

1. DEFINITION SCHEDULE

DESCRIPTION OF GOODS	SERIAL NUMBER	MONTHLY RENTAL (VAT EXCL.)	INITIAL PERIOD OF HIRE	COMMENCEMENT DATE
CCTV SYSTEM	CCT001	R 2290-00	60 MONTHS	01.05.2013

THIS SCHEDULE SHALL BE PART OF THE CONTRACT BETWEEN THE PARTIES

Memorandum of Agreement by and between Carospan (Pty) LTD
 A Company duly registered in accordance with the Law of the Republic of South Africa and trading as
 NASHUA FREE STATE AND NORTHERN CAPE, (hereinafter referred to as the Lessor) of
 Plot 64, Sand du Plessis Avenue, Estoire, Bloemfontein.
 SIVANJUMA Local Municipality
 OF
 Du Plessis Str Bloemfontein, 8730
 P.O. Box 07, Bloemfontein, 8730

The Lessor hereby agrees to hire the Lessor, who in turn agrees to hire from the Lessor the Goods,
 Described as in the Schedule above (hereinafter referred to as the goods) at the above rental period and upon the
 Hereinafter referred to as the Lessee.
 Conditions set out here under.

2. CONTRACT OF LEASE

- 2.1 The Lessor hereby lets the Goods to the Lessee who hires the same at the rental and subject to the terms and conditions set out here in.
- 2.2 If, at the time of the signing of this contract, the Lessee is already in possession of the Goods, such equipment will constitute the Goods, being the subject matter of this contract. If the Goods are to be delivered after the signing hereof, the Lessor shall be entitled to select the specific equipment (containing) out of the description of the Goods as specified in the Definition Schedule) out of its stock and deliver same to the Lessee, thereby identifying the equipment that will constitute the Goods.
- 2.3 If, for any reason whatsoever after the delivery of the Goods, the parties agree to substitute the Goods with another item, such substituted goods will, from the date of delivery thereof, constitute the Goods. The non-variation provisions of clause 10 hereof will not apply to the conclusion of such oral agreement but, will only be deemed to have been entered into when the substituted Goods are in fact delivered to the Lessee and the contract will thereafter be deemed to have been amended only in respect of the subject matter of this contract.

3. DURATION

- 3.1 The initial period of hire shall, irrespective of the date of signature of this contract, commence on the Commencement Date and shall, after the initial period of hire, continue indefinitely, unless written notice of termination is given by any party at least ninety (90) days prior to the expiry of the initial Period of Hire. After the initial Period of Hire, the contract may be terminated by any party on the anniversary date of Commencement Date, on condition that ninety (90) days prior written notice of such termination is given.
- 3.2 After the signing of this contract by the Lessee, it shall not be entitled to withdraw therefrom before the date of acceptance hereof by the Lessor.
4. RENTALS AND PAYMENTS
- 4.1 The first rental shall be paid on or before the Commencement Date.

b. OWNERSHIP

- 4.5.3 If so required by the LESSOR, the LESSEE shall complete and deliver to the LESSOR a banker's debit order document in such form as the LESSOR may require for purpose of payment of future rentals, and/or any other sums payable under this agreement the LESSEE's signature hereon to constitute the LESSEE's authority to the LESSOR or its assignatory to draw against the LESSEE's bank account, wherever it may be, all accounts due in this agreement.
- 4.5.2 The rentals payable in terms of this agreement and the schedulers are based on prime. Should prime increase during the term of this agreement, the LESSOR shall, with effect from date of such increase, adjust the annual of the rentals as stipulated in this schedule. This adjustment is in addition to the rentals payable in this agreement.
- 4.5.1 For all purposes of this agreement "prime" shall mean the publicly quoted basic rate of interest per annum at which the LESSOR's bankers will lend on overdraft, as certified by a manager of the said bankers, whose appointment shall not be necessary to prove.

