

# NASHUA

## RENTAL AGREEMENT

1. DEFINITION SCHEDULE	SERIAL NUMBER	INITIAL PERIOD OF HIRE
DESCRIPTION OF GOODS As per addendum		60 MONTHS
MONTHLY RENTAL (VAT EXCL) R60000.00		
THIS SCHEDULE SHALL BE PART OF THE CONTRACT BETWEEN THE PARTIES		

Ek 500568-500586

Memorandum of Agreement by and between Bensalom (Pty) LTD and trading as NASHUA OFS AND NORTHERN CAPE, (hereinafter referred to as the Lessor) of Plot 14, Sand du Plessis Avenue, Estofre, Bloemfontein.

SYGNOMA Municipality OF CHARL CILLERS 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.

### 4. RENTALS AND PAYMENTS

- The first rental shall be paid on or before the Commencement Date.
- All subsequent rentals shall be paid on or before the first day of each following month and shall, unless the Lessor otherwise agrees in writing to the contrary in writing, be payable by means of debit order.
- All payments in terms of this contract, shall be made free of bank or other charges at the Lessor's address or at such other place as the Lessor or Lessee may direct in writing.
- The Lessee shall not be entitled to withhold payment of any rentals for any reason whatsoever and neither shall the Lessee be entitled to claim any mitigation of rental, save and except in the event of the non-delivery of the Goods to the Lessee.
- For all purposes of this agreement "rent" shall mean the publicly quoted 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 it shall not be necessary to prove.
- 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 rentals payable in this agreement. This adjustment in addition to the amount of the rentals as stipulated in this schedule.
- If so required by the LESSOR, the LESSEE shall complete and deliver to the LESSOR a balance sheet and other documents in such form as the LESSOR may require for purposes of payment of future rentals, and/or any other sums payable in terms of 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, whenever it may be, all accounts due in the agreement.

### 2. CONTRACT OF LEASE

- 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 herein.
- 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 appropriate equipment (conforming to the description of the Goods as specified in the Distribution Schedule) out of its stock and deliver same to the Lessee, it being understood that the equipment that will constitute the Goods.
- If for any reason whatsoever after the delivery of the Goods, the parties agree to substitute the Goods with other items, such substituted goods will, from the date of substitution, constitute the Goods. The non-variation provision of clause 11 hereof will not apply to the substitution of such substituted goods. It is understood that the Lessee shall be deemed to have accepted the substituted Goods if it has not objected to the substitution of the Goods in writing within 14 days of the date of substitution of the Goods. If the Lessee has not objected to the substitution of the Goods in writing within 14 days of the date of substitution of the Goods, it shall be deemed to have accepted the substituted Goods.

### 3. DURATION

- 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 for a period of 60 months, unless terminated in writing by any party to this contract. 60 days prior to the expiry of the initial period of hire, the Lessee shall be obliged to give notice of termination to the Lessor. After the initial period of hire, the contract may be terminated by any party to this contract at any time, on condition that the party terminating the contract shall be liable for the balance of the rentals payable in terms of this contract.
- 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.

### SIGNED BY THE PARTIES AS FOLLOWS

DATE: 26/10/2010 PLACE: BLOEMFONTEIN

DATE: 26/10/2010 PLACE: Douglas

SIGNATURE: [Signature] LESSOR

SIGNATURE: [Signature] LESSEE

WITNESSES: 1. [Signature] 2. [Signature]

### CERTIFICATE

GERARD BEUKES the person signing the above contract on behalf of the Lessee, hereby certify, warrant and agree that: 1. I have been duly authorized 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: 26/10/2010 PLACE: Douglas

SIGNATURE: [Signature] WITNESSES: 1. [Signature] 2. [Signature]

### RESOLUTION

Extract from the Minutes of a Meeting of the Members/Directors of \_\_\_\_\_ (Lessee)

Registered Number: \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Resolved: \_\_\_\_\_ of the Lessee

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 in his/her any capacity 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)

