not be entitled to cede or assign this Lease nor to sub-let the Premises without the consent in writing of the Lessor being first had and obtained ;
- 6.4 The Lessee undertakes that it shall ensure that the outside of the Premises and structural soundness of the buildings are maintained ;
- 6.5 The Lessee shall not do anything that detracts from the appearance of the Premises and/or the surrounding Premises. In the event of the Lessor being of the view that the appearance of the Premises has been compromised, the Lessor shall give the Lessee notice in writing to rectify the matter within seven days ;
- 6.6 The Lessee shall not do or cause anything to be done which may cause a nuisance or inconvenience to the Lessor or to any other Lessees or to occupants of adjoining properties, regard, however, being had to the known nature of the business conducted on the property ;
- 6.7 The Lessee shall not install any safe or heavy machinery or equipment on the Premises without the prior consent of the Lessor, which consent may, in the Lessor's discretion, contain such conditions as the Lessor may determine ;
- 6.8 Should the Lessee take occupation of the Premises whilst a building is in the course of construction, the Lessee shall have no claim of any nature whatsoever against the Lessor, whether for damages, remission of rent or otherwise, as a result of the building operations being conducted, or for any inconvenience of any nature suffered by the Lessee arising therefrom ;
- 6.9 The Lessee shall comply with all applicable security and fire protection necessary to protect the premises, including but not limited to the Lessor's security and fire protection regulations in respect of the Premises and shall secure compliance therewith by its employees ;

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- 6.10 The Lessee undertakes to obtain, maintain and renew all licences, permits or other necessary consents to conduct its business on or from the Premises. The Lessor does not warrant that the Premises are fit for the purposes for which they are let or that the Lessee will be granted a licence in respect of the Premises for conducting its business, or that any licence will be renewed and the Lessor shall not be responsible for any work or alterations or repairs to the Premises to comply with the requirements of any licensing authority. In the event that it is required, both parties will to the best of their ability endeavour to assist each other should their respective assistance be required to obtain the licence, permit or other necessary consents ;
- 6.11 The Lessee shall be responsible for payment of electricity consumed on the Premises. In regard to water consumed, the Lessee shall be entitled to draw water from the existing boreholes and new dam at no cost other than that the Lessee shall pay for the electricity consumed by the three boreholes used by the Lessee. In the event of the Lessee requiring Umgeni water from the Lessor, it shall pay for such water at the current ruling rate ;
- 6.12 The Lessor and Starch shall be entitled to access to the weighbridge adjacent to the Premises and shall be afforded access over the Premises for such purpose and shall further be entitled to utilise the toilets situate on the Premises at no cost during the Lessee's normal business hours ;
- 6.13 The Lessee shall be entitled to park its vehicles in the designated vehicle parking area forming portion of the Premises leased by Starch subject to such vehicles not obstructing the vehicles of Starch or its suppliers and further subject to the proviso that the Lessee shall pay the costs of any guards it wishes to employ in respect of such vehicles ;
- 6.14 The parties shall share the cost of licensing, operating and maintaining the Radio Repeater on the Farm Broadmoor, in equal shares ;

- 6.15 The Lessee shall be liable to ensure proper pollution control and waste disposal to the standard required by local Legislation whatever that might be.

**COMPLIANCE WITH STATUTES, BY-LAWS ETC**

- 7.1. The Lessee recognises and agrees that it shall not be exempted from compliance with any statute, regulation or by-law imposing duties or obligations upon it as Lessee or affecting the use of the Premises, and that it shall not be entitled to claim relief against the Lessor from any burden or infringement of its rights resulting from the operation of any such statute, regulation or by-law or any action lawfully taken there under by a competent authority ;

- 7.2 Notwithstanding the aforesaid clause :

7.2.1 The Lessee undertakes to carry out all its obligations in accordance with the Occupational Health and Safety Act, 1993 (Act No 85 of 1993), (as amended or replaced from time to time) and shall furthermore indemnify the Lessor against any claims that may be instituted against the Lessor in terms of the said Act ;

7.2.2 The Lessee warrants that it is not a person, precluded in terms of the Aliens Control Act, 1991 (Act No 96 of 1991), (as amended or replaced from time to time) from entering into this Lease Agreement ;

7.2.3 The Lessee undertakes to carry out all its obligations in accordance with the National Building Regulations and Building Standards Act, 1977 (Act No 103 of 1977), (as amended or replaced from time to time) and shall furthermore indemnify the Lessor against any claims that may be instituted against the Lessor in terms of the said Act ;

- 7.2.4 The Lessee shall, comply with the National Heritage Resources Act, 1999 (Act 25 of 1999) (as amended from time to time), in respect of any buildings and structures older than 60 years ;
- 7.2.5 The Lessee undertakes to comply with all the conditions laid down in terms of Sections 28 and 29 of the Atmospheric Pollution Prevention Act, 1965 (Act 45 of 1965) as amended from time to time. Should the Lessee fail to comply with any of such conditions and penalties are imposed on the Lessor as a result thereof, the Lessee undertakes to refund the full amount of such penalties to the Lessor within twenty one (21) days after written notice to that effect has been made or given by the Lessor to the Lessee ;
- 7.2.6 The Lessee undertakes to comply with all the conditions laid down in terms of the National Environmental Management Act and relevant legislation regarding the use of water as amended from time to time. Should the Lessee fail to comply with any of such conditions and penalties are imposed on the Lessor as a result thereof, the Lessee undertakes to refund the full amount of such penalties to the Lessor within twenty one (21) days after written notice to that effect has been made or given by the Lessor to the Lessee ;
- 7.3 The Lessee shall not contravene or permit the contravention of :
- 7.3.1 the title deed conditions relating to the Premises ; or
- 7.3.2 any law, by-law or statutory regulation which the Lessor is required to observe as a result of the ownership of the Premises or relating to the occupation of the Premises or the carrying on of the Lessee's business in or on the Premises ;
- 7.4 The Lessee shall not interfere with any existing agreements in terms of which the Lessor has given a service provider a right to install pipe, or, cable passing through, or, over the premises (way leave agreements), or, servitudes.