SIGNED BY THE PARTIES AS FOLLOWS

WITNESSES

SIGNATURE

PLACE

DATE

LESSOR

LESSEE

23.04.2013

Beaus

CERTIFICATE

Markus Freudenberg

I have been duly authorised to sign the document on behalf of the Lessee.
I have been afforded sufficient opportunity to read the contents of the above contract, and have read it.
No representation has been made to me by the Lessor or any of its representatives or agents as to the contents of the contract or the meaning thereof.

DATE

PLACE

SIGNATURE

23.04.2013

Beaus

WITNESSES

2

1

Extract from the Minutes of a Meeting of the Members/Directors of

RESOLUTION

Registered Number: _____ (Lessee)

Held at:

Resolved:

THAT

_____ in his/her capacity as _____ of the Lessee is hereby authorized to sign, endorse and execute all documents for and on behalf of the Lessee to give effect to this Resolution, with such modification as he/she in his/her sole discretion shall deem fit, his/her signature to be conclusive proof that the documents which bear it are authorized in terms hereof, Failing him/her any director of the Lessee be and is hereby authorized and empowered in his/her discretion to settle the terms of the Agreement and to sign the same for and on behalf of the Lessee.

Certified a true extract from the original minutes.

SIGNATURE: _____

FULL NAMES: _____ (IN BLOCK LETTERS)

CAPACITY: _____

SIGNATURE: _____

FULL NAMES: _____ (IN BLOCK LETTERS)

CAPACITY: _____

1. DEFINITION SCHEDULE

DESCRIPTION OF GOODS LCTV	SERIAL NUMBER # P10400003	MONTHLY RENTAL (VAT EXCL.) 3200,00	INITIAL PERIOD OF HIRE
COMMENCEMENT DATE 1 April 2012		36	

THIS SCHEDULE SHALL BE PART OF THE CONTRACT BETWEEN THE PARTIES

A Company duly registered in accordance with the Law of the Republic of South Africa and trading as NASHUA OFS AND NORTHERN CAPE, (hereinafter referred to as the Lessor) of Plot 14, Sand du Plessis Avenue, Estoire, Bloemfontein, Siyancuma Municipality, OF
 Charles Clifters Street Douglas 8730
 P.O. Box 27 Douglas 8730

The Lessor hereby agrees to hire the Lessee, who in turn agrees to hire from the Lessor the Goods described as in the Schedule above (hereinafter referred to as the goods) at the above rental period and upon the conditions set out here under.

2. CONTRACT OF LEASE

- 2.1 Rental and subject to the terms and conditions set out herein.
- 2.2 The Lessor hereby lets the Goods to the Lessee who hires the same at the possession of the Goods, such equipment will constitute the Goods, being the subject matter of this contract. If the Goods are to be delivered after the signing hereof, the Lessor shall be entitled to select the specific equipment (confirming to the description of the Goods as specified in the Definition Schedule) out of its stock and deliver same to the Lessee, thereby identifying the equipment that will constitute the Goods.
- 2.3 If for any reason whatsoever after the delivery of the Goods, the parties agree to substitute the Goods with another item, such substituted goods will, from the date of delivery hereof, constitute the Goods. The non-verification provisions of clause 10 hereof will not apply to the conclusion of such oral agreement but will only be deemed to have been entered into when the substituted Goods are in fact delivered to the Lessee and this contract will thereafter be deemed to have been amended only in respect of the subject matter of this contract.

3. DURATION

- 3.1 The initial period of hire shall, irrespective of the date of signature of the contract, commence on the Commencement Date and shall, after the initial period of hire, continue indefinitely, unless written notice of termination is given by any party at least ninety (90) days prior to the expiry of the initial period of hire. After the initial period of hire, the contract may be terminated by any party on the anniversary date of Commencement Date, on condition that ninety (90) days prior written notice of such termination is given.
- 3.2 After the signing of this contract by the Lessee, it shall not be entitled to withdraw therefrom before the date of acceptance hereof by the Lessor.
4. The first rental shall be paid on or before the Commencement Date.

