DEED OF SALE AND ASSIGNMENT

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This is an agreement to lease dated this [DAY] day of (MONTH, YEAR).

**BETWEEN:** [**COMPANY’S NAME**] (the “First Party”], an individual with his/her main address located at [ADDRESS] OR a limited liability company incorporated under the laws of South Africa having its registered head office a:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY’S NAME]** (the “Second Party”), a limited liability company incorporated under the laws of South Africa having its registered head office at:

 [COMPLETE ADDRESS]

WHEREAS the First Party, as lessor, has entered into a [PRODUCT] equipment rental agreement (Contract No. [NUMBER]) [DATE] with the First Party;

WHEREAS

The Lessor has agreed to grant, and the Lessee has agreed to purchase the lease under the terms and conditions set out in this agreement.

Under the Terms and Conditions of this deed of sale and assignment, the Lessor has agreed to sell, assign, transfer and convey to the First Party, and the First Party has agreed to purchase, subject to the terms and conditions hereinafter provided, the Lease, as well as all of the Lessor’s rights, title and interest in and to the Lease including, without limitation, the right to all rentals, fees, charges and all other monies or proceeds to become owing and due under the Lease by [NAME OF PRODUCT SUPPLIER] or any other party (collectively and individually, the “Rentals”) and the equipment and other property, if any, described in the Lease and the Special Conditions or Annexes attached to the Lease (hereinafter, together with all equipment delivered *in re*placement therefor, all accessories and attachments thereto and spare parts therefor, and all owner manuals and user guides, collectively and individually referred to as the “Equipment”);

NOW, THEREFORE, in consideration of the mutual promises herein made and the mutual benefits to be derived from this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

1. **DEFINITIONS AND INTERPRETATION**
	1. **Definitions**

1.1 The following definitions and rules of interpretation apply in this Lease Agreement, in its Schedules, or in any deed, document, agreement or instrument supplementary or ancillary thereto, unless there be something in the subject or the context inconsistent therewith, shall have the following meanings:

“Business Day” means any day except a legal holiday in South Africa, Saturday, or Sunday or when banks in South Africa are open for business.

“Collateral Rights” has the meaning ascribed thereto in Section 2.1;

“Lessor” means the party of the Second Part as outlined in this agreement and includes its successors, administrators, and permitted assigns;

“The Lessor Acceptance” has the meaning ascribed thereto in Section 2.9;

“The Lessor Notice” has the meaning ascribed thereto

“the First Party” means the Party of the First Part and includes its successors and assigns;

“the First Party Acceptance” has the meaning ascribed thereto in Section 2.9;

“the First Party Notice” has the meaning ascribed thereto in Section 2.9;

“the First Party Refusal” has the meaning ascribed thereto in Section 2.9;

“Lease Term” means, *in re*spect of the Lease, the period beginning on the date of commencement thereof and ending on the earlier of:

1. the last day of the term specified in Schedule “A” hereto; and
2. the date on which the equipment is returned which is a day before the lease ends;
3. Any material breach of the lease, including the loss or destruction of leased equipment, will automatically lead to the termination of the lease.

“Lien” refers to any interest in property or the income or profits therefrom securing an obligation owed to, or a claim by, a Person (including an individual) other than the owner of such property, whether such interest is based on common law, civil law, statute or contract, and including, but not limited to, any security interest, hypothec, mortgage, pledge, privilege, lien, claim, charge, cession, transfer, assignment, encumbrance, title retention agreement, lessor’s interest under a lease which would be capitalised on a balance sheet of the owner of such property or analogous interest in, of or on any property or the income or profits therefrom of a Person (including an individual);

“Minimum Disposal Value” means, *in re*spect of any Lease, where such “Minimum Disposal Value” is to be determined on a date:

1. between the date of execution of such Lease and up to and including the date being the last day of the [NUMBER] month of the Lease Term, the sum of the present value of the Rentals remaining due under such Lease on such date and the present value of the Residual Value of such Lease, each calculated by employing for the purposes of such calculation the “Discount Rate”; however,
2. if the Residential Mortgage Rate on the date as of which such calculation must be made is less than the Residential Mortgage Rate which existed on the date of the relevant Deed of Sale and Assignment, then “Minimum Disposal Value” shall be equal to the sum of the product resulting from the aforementioned calculation and an amount equal to the amount certified by the First Party to be sufficient to compensate it for all losses, expenses and costs incurred by the First Party in connection with the redeployment of funds;
3. being the [NUMBER] day of the [NUMBER] month of the Lease Term or at any time thereafter, the sum of the present value of the Rentals remaining due under such Lease on such date and the present value of the Residual Value of such Lease, each calculated by employing for the purposes of such calculation the “Discount Rate” hereof, less [%];