SIGNATURE: \_\_\_\_\_ FULL NAMES: \_\_\_\_\_ (IN BLOCK LETTERS)

CAPACITY: \_\_\_\_\_

such amount may, at the option of the Lessor, be proved by a certificate signed by any manager of the Lessor. It shall not be necessary to prove the appointment 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 be admissible in evidence 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 having jurisdiction over its person in respect of any action by the Lessor arising from this contract or the cancellation thereof. This consent does not oust the jurisdiction of any other competent court and the Lessee shall be entitled, in its discretion, to institute action against the Lessor at any court of competent jurisdiction. The parties agree that this 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 interest. 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 Lessee 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 satisfy any shortfall in the amounts due in terms of this contract which may arise in this manner.

**18. WAIVER**

No negligence, inattention, extension of time or omission by the Lessor shall constitute a waiver by the Lessor of any of its rights under this contract and 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 defence of estoppel. The acceptance by the Lessor of any payment by the Lessee after 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, waiver or amendment of this contract shall be valid unless reduced to writing and signed by the parties.

**20. VAT**

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 1 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 of or of such Value-added Tax, 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 water basis, collection commission, costs of valuation, demanding, removal and storage of the Goods and all other expenses incurred by taking possession of the Goods.

*Handwritten signature and initials: M.G.P.*

13.2 Any notice to a party contained in a correctly addressed envelope and:

13.2.1 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;

13.2.2 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;

13.2.3 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 domicile stated as above.

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. BREACH**

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 insolvency proceedings instituted in connection therewith, 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, to:

14.1 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 of rental due on the date of cancellation, plus the expenses incurred by the Lessor set out herein plus liquidated damages, amounting to the aggregate of all rentals which would, but for this cancellation, 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 and such market value shall be binding on the Lessee and Lessor for all purposes of this agreement); or

14.2 without terminating this contract, to treat as immediately due and payable all rentals which would otherwise have become due and which are due in terms of the 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 these 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 enjoyment 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 Lessee in terms thereof.

**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 date for payment of

Goods and the Lessee hereby agrees, that in the event of such event:

10.1.1 it will hold the Goods on behalf of and in accordance with the instructions and direction of such co-lessee in place of the Lessor; and

10.1.2 it will continue making all payments due in terms hereof to the Lessor, unless has been instructed otherwise in writing.

10.2 The Lessee shall not be entitled to or have the right to code or to delegate its rights and obligations in terms of this contract.

10.3 In the event of such cessation, all obligations of the Lessor in terms hereof, shall notwithstanding such cessation, be discharged by the Lessor and the Lessee will not acquire any right or claim in respect of any such obligations against such co-lessee.

**11. INTEREST**

11.1 If any amount due to the Lessor is not paid immediately in terms of this contract, irrespective of whether such amount arises from arrear rentals or disbursements on behalf of the Lessee or from other expenses incurred by the Lessee in connection with this contract as a result of the non-compliance of the Lessee with its obligations, the Lessor shall be entitled, without prejudice to any of her rights that it may have, to charge interest on any such arrear or unpaid amount at the rate equal to five percent (5%) above the prime rate of interest charged by the Banker of the Lessor on overdraft accounts. Such interest will be calculated on the amount unpaid or disborne from the date it became due until the date of actual payment thereof and shall be calculated and capitalised monthly in advance.

**12. ESCALATION**

12.1 The rental shall increase, on the anniversary of the day of commencement of this contract, by an amount equal to fifteen percent (15%) of the rental payable during the last month of the previous year.

12.2 Should the Lessor decide to increase the rental at any time during the duration of this contract in addition to the escalation set out in clause 12.1 above, it shall give sixty (60) days written notice of such intended increase, in which event the following provisions shall apply:

12.2.1 The Lessee shall be entitled, during the period of sixty (60) days aforesaid, to advise the Lessor in writing of that it objects to such intended increase of the rental;

12.2.2 The Lessor shall have, for a period of sixty (60) days after receipt by it of such notice of objection, the option to terminate this contract by giving notice, within the said period of sixty (60) days, in writing to that effect to the Lessee, in which event this contract shall terminate at the end of the aforesaid month following the month during which the notice of objection is sent to the Lessor;

12.2.3 if no notice of objection as is envisaged by clause 12.2.1 above is received by the Lessor, the Lessee shall be deemed to have agreed to the intended increase in rental.