5. OWNERSHIP

- 5.1 Ownership in and to the Goods shall at all times remain vested in the Lessor or its assignee. The Lessee, or any other person on his behalf shall not at any time during or after the expiry of this contract obtain any rights of ownership in the Goods or to retain possession thereof obtain any enjoyment of the Goods or to retain the right of the use or accounts due in this agreement.
- 4.5.2 The rentals payable in terms of this agreement and the schedule/are based on prime. Should prime increase during the term of this agreement, the Lessor shall, with effect from date of such increase, adjust the annual of the rentals as stipulated in this schedule/s.
- 4.5.3 If so required by the Lessor, the Lessee shall complete and deliver to the Lessor a banker's debit order document in such form as the Lessor may require for purpose of payment of future rentals, and/or any other sums payable under this agreement the Lessee's signature hereto constitutes the Lessee's authority to the Lessor or its assignee to draw against the Lessee's bank account, wherever it may be, all accounts due in this agreement.

5.2 The Lessee shall at the termination of this contract for whatsoever reason, return the Goods at his own expense to the Lessor in good repair and condition and in proper working order, fair wear and tear excepted. If the Goods are damaged or not in good repair and working condition the Lessor may restate the Goods in such good order and working condition and the costs thereof shall be paid by the Lessee on demand.

6. USE OF GOODS
The Lessee undertakes that it shall:
6.1 Use the Goods only for the purpose and in the manner for which it is intended to be used. Keep the Goods free from the claims of other parties or part attachment and shall not alienate, assign or charge the Goods or any part thereof with any encumbrance or allow any lien to arise thereon or affix the Goods to any other property with the intention of or in such a manner that the Goods become affixed thereto.
6.3 Allow the Lessor or the agent reasonable facilities for the inspection and/or reparations of the Goods.
6.4 Not use the Goods in contravention of any statute, regulation or any law and shall strictly adhere to the Lessor's or the manufacturer's instructions as to use and servicing of the Goods, and shall only use such consumables as are approved by the Lessor.

7. LOSS OR DAMAGES
The Lessor shall not be liable to the Lessee or any other person for any loss or damage (whether consequential or not) caused by any defect in or which may arise from the use of the Goods.
8. CONDITION OF GOODS
8.1 The Lessee undertakes to examine the Goods or cause same to be examined on or before delivery thereof and the Goods shall be deemed to have been delivered in good condition and working order if the Lessee has not, in writing, within three (3) days after the date of delivery advised the Lessor to the contrary.
8.2 The parties agree that no warranty as to the condition, quality or model of the Goods or as to the fitness of the Goods for any purpose had been given either expressly, tacitly or impliedly and any implied warranty is hereby expressly excluded.

9. RISK
9.1 The risk of loss, damage or destruction to the Goods shall pass to the Lessee on delivery thereof by the Lessor to the Lessee.
9.2 The Lessee shall comprehensively insure the Goods at its own costs against all risk and maintain such insurance policy for the duration of this contract. The Lessee hereby cedes, in securitum debiti, all its rights, title and interest in and to such policy for the due compliance with all its obligations in terms hereof; and in the event of the Lessee failing to take out such policy or pay the premiums in respect thereof, the Lessor shall be entitled, but not obliged, to take out such policy or to pay the premiums on behalf of the Lessee, as the case may be. Any disbursements aforesaid will be repayable by the Lessee on demand. The Lessor shall at its discretion and in the event of the destruction or loss of the Goods be entitled to replace the Goods with similar Goods out of the proceeds of the insurance policy or to terminate this contract and to retain the proceeds as payment of its damages, or part thereof.