“Person” means any corporation, firm, joint venture, partnership, trust, unincorporated organization, government or any department, agency or instrumentality of any government;

“Prime Rate” has the meaning ascribed thereto in Section 6.6 hereof;

“Purchase Price” has the meaning ascribed thereto in Section 2.1 hereof;

“Residential Mortgage Rate” means interest at a rate per annum equal to the rate published or quoted from time to time by the First Party as the reference rate of interest in order to determine rates for loans in Rand funds to [NATIONALITY] borrowers secured by first-ranking mortgages against the personal residences of such borrowers for terms approximately equal to the Lease Term or the balance of the Lease Term, as the case may be, in all cases adjusted automatically upon each change in such rate; save and except, however, that if said rate, by reason of the proclamation, imposition or change in any South African law, regulation, decree, order or directive applicable to or binding upon the First Party, does not represent, by an amount which the South African Reserve Bank deems in its sole discretion to be material, what otherwise would be the prevailing market rate for such loans, then, for the purposes hereof, “Residential Mortgage Rate” shall be equal to the rate determined by the First Party as would be the prevailing market rate therefore;

“Stipulated Loss Value” means, *in re*spect of any Lease, where such “Stipulated Loss Value” is to be determined on a date upon which a rental payment is due, the amount appearing opposite the number of such rental payment on Schedule [SPECIFY] hereto. In all other cases, “Stipulated Loss Value” means the amount appearing opposite the number of the immediately preceding rental payment which was due, multiplied by a rate equal to the Prime Rate plus two [%] per annum;

“this Agreement”, “these presents”, “herein”, “hereby”, “hereunder”, “hereof” and related expressions shall refer to the entire agreement between the parties and shall include other documents or instruments that are ancillary to this agreement and relating to its subject matter;

“Transaction Date” has the meaning ascribed thereto in Section 2.6 hereof;

“Upgraded Lease” has the meaning ascribed thereto in Section 2.9.

**1.2 Singular, Plurals and Currency**

Unless stated otherwise, the singular includes the plural and *vice versa*; any reference to gender shall include all genders, and all currency and monetary values shall refer to SOUTH AFRICAN RAND.

**1.3 Division into Articles**

The division into Articles and paragraphing is merely for reference and is not intended to affect the interpretation or intended meaning of the provisions of this Agreement.

**1.4 Preamble**

The preamble, which shall form part of this Agreement, states the title and parties to this Agreement.

 **1.5 Accounting Terms and Calculations**

Unless provided or the context requires otherwise, all calculations and financial records shall be made or interpreted in accordance with the accounting principles approved by the South Africa Institute of Chartered Accountants and applicable as at the date on which any calculation or financial document is made or required to be made pursuant to the provisions hereof.

**2. AGREEMENT OF PURCHASE AND SALE OF LEASES AND EQUIPMENT**

* 1. **Purchase and Sale**

In consideration of the mutual covenants hereof and subject to the terms and conditions herein, the Second Party agrees to sell, transfer and assign to the First Party and First Party does purchase absolutely from the Second Party rights, title, and interest in the Equipment and the Lease together with the rights, title and interest contained in the Lease and the Rentals and any other future benefits, collateral rights, remedies, rights flowing from insurance policies under the lease, obligations and liabilities of the Lessee under the Lease and the right to institute proceedings either in the First Party’s or the Second Party’s name as the First Party may deem necessary or desirable to enjoy legal or equitable rights arising from any of the Leases (jointly or individually) for a purchase price equal to the amount stipulated in Schedule A.

* 1. **Obligations not Assigned**

The Second Party shall not assign its rights or obligations under this Agreement in whole or in part, or render the First Party liable for any representation, warranty or condition made by the Second Party in the Lease, nor liable for the fulfilment of any covenant or obligation of the Second Party under the Lease.

* 1. **Assignment Without Recourse**

The sale, assignment, transfer and conveyance of lease and equipment is concluded on “as is” basis without any representation or warranty whatsoever except in two circumstances where 1) the Second Party is liable for loss or damage of the equipment in accordance with subsection 5.6.3, or 2) the Lessee under the Lease fails to meet its financial obligations because of the failure of the Second Party to satisfy its covenants, obligations, liabilities and warranties.

* 1. **Payment of Purchase Price**

In consideration of the sale and transfer of the lease and equipment, the purchase price shall be paid in accordance with the conditions set out in [SPECIFY] hereof, within [NUMBER OF DAYS] business days.

