



**MEMORANDUM OF LEASE AGREEMENT
ENTERED INTO BY AND BETWEEN**

1. THE PARTIES

SEDIBENG DISTRICT MUNICIPALITY (hereinafter referred to as the “Council”) herein represented by **MOTSUMI MATHE** in his capacity as the **Municipal Manager** hereinafter referred to as the (“LESSOR”);

AND

VM MEAT MARKET (PTY) LTD herein represented by **GABRIEL AVELINO BARROS BATISTA** in his capacity as **Managing Director**, (herein referred to as “the LESSEE”).

IT IS HEREBY AGREED AS FOLLOWS:

2. DECLARATION OF INTENTION

The LESSOR hereby lets the following premises to the LESSEE, who leases the premises from the LESSOR; on the terms and conditions as stipulated in this LEASE AGREEMENT.

3. THE LEASED PREMISES

The leased premises is butchery measuring a total area of 315m² at R31.00 pm² the Vereeniging Fresh Produce Market, Lager Avenue, Leeuhof Vereeniging (hereinafter referred to as the “LEASED PREMISES”).

4. COMMENCEMENT DURATION

This LEASE AGREEMENT shall be for a period of three (03) years commencing on the 1st of May 2023 and ending on the 30th of April 2026 irrespective of the date signing of this agreement.

C. L. R.

ed

G-

Handwritten signature

5. THE RENTAL

5.1 The rental in respect of the LEASED PREMISES shall be determined as follows:

- (a) The rental in respect of the LEASED PREMISES shall be the sum of R9 765.00 per month (Vat excluded) in respect of the LEASED PREMISES;
- (b) The rental shall be paid monthly in advance on or before the 7 (seventh) day of each and every month, free of bank commission, to the Sedibeng District Municipality, Beaconsfield Avenue, Municipal Building Vereeniging, or at such place and in such manner as the LESSOR may from time to time determine in writing.

5.2 Notwithstanding the provisions of clause 5.1(a), the rental will escalate annually, on 1 July with a compound interest rate of 12 %, as approved by Council.

5.3 The LESSEE undertakes to deposit with the COUNCIL an amount equal to one month's rental on signature of it. The COUNCIL has the right to use the said amount in part or as a whole in payment of expenses incurred to replace keys, for renovations and repairs, and to remove refuse for which the LESSEE is responsible. If the deposit amount or part of it is used by COUNCIL during the currency of this contract in accordance with this clause, or if the rental is increased, the LESSEE shall be obliged to make a further payment to the COUNCIL so that the deposit will at all times during the currency of this contract be an amount equal to 1 (one) month's rental. On termination of this deed of lease, any balance of such deposit shall be repaid to the LESSEE after deduction of any amount or amounts owing by the LESSEE to the Council.

6. GENERAL PROVISIONS

6.1 The LESSEE shall be liable for payment of all charges levied by Council in respect of the supply of electricity, water, and any other service, of whatever nature, rendered by the COUNCIL to the LESSEE with regard to the LEASED PREMISES.

6.2 The LESSEE shall maintain the LEASED PREMISES in a clean, hygienic and reasonable condition, and shall comply with all statutory regulations that may be in force in respect of the premises. the LESSEE shall maintain the inside of the LEASED PREMISES together with all equipment, doors etc. in a good condition and shall at the termination or cancellation of this LEASE AGREEMENT give every article back to the LESSOR in the condition as it was received. The LESSEE shall be liable for the replacement value of any damaged articles or equipment on the LEASED PREMISES.

6.3 The LESSEE shall obtain the necessary trading licenses and shall comply with all regulations in this regard as contained in the relevant statutory regulations.

6.4 The LESSEE accepts the LESSOR'S PREMISES as is, and agrees that the LEASED PREMISES is in a good order and conditions.

6.6 The LESSEE may not keep any dangerous or combustible goods in the LEASED PREMISES or permit it to be kept therein, and may do or permit no deed or anything therein that may or would invalidate the LESSOR' Fire Insurance Policy.

6.7 The LESSEE undertakes to store all pallets used or owned by the LESSEE in the specific store or storage areas indicated by the LESSOR from time to time.

6.8 The LESSEE further confirms that the LESSEE has been fully informed of and is familiar with the provisions of the National Building Regulations and Buildings Standards Act, 1977 (Act 103 of 1977), and the regulations promulgated in SABS Code 0400 of 1990 in terms of this Act.