10. CESSION
10.1 Lessor shall without notice be entitled to cede and transfer all or some of its rights in terms of this Contract, including the right of ownership in and to the Goods and the Lessee hereby agrees, that in the event of such cession:
10.1.1 It will hold the Goods on behalf of and in accordance with the instructions and direction of such cessionary in place of the Lessor, and it will continue making all payments due in terms hereof to the Lessor, unless it has been instructed otherwise in writing.
10.2 The Lessee shall not be entitled to or have the right to cede or to delegate its rights and obligations in terms of this contract.
10.3 In the event of such cession, all obligations of the Lessor in terms hereof, shall notwithstanding such cession, be discharged by the Lessor and the Lessee will not acquire any right or claim in respect of any such obligation against such cessionary.

10.4 Consent for splitting of claims
To the extent that any such Cession or delegation results in a splitting of claims Lessee hereby consents in advance to such splitting of claims.
11. INTEREST
11.1 If any amount due to the Lessor is not paid timeously in terms of this contract, irrespective of whether such amount arises from arrears payable or disbursements on behalf of the Lessee or from other expenses incurred by the Lessor in connection with this contract as a result of the non-compliance or default of the Lessee with its obligations, the Lessor shall be entitled, without notice, to demand interest on the amount due to the Lessor at the rate equal to five percent (5%) above prime rate of interest charged by the banker of the Lessor on an arrears or unpaid amount at the rate equal to five percent (5%) above prime rate of interest charged by the banker of the Lessor on an account. Such interest will be calculated on the amount unpaid or disbursed from the date of actual payment thereof and shall be calculated on a capitalized monthly in advance.

14. BREACH
14.1 Should the Lessee fail to comply with any of its obligations arising from this contract, or commit any act of insolvency or die, or attempt to compromise with any of its creditors, or have made any incorrect or untrue statement in connection herewith, or do or cause to be done anything which may prejudice the Lessor's right under this contract, or allow any judgment against it to remain unsatisfied for a period of fourteen (14) days after it came to its notice, or be subject to judicial management, or should the Goods be seized under a legal process issued against the Lessee, the Lessor shall have the right, without prejudice to any other right which it may have at law, to cancel this contract without any prior notice to the Lessee, in which event the Lessee shall pay to the Lessor on demand any arrears rentals due on the date of cancellation, plus the expenses incurred by the Lessor set out herein plus liquidated damages, amount to the aggregate of all rentals which would, but before such termination, have been payable for the unexpired period of this contract less the market value of the Goods at the date of the return of the Goods to the Lessor or repossession thereof by the Lessor (the market value being the value as determined by a sworn appraiser appointed by the Lessor or at the Lessor's option, the higher of two offers for the Goods obtained by the Lessor from two persons, one of whom shall be a dealer in the particular type of Goods).
14.2 It will continue making all payments due in terms hereof to the Lessor, and it will hold the Goods on behalf of and in accordance with the instructions and direction of such cessionary in place of the Lessor, unless it has been instructed otherwise in writing.

13. DOMICILIA CITANDI ET EXECUTANDI
13.1 The parties choose as their domicilia citandi et executandi for all purposes under this contract, whether in respect of court process, notices or other documents or communication of whatsoever nature, the respective addresses stated in the Definition Schedule above.
13.2 Any party may by notice to the other party change its domicilia citandi et executandi to another physical address and/or telefax number in the Republic of South Africa, provided that such change shall become effective only on the 7th day after receipt of the notice.
13.3 Any notice to a party contained in a correctly addressed envelope and: sent by prepaid registered post from any Post Office in the Republic of South Africa to any other party to its postal address or physical address as set out in the definition schedule above, shall be deemed to have been received by such party on the 5th day after the posting thereof; delivered by hand to a responsible person during the ordinary business hours at its physical address as set out in the definition schedule above, shall be deemed to have been received by such party on the day of delivery thereof;
13.3.2 transmitted by fax to the telefax number as set out in the definition schedule above shall be deemed to have been received by the addressee on the day after the transmission thereof.
13.4 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at the chosen domicilia citandi et executandi.
13.5 The Lessee undertakes and shall be obliged, whether it gives notice under this clause or not, to advise the Lessor of any change of its particulars contained in the Definition Schedule above.