* 1. **Taxes**

The Purchase Price includes all applicable consumption or sales taxes, but is exclusive of all other taxes, duties, levies, assessments or charges now or hereafter levied or imposed in any way whatsoever by the Government of South Africa or any local authority on the Purchase Price, this Agreement, the Equipment or its sale, purchase, lease, ownership, possession, operation or use. All such applicable taxes, duties, levies, assessments or charges and any amounts in lieu thereof paid or payable by the First Party shall be paid by the Second Party with an exemption certificate or other document acceptable to the appropriate authorities before any tax, duty, levy, assessment or charge becomes eligible. Nothing herein contained shall be construed or interpreted so as to render the Second Party liable for the payment of taxes imposed on the income of the First Party.

* 1. **Title**

Title to the Equipment, the Lease, the Rentals and the Collateral Rights shall pass to the First Party on the payment of the Purchase Price to the Second Party (the “Transaction Date”).

* 1. **Invoicing**

As of and after the Transaction Date and for the balance of the Lease Term, all invoices relating to Rentals due under the Lease shall be sent by the First Party for its exclusive account.

* 1. **Last Day of Lease Term**

On the last day of the Lease Term:

* + 1. the First Party shall sell, re-assign, re-transfer and re-convey to the Second Party all of the First Party’s then rights, title and interest in and to the Equipment and into and under the Lease and Collateral Rights relating thereto, as well as any Rentals falling due thereafter, for a price equal to the Residual Value;
		2. the Second Party shall pay to the First Party an amount equal to the Residual Value; and
		3. the First Party and the Second Party shall thereafter do, perform and execute at the Second Party’s own cost and expense all such things, obligations and documents reasonably requested and considered by the Second Party to be necessary or desirable to sell, re-transfer, re-assign and re-convey, without representation, warranty or condition, to the Second Party the Equipment, the Lease, the Rentals, the Collateral Rights and all of the First Party’s rights, title and interest therein, thereto and thereunder.
	1. **Equipment Upgrade**

Notwithstanding the sale, assignment, transfer and conveyance of any Equipment, Lease, Rentals and Collateral Rights pursuant hereto, but subject nevertheless to the terms and conditions provided below in this Section 2.9, the Second Party shall have the right to enter into negotiations respecting, and the right to accept, a request by the Lessee to upgrade the Equipment which is subject to the Lease.

The Second Party shall forthwith give the First Party notice of the commencement of negotiations with the Lessee in connection with the upgrade of Equipment and, as soon as it becomes available, shall provide the First Party with a copy of the Second Party Lease signed *in re*spect of such upgraded equipment (the “Upgraded Lease”). The First Party shall have the first right of refusal to purchase the upgraded equipment, as well as the Upgraded Lease and the Rentals and Collateral Rights connected therewith, pursuant to the terms and conditions hereof. The First Party shall give the Second Party notice (the “the First Party Notice”) no later than the fifth Business Day following its receipt of the Upgraded Lease, whether it wishes to purchase said upgraded equipment, Upgraded Lease, Rentals and Collateral Rights and, if so, shall provide the First Party with the information set forth in Schedule “A” hereto.

Within [NUMBER]) Business Days of the giving of the First Party Notice, the Second Party may:

1. accept the First Party terms and conditions set forth in the First Party Notice (the “the Second Party Acceptance”); or
2. provide the First Party with a written offer from another funding source on terms and conditions more favourable to the Second Party than the terms and conditions set forth in the First Party Notice (the “the Second Party Notice”).

Within [NUMBER] Business Days of the giving of the Second Party Notice, the First Party may:

1. agree to provide the Second Party with the same terms and conditions available to the Second Party from such other funding source (“the First Party Acceptance”); or
2. advise the Second Party that it shall not provide the Second Party with the same terms and conditions available to the Second Party from such other funding source (the “the First Party Refusal”).

In the event of either the Second Party Acceptance or the First Party Acceptance:

1. the Second Party shall pay to the First Party an amount equal to the Minimum Disposal Value *in re*spect of the relevant Equipment;
2. the Second Party and the First Party shall sign a Deed of Sale and Assignment in the form of this Agreement containing the aforementioned terms and conditions pursuant to which the upgraded equipment, the Upgraded Lease and its Rentals and Collateral Rights shall be sold, transferred, assigned and conveyed to the First Party; and
3. all the conditions precedent stipulated in Section 3.1 hereof shall be satisfied.

Upon satisfaction of all the conditions stipulated above in subparagraphs a), b) and c)

1. the First Party shall sell, re-assign, re-transfer and re-convey to the Second Party the Equipment and the Lease, as well as all of the First Party’s then rights, title and interest in and to the Equipment and the Lease and Collateral Rights relating thereto, as well as any Rentals falling due thereafter; and
2. the First Party and the Second Party shall thereafter perform their respective obligations set forth under subsection 2.8.3 hereof.