L. L R UM 4- JM

- 6.9 The LESSOR further confirms that the LESSEE has been fully informed of and is familiar with the provisions of the Market directives.
- 6.10 The parties agree that if the LESSEE fails strictly to comply with the provisions of the Act and the regulations, the LESSEE will be deemed to have broken the contract, and if after having been given fourteen (14) days written notice to comply, and thereafter fails, refuses and/or neglects to comply will thus be liable for any damage or injuries or losses, arising out of such breach.
- 6.11 The LESSEE shall be responsible for attending to, maintaining and repairing the inside of the LEASED PREMISES, only reasonable wear and tear excepted, with effect from the date on which this Agreement comes into force, and upon termination of this Agreement he shall return the LEASED PREMISES in the same neat condition in which he received it, reasonable wear and tear excepted.
- 6.12 The LESSOR shall have the right through its duly authorized officials to enter upon and to inspect the LEASED PREMISES at any reasonable time.
- 6.13 The LESSEE shall at its own cost and to the satisfaction of the Council's Chief Financial Officer out and maintain for the duration of this agreement, a public liability policy in terms of which the COUNCIL and the LESSEE are fully covered for their respective rights and interests. The policy shall provide for coverage of the market value of the assets per event with the number of events limited: Provided that the Council's Acting Chief Financial Officer reserves the right to in his sole discretion insist on an increased coverage under the said policy, which he may deem necessary. Documentary proof that the full premium has been paid, shall be submitted to the Council's Chief Financial Officer for approval within 14 (fourteen) days of date of this agreement, provided that the Chief Financial Officer shall further be provided with written proof of each annual renewal of the said policy.
- 6.14 The LESSEE may not without the LESSOR's prior consent in writing changes the electrical or other appliances of whatever nature on the LEASED PREMISES or tamper with it, and he may not damage the walls, floors and appurtenances in the said LEASED PREMISES by either driving nails or screws therein or by damaging it in any other way. Should the LESSEE not comply with this clause or should he, after the LESSOR has notified him in writing to cease and rectify such non-compliance, fail to do so within 14 (fourteen) days, the LESSOR or its employees or agents shall have the right to enter upon the said LEASED PREMISES and to rectify such non-compliance, in which case the LESSEE shall be liable to the LESSOR for all expenses incurred by the LESSOR in this regard.
- 6.15 The LESSEE shall be liable to the LESSOR for any breakage(s) to plate or other glass in the windows of the LEASED PREMISES; however, it may have been caused.
- 6.16 The LESSOR shall not liable for any damage to or loss of the goods or possessions of the LESSEE or of any person on the LEASED PREMISES, whether the damage is caused by theft, fire, riots, subversive activities, enemy action, hail, storms, lightning or any other act of God, or whether in any other manner whatsoever.
- 6.17 The LESSEE shall handle all wholesaling products as indicated in his / her trading license and shall not trade in any other goods whatsoever nature without obtaining the prior written consent from the Market Master.

- 6.18 If the LESSEE is a company or a closed corporation, notice will be given in writing to the LESSOR in the event of any change of whatsoever nature of the company or closed corporation within 14 (fourteen) days of such change.
- 6.19 The LESSEE shall comply with all the relevant Market directives of the Vereeniging Fresh Produce Market and shall further fulfill all the instructions of the market's management.
- 6.20 Should the Council at any time during this AGREEMENT needs the Property or part thereof for any municipal or public interest, it will be entitled to cancel this AGREEMENT with 3 (Three) month's written notice to the LESSEE, and in the circumstances the LESSEE shall be remunerated by the Council for any permanent improvements and buildings fixed to the Property with the written consent of the Council. Should the parties disagree on the abovementioned remuneration, the matter will be settled according to the Arbitration Act of 1965, or any applicable amendment thereto, and by means of the Arbitrator appointed by the parties.
- 6.21 This AGREEMENT, provisions to the contrary notwithstanding, is deemed to be immediately terminated should the LESSEE, regardless the circumstances cease to carry on his business as a wholesaler/retailer of fresh produce products and related commodities at the LEASED PREMISES.
- 6.22 On termination of this AGREEMENT in terms of clause (6.20) the COUNCIL shall not reward the LESSEE in any way for any buildings or improvements erected on the said LEASED PREMISES.
- 6.23 If the LESSEE, proposes to erect further buildings on the LEASED PREMISES, all relevant buildings and development plans must be submitted to the COUNCIL for approval.
- 6.24 Any buildings erected on the LEASED PREMISES will become the property of the COUNCIL notwithstanding the fact that such buildings have been erected by the LESSEE.
- 6.25 The LESSEE is liable for any costs in respect of the erection or removal of any buildings on the LEASED PREMISES.
- 6.26 The LESSEE undertakes to purchase at his own cost all fire-fighting equipment and to install and maintain it as to comply with the requirements as set by the Council's Risk Control Officer, on the LEASED PREMISES.