14.2 Without terminating this contract, to treat as immediately due and payable all rentals which would otherwise have become due and payable in terms of this contract over the then unexpired period of this contract, and to claim and recover from the Lessee forthwith the aggregate amount of such rentals as well as all rentals and other sums then in arrears in terms of this contract. The Lessor shall, pending payment of all those amounts, be entitled to be in possession thereof until full payment by the Lessee whereupon the Goods will be returned to the Lessee and the Lessee shall not be entitled to any rebate of rentals or other amounts by reason of its loss of possession and employment of the Goods while same had been in the Lessor's possession. This risk in the Goods shall, however, remain with the Lessee during the period of possession by the Lessor in terms hereof.

15. CERTIFICATE

The amount of the Lessee's indebtedness to the Lessor at any time, the interest rates from time to time and any other factor relating to the termination of such indebtedness as well as the due date for payment of such amount, may at the option of the Lessor be provided by a certificate signed by any manager or other authority of the Lessor. It shall not be necessary to prove the certificate and authority of the person signing such certificate. Such certificate shall be binding on the Lessee as prima facie proof of the facts contained therein and shall by agreement constitute a valid liquid document against the Lessee in any competent Court for the purpose of obtaining provisional sentence or summary judgment against the Lessee.

16. CONSENT TO JURISDICTION

The Lessee hereby consents to the jurisdiction of the Magistrate's Court arising from this contract to the cancellation thereof. This consent does not oust the jurisdiction of any other competent court and the Lessor shall be entitled, in its discretion, to institute action against the Lessee in any court of competent jurisdiction. The parties agree that the consent is severable and shall apply even in the event of the cancellation of this contract.

17. APPROPRIATION OF PAYMENTS

All monies paid by the Lessee to the Lessor shall be applied in the first place to the payment of any additional amounts payable by the Lessee to the Lessor and the balance shall be applied to the payment of rental. The Lessor may, notwithstanding the above, in its own discretion and without notice to the Lessee apply for any monies received by it from the Lessor in payment of any other amount due by the Lessee to the Lessor whether in respect of goods sold, services rendered, monies advanced or any debt whatsoever. The Lessee shall forthwith and on demand settle any shortfall in the amounts due in terms of this contract which may arise in this manner.

18. WAIVER

No indulgence, latitude, extension of time or omission by the Lessor shall constitute a waiver by the Lessor of any of its rights under this contract and in any circumstances whatsoever, give rise to a defense of estoppel. The Lessee shall not amount, in an appropriate instance, to a condonation by the Lessor of any act or omission on the part of the Lessee and such conduct shall not, in any circumstances whatsoever, give rise to a defense of estoppel. The cancellation of this contract shall not be deemed to be a waiver of the Lessor's rights or a novation hereof.

19. VARIATION

The parties agree that this contract is the entire agreement between them. No variation hereof, the waiver of any right, the release from any obligation or consensual cancellation hereof shall be of any force or effect unless reduced to writing and signed by the parties.

20. WARRANTY

The Lessee hereby warrants that the rental payments will be wholly or partially deductible from the income of the Lessee under Part 1 of Chapter II of the Income Tax Act, 1962, as amended, or any subsequent Act.

21. SALES TAX

The Lessee shall be liable for and shall pay the amount of Value-added Tax payable from time to time in respect of this contract, or any other form of tax that may be imposed and be payable in place or of such Value-added Tax, or in addition thereto.

22. COSTS

The Lessee shall on demand pay all expenses actually incurred by the Lessor either on behalf of the Lessee or as a result of the Lessee's non-compliance with any provision of this contract, including tracing costs, all legal costs calculated on the scale as between attorney and his own client on the wider basis, collection commission, costs of valuation, demanding removal and storage of the Goods and all other expenses incurred by taking possession of the Goods.