Should the First Party advise the Second Party in the First Party Notice that it does not wish to purchase the upgraded equipment, the Second Party shall pay to the First Party an amount equal to the Minimum Disposal Value *in re*spect of the relevant Equipment, and thereafter the First Party and the Second Party shall perform their respective obligations under sub-paragraphs d) and e) above.

In the event of a First Party Refusal, the Second Party shall pay to the First Party an amount equal to the Minimum Disposal Value *in re*spect of the relevant Equipment, and thereafter the First Party and the Second Party shall perform their respective obligations under sub-paragraphs d) and e) above, and the Second Party may sell the upgraded equipment to the funding source identified in the Second Party Notice and upon the terms and conditions set forth therein.

**3. CONDITIONS PRECEDENT**

**Conditions Precedent to Purchase**

The obligations of the First Party under the Master Lease to purchase the interests and rights in the Lease and Equipment are subject to the fulfilment each of the following conditions unless waived by the Second Party in writing:

3.1. the First Party shall have received the following in form and substance satisfactory to it:

3.1.1. Copies of the appropriate Lease and other registered copies and authorisations of all registrable documents approving the execution of this Lease Agreement and the transactions contemplated hereunder and other relevant documents executed in favour of the interests of the Second Party to create and protect the security interest of the Second Party in the Equipment and the Rentals;

3.1.2. an original copy of a Notice of Assignment and Acknowledgment certifying the names and signatures of the Second Party and the Lessee;

3.1.3. an original signed and registered copy of this Agreement, as well as signed and registered copies of all registrable documents in order to provide the First Party with a duly perfected first ranking security interest in the Equipment, the Lease, the Rentals and the Collateral Rights, or other documents reasonably requested and considered by the First Party to be necessary or desirable to perfect, protect and preserve the rights, title and interest of the First Party in and to the Equipment, the Lease, the Rentals and the Collateral Rights;

3.1.4. a copy (ies) of the insurance policy (ies) subscribed by the Lessee in accordance with the applicable provisions of the Lease;

3.1.5. releases or waivers from prior secured parties, if any, *in re*spect of the Equipment, the Lease, the Rentals and the Collateral Rights;

3.1.6. all acknowledgements, waivers, releases, discharges and other documentation which the First Party reasonably considers to be necessary or useful to establish that all Equipment, Leases, Rentals and Collateral Rights which may be sold, assigned, transferred and conveyed pursuant to the terms hereof are and will be free and clear of all Liens;

3.1.7. a solemn declaration and certificate of officers in the form attached hereto as Schedule [SPECIFY] signed by the President and by the Administrative Director of the Second Party; and

3.1.8. an opinion of counsel to the Second Party in the form attached hereto as Schedule [SPECIFY]

3.2 the First Party shall:

3.2.1. have received confirmation of receipt of a notice in the form attached hereto as Schedule [SPECIFY] sent by it to the owners of the premises leased by the Lessee in South Africa and in which the Equipment is installed, if applicable;

3.2.2. All of Seller’s and Shareholders’ representations and warranties in this Agreement (considered collectively), and each of these representations and warranties (considered individually), shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made

3.2.3. be satisfied that all representations, warranties and conditions made by the Second Party in this Agreement or pursuant hereto regarding the Equipment, the Lease, the Rentals and the Collateral Rights are true and correct; and

3.2.4. be satisfied that no third party has or may have any Lien in or to the Equipment, the Lease, the Rentals or the Collateral Rights.

**4. REPRESENTATIONS AND WARRANTIES**

* 1. **Representations and Warranties**

The Tenant to the intent that the obligations hereinafter warrants, represents and undertakes to the First Party that:-