7. BREACH OF CONTRACT

Should the LESSEE fail to comply to pay promptly in the prescribed manner any amount or amounts payable by him in terms of this agreement, or should the LESSEE in any other way fail to comply with one or more of the conditions of this agreement or breach it, the LESSOR shall, notwithstanding previous waiver on its part of any of its rights by virtue of this agreement and without prejudice to any other rights which it may have by law, be entitled to terminate this agreement after the LESSOR has given the LESSEE 14 (fourteen) day written notice to rectify the breach or to fulfill the condition, and the LESSEE has still failed to comply with the required condition forthwith and without giving further notice, to repossess the LEASED PREMISES and for this purpose to take those steps, whatever they may be, that are necessary for the immediate eviction of the LESSEE from the LEASED PREMISES. Further without prejudice to the LESSOR's right to claim the rental due, to claim also for other damage that may be suffered by the LESSOR owing to the LESSEE's breach of contract or omission, including legal costs.

LL R VH G

8. CANCELLATION

- 8.1 If the LESSEE by any means terminates this AGREEMENT for reasons whatsoever or become insolvent before the contract period in clause 4 has expired, the COUNCIL will have the right to terminate this AGREEMENT and to let the LEASED PREMISES to any third party without the obligation to refund the LESSEE or any of its trustees. The store will remain the sole property of the COUNCIL if the LESSEE become insolvent or terminates this AGREEMENT.
- 8.2 Either party shall at any time during the duration of this LEASE AGREEMENT be entitled to terminate this LEASE AGREEMENT by giving the other party 3 (three) months prior written notice to such effect: Provided further that the COUNCIL shall not terminate the said LEASE AGREEMENT, unless reasons may not be unjust or unreasonable. Such notice shall be deemed given on the last day of the month in which it has in fact been given.

9. INDEMNITY

The LESSEE indemnifies the COUNCIL against any all claims, of whatever nature, legal costs (inclusive of costs on attorney/client scale), which may directly or indirectly result from this LEASE AGREEMENT, notwithstanding any such claim resulting from the negligent act or omission of the LESSOR, its employee(s) or agent(s).

The LESSEE undertakes to compensate the LESSOR for any damage or loss, of whatever nature, suffered by the LESSOR and further undertakes not institute any claim whatsoever against the LESSOR in the event of any damage or loss suffered by the LESSEE.

10. TRANSFER / CEDE

The LESSEE may not transfer or cede his interest in terms of this AGREEMENT, or sublet the LEASED PREMISES or any portion thereof, or assign possession thereof to any person whosoever without having first obtained the LESSOR's consent thereto in writing.

11. DOMICILIUM

For the purpose of this agreement and all matters arising therefrom, the LESSEE chooses *domicilium citandi et executandi* at the LEASED PREMISES. All notices served on the LESSEE in terms of the provisions hereof shall be deemed to have been duly served if addressed to the LESSEE at the LEASED PREMISES and dispatched by registered mail. The same applies to notices to the LESSOR if they are addressed to the Market Manager – VEREENIGING FRESH PRODUCE MARKET, Lager Avenue, Leeuhof, Vereeniging, and dispatched in the same manner.

12. STATUTORY PROVISIONS

The LESSEE confirms that all the provisions and stipulations of the Occupational Health and Safety Act, (Act no 85 of 1993) have been noted, and that the LESSEE will comply without exception to the relevant provisions and stipulations.

L L R M G - M

13. JURISDICTION

The parties hereby consent to the jurisdiction of the Magistrate's Court for the purposes of any claims arising from this AGREEMENT, the termination thereof or any matter in connection therewith.

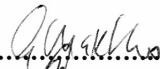
14. ENTIRE AGREEMENT

This AGREEMENT is the entire AGREEMENT between the parties and no amendment, addition thereto or omission therefrom shall be binding on the parties unless it has been put in writing and signed by both parties and their authorized agents.

DATED AND SIGNED AT VEREENIGING ON THIS THE 17 DAY OF JULY 2023.

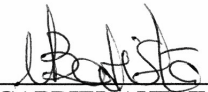

MOTSEMI MATHE

AS WITNESSES:

1. 

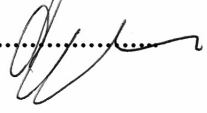
2. 

DATED AND SIGNED AT VEREENIGING ON THIS THE.....DAY OF JULY 2023.


GABRIEL AVELINO BARROS BATISTA

AS WITNESSES:

1. 

2. 

L-L R UK 