12.2.4 if no notice of termination is given by the Lessor as is envisaged by clause 12.2.2 above, this contract shall continue as if no notice of escalation in terms of clause 12.2 had been given.

**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 communications 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 domicile 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.

*Handwritten signature and initials: M.G.P.*

Ownership in and to the Goods shall at all times remain vested in the Lessor or its co-lessee. 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 re-obtain possession thereof, or any rights of ownership in the Goods or to obtain the right of the use or enjoyment of the Goods or to retain possession thereof.

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, fit for use and free from any damage or defect or in such condition as to enable the Lessor to use the Goods as if they were new. If the Goods are damaged or not in good repair and working condition the Lessee may retain the Goods at such good order and working condition and the costs thereof shall be paid by the Lessee on demand.

**6. USE OF GOODS**

6.1 The Lessee undertakes that it shall:

6.1.1 Use the Goods only for the purpose and in the manner for which it is intended to be used.

6.1.2 Keep the Goods free from the claims of other parties or from attachment and shall not alienate, assign or charge the Goods or any part thereof with any encumbrances 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 attached thereto.

6.1.3 Use the Goods or its agent responsible feasible for the inspection, and/or repair of the Goods.

6.1.4 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 the use and servicing of the Goods, and shall only use such consumables as are approved by the Lessor.

**7. LOSS OR DAMAGES**

7.1 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, immediately 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 fitness of the Goods or as to the fitness of the Goods for any purpose has 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 securities debit, all its right, 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 of such policy, less damages, or part thereof.

**10. CESSATION**

10.1 Lessor shall be entitled to code and transfer all or some of its rights in



**ANNEXURE TO CONFIRMATION OF RENTAL CONTRACT**

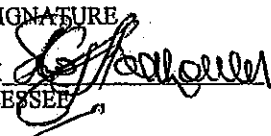
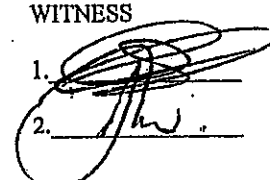
**BERSALOM (PTY) LTD T/A NASHUA  
&  
SIYANCUMA MUNISIPALITY**

(Physical address at which the user choose Domicillium Citandi et Exectandi)

EQUIPMENT	SERIAL NUMBER	INSTALLED
MP6001SP	V6703000260	yes
MP6001SP	V6703000276	yes
MP1600SPFRA	L6806360359	yes
MP1600SPFRA	L6806360500	yes
MP1600SPFRA	L6806360352	yes
MP171SPFCH	V4409013156	yes
MP171SPFCH	V4409013293	yes
MP171SPFCH	V4409013301	yes
MP171SPFCH	V4409012208	yes
MP171SPFCH	V4409013309	yes
MP171SPFCH	V4409013415	yes
MP171SPFCH	V4409013419	yes
MP171SPFCH	V4409013441	yes
MP171SPFCH	V4409013443	yes
MP171SPFCH	V4409013444	yes
MP171SPFCH	V4409013488	yes
SP232SF	S5408802932	yes
SP232SF	S5408802953	yes
SP232SF	S5408802956	yes
SP232SF	S5408802974	yes
SP232SF	S5408802991	yes
SP232SF	S5408802996	yes
SP232SF	S5408803005	yes

SIGNED BY THE PARTIES AS FOLLOWS:

DATE	PLACE	SIGNATURE	WITNESS
_____	_____	_____	1. _____
		LESSOR	2. _____

DATE	PLACE	SIGNATURE	WITNESS
25/10/2010	Douglas	X 	1. 
		LESSEE	2. _____