23. PROHIBITION OF SET OFF

All payments in terms of this Contract shall be made without set off, deduction or withholding of any nature, free of bank or other charges, direct in writing.

24. OBLIGATION TO NOTIFY LANDLORD

Inform the landlord of any premises at which the Goods are situated at a time, that the Lessee is not the lawful owner of the Goods, and affix easily legible sign on all Goods reflecting this fact.

25. OBLIGATION TO NOTIFY LESSOR OF CHANGE OF ADDRESS OF EQUIPMENT

Keep the Goods in its custody and under its control at the premises mentioned in the Schedule and shall obtain the Lessor's written consent for the removal thereof to other premises. The Lessee shall regularly pay the rental of the premises where the Goods are kept and shall comply with all statutes, regulations or other contractual obligations pertaining to the occupation of the premises.

26. RENTAL AGREEMENT SEPARATE FROM MAINTENANCE AGREEMENT

It is recorded that this Contract applies only to the hiring of the Goods. The parties specifically agree that any maintenance agreement concluded between the parties in respect of the Goods is a separate and distinct agreement from this Contract and the Rental payable in respect of any Goods does not include any payment in respect of maintenance. The Lessee shall not be entitled to withhold compliance with its maintenance obligations and/or because of any non-performance in terms of any agreement and/or because of any dispute in the relation to any maintenance agreement and/or because of any non-performance in terms of any maintenance agreement.

27. CREDIT CONSENT

The signing this contract or a Schedule, and even before acceptance thereof by the Lessor, will constitute an irrevocable consent by the Lessee to the Lessor or its assignee for the making of enquiries about the Lessee's credit record with any credit reference agency and any other party to confirm the details on this application. The Lessee likewise consent to regular updates regarding the manner in which Lessee manages its account including any failure to meet agreed terms and conditions. The Lessee also consents that that credit reference agencies may, in turn, make the records and details available to other credit grantors. The Lessor or its assignee may also give this information to any persons, who, in its opinion, needs to carry out any of the Lessor or its assignee's right or duties in terms of the Contract or any law pertaining to the Product the Lessee has requested.

111111

SIGNED BY THE PARTIES AS FOLLOWS

DATE

PLACE

SIGNATURE

WITNESSES

26/03/2012

Douglas

[Signature]
LESSOR

1
2
1
2

[Signature]

CERTIFICATE

I, *Tracey Williams* the person signing the above contract on behalf of the Lessee, hereby certify, warrant and agree that:

1. I have been duly authorised to sign the document on behalf of the Lessee.
2. I have been afforded sufficient opportunity to read the contents of the above contract, and have read it.
3. No representation has been made to me by the Lessor or any of its representatives or agents as to the contents of the contract or the meaning thereof.

DATE

PLACE

SIGNATURE

WITNESSES

26/03/2012

Douglas

[Signature]
LESSOR

1
2

[Signature]

Extract from the Minutes of a Meeting of the Members/Directors of

RESOLUTION

(Lessee)

Registered Number: _____

Held at: _____

on this _____ day of _____ 20____

Resolved: _____

THAT _____

in his/her capacity as _____ of the Lessee

is hereby authorized to sign, endorse and execute all documents for and on behalf of the Lessee to give effect to this Resolution, with such modification as he/she in his/her sole discretion shall deem fit, his/her signature to be conclusive proof that the documents which bear it are authorized in terms hereof. Failing him/her any director or the Lessee be and is hereby authorized and empowered in his/her discretion to settle the terms of the Agreement and to sign the same for and on behalf of the Lessee.

Certified a true extract from the original minutes.

SIGNATURE: _____

FULL NAMES: _____

(IN BLOCK LETTERS)

CAPACITY: _____

SIGNATURE: _____

FULL NAMES: _____

(IN BLOCK LETTERS)

CAPACITY: _____