**BREACH**

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8.1 In the event of the Lessee being in breach of any terms of this Agreement other than Clause 6.2.5 and Clause 15 :-

8.1.1 The Lessor shall give the Lessor fourteen days notice in writing to remedy such breach ;

8.1.2 In the event of the Lessee continuing in breach after the expiry of such notice, the Lessor shall have the right, forthwith and without further notice to terminate this Agreement and retake possession of the Premises or to enforce the provisions hereof ;

8.1.3 The provisions of 8.1.1 above, regarding notice shall not apply in respect of a second failure in one calendar year by the Lessee to pay rent by due date in which event the Lessor shall be entitled to proceed in terms of para 8.1.2 above, without any notice to the Lessee ;

8.1.4 In the event of the Lessor instituting action in terms of paras 6.2.5, 8.1.2 and 8.1.3 it shall, in addition, be entitled to recover any damages suffered as a result of the Lessee's breach and the Lessee shall be liable for all costs on the Attorney and Client Scale ;

8.2 In the event of the Lessor committing any breach, the Lessee shall give notice to the Lessor in writing to remedy such breach within fourteen days and, in the event of the Lessor remaining in breach at the expiry of such notice, the Lessee shall be entitled to remedy such breach at its expense and to set the costs of remedying the breach off against rent due by it to the Lessor.

#### **TOTAL OR PARTIAL DESTRUCTION OF THE PREMISES**

9.1 In the event of the total destruction of the Premises, this Agreement shall terminate forthwith ;

9.2 In the event of the partial destruction of the Premises, this Agreement shall remain in full force and effect save that the rent shall be reduced pro rata to the area of the Premises damaged or destroyed pending repair by the Lessor of the Premises.

### **NOTICES AND DOMICILIA**

- 10.1 All notices addressed by either party to the other by registered post addressed to the address set out in para 9.2, shall, in the absence of proof to the contrary, be deemed to have been received on the second business day after posting and notices delivered by hand or transmitted by email to the address set out in 10.2 below, shall be deemed to have been received on the date of delivery or transmission ;
- 10.2 The parties choose the following addresses as their domicilium citandi et executandi for the purposes of this Agreement :-
- 10.2.1 The Lessor : Broadmoor Farm, Windyhill Road, Wartburg, 3233 Email: holley@edelnet.co.za ;
- 10.2.2 The Lessee : TTP House, Redlands Estate, George MacFarlane Drive, Pietermaritzburg, Kwazulu-Natal, Email ;
- 10.3 Either party may change its domicilium citandi et executandi or email address by notice to the other in writing.

### **COSTS**

- 11.0 The costs of drawing this Agreement including the costs of stamping shall be borne by the Lessor (only for this Lease any renewals shall be shared equally).

### **GENERAL**

- 12.1. This Agreement shall represent the sole and exclusive memorial of the Agreement between the parties and no variation shall be of any force and effect unless reduced to writing and signed by both parties. For the purposes hereof, a notice sent by email and digitally signed or bearing the logo of the sending party, shall be deemed to be a notice in writing signed by the relevant party ;
- 12.2 No indulgence which the Lessor may grant the Lessee shall constitute a waiver by it of any of its rights in terms of this Agreement.



**IMPROVEMENTS**

- 13.1 In the event of the Lessee wishing to effect any improvements to the Premises, it shall do so as its own expense and, on termination of this Agreement shall have no claim against the Lessor for such improvements which shall be the property of the Lessor ;
- 13.2 On termination of this Agreement, the Lessee shall remove its equipment from the Premises and shall, at its own expense, restore the Premises to the condition they were in at the commencement of this Agreement if required to do so by the Lessor.
- 13.3 For the sake of clarity the word "equipment" means all the Lessee's moveable property which includes the Lessee's heavy equipment such as kilns, treating cylinders, storage tanks, boilers, gantries and the like and any replacements thereof brought onto the Premises by the Lessee.

**INDEMNITY**

- 14.0 The Lessee hereby indemnifies and holds the Lessor harmless against any claims of whatsoever nature and howsoever arising resulting from its occupation of the Premises during the currency of this Lease and the renewal period, if any. In particular, and without limiting the generality of the foregoing, the Lessee, its servants or visitors shall have no claim against the Lessor for any loss of production, pecuniary loss or personal injury caused by the failure or fault of any building or installation on the Premises.

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DATED AT PIETERMARITZBURG THIS 25<sup>th</sup> DAY OF April 20 23

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For Holley Brothers (Pty) Limited

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a series of loops and a long, sweeping tail that extends to the right.

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For Treated Timber Products (Pty) Limited