* + 1. the Second Party is a company duly incorporated and organized, validly existing and is in good standing under the laws of South Africa and under the laws applicable to it in each jurisdiction in which it carries on business;
		2. the Second Party has full corporate power, rights, and authority to enter into this Agreement and execute all documents necessary for the performance of this Agreement;
		3. the Second Party has taken all necessary corporate action required to authorise it to execute, deliver and perform the Lease and this Agreement and to consummate the transactions contemplated thereby and hereby, and the Lease and this Agreement have been duly executed and delivered by the duly authorised officers of the First Party and constitute legal, valid and binding obligations of the First Party;
		4. the Assignee and the Transaction Documents and to take any action and execute any documents required by the terms thereof and that this Agreement and the Transaction Documents have been duly authorised by all necessary corporate proceedings, have been duly and validly executed and delivered by the Assignee, and are the legal, valid and binding obligation of the Assignee, enforceable in accordance with the terms thereof; and that the executant of this Agreement and the Transaction Documents, on behalf of the Assignee, has been duly empowered and authorised to execute the same and to perform all its obligations in accordance with the terms herein and therein
		5. the execution, delivery and performance of the Lease and this Agreement in accordance with their respective terms and the consummation of the transactions contemplated hereby and thereby do not and will not require any consent, approval or authorization, violate any [SOUTH AFRICAN LAW], conflict with or result in a breach of, or constitute a default under the incorporating documents (as amended) or by-laws of the Second Party or under any agreement or instrument to which the Second Party is a party or by which any of its property may be bound, or result in the creation or imposition of any Lien upon or with respect to any property now owned or subsequently acquired by the Second Party;
		6. there is no action, suit or proceeding pending against (nor, to the knowledge of the Second Party, any action, suit or proceeding threatened against or in any other manner relating adversely to) the Second Party or any of its properties in any court or before any arbitrator of any kind or before or by any governmental body, which, if adversely determined, would, singly or in the aggregate, have a material adverse effect on the business, financial position or results of operations of the Second Party or on the ability of the Second Party to carry on its business or to perform its obligations under this Agreement or the Lease;
		7. the Lease is genuine, valid, subsisting, binding and enforceable in accordance with its terms, represents a *bona fide* transaction in the ordinary course of the Second Party’s business, constitutes the entire and only agreement between the Second Party and the Lessee with respect to the Equipment described therein and there are no agreements, representations, warranties or conditions, whether oral, written, express or implied, and whether legal, statutory, collateral or otherwise, on the part of the Second Party or in favour of any Lessee affecting or relating to such Equipment or the Lease, save as expressly set forth in the Lease;
		8. the Second Party is the owner of the Equipment and the Rentals by good and marketable title, free from any Liens, subject only to the Lease;
		9. the Equipment, as well as all signatures, names, addresses and amounts contained in the Lease, are true and accurately and completely described;
		10. the Equipment has been delivered to and accepted by the Lessee, has been installed, is in good working order and conforms to the specifications of the manufacturer pertaining thereto;
		11. there exists no event of default under the Lease and no event has occurred which would, with the giving of notice or lapse of time or both, constitute an event of default under the Lease;
		12. to the Second Party’s knowledge, all SOUTH AFRICAN LAW and regulations relating to the Lease and to the possession, use, operation and maintenance of the Equipment have been complied with and all taxes and other public charges against, upon or *in re*spect of the Equipment have been paid;
		13. the Second Party has duly and punctually performed and observed all of its covenants and obligations under the Lease, and shall duly and punctually perform and observe, or cause to be performed and observed, all of its covenants and obligations thereunder, and the Lessee has no, nor will it have hereafter, any defense, right of set-off, counterclaim or compensation against either the Second Party or the First Party;
		14. all registrations, recordings or filings *in re*spect of the Lease have been effected in order to preserve and protect the security, if any, constituted thereby in favour of the Second Party and to create in favour of the Second Party a duly perfected first security interest in the Equipment and Rentals as against the Lessee and its creditors; and
		15. the Second Party has not given any consent, approval or waiver under the Lease, nor has it granted any rental rebate or rent-free period thereunder and the Second Party is not *in re*ceipt of any amount from any Lessee as an instalment of rent paid in advance of its due date, nor is any amount presently owed or to become owed by the Second Party to the Lessee under the Lease.
	1. **Survival of Representations and Warranties**

All representations and warranties set forth herein shall be deemed to be made and shall be true and correct in all respects at and as of the date hereof. All representations and warranties made under and pursuant to this Agreement shall survive, and not be waived, or merged, by the execution and delivery of this Agreement, any investigation by or on behalf of the First Party, or the payment by the First Party of the Purchase Price in accordance with the terms hereof.

**5. COVENANTS**

So long as this Agreement remains in force, and unless the First Party shall have otherwise previously given its written consent, the Second Party hereby covenants and agrees that it shall:

* 1. **Preservation of Existence**

Serve and maintain its corporate existence, and all rights, franchises, licenses, permits and approvals necessary or desirable for the normal conduct of its business.

* 1. **Financial Information**

Furnish to the First Party the audited financial statements of the Second Party within [NUMBER] days of the end of each fiscal year end of the First Party, as well as any other financial information relating to the Second Party as the First Party may reasonably request from time to time.

* 1. **Audit**

Provide the First Party with certified copies or extracts of its books and records relating to the Lease, forthwith following a request therefor, and in the event that the First Party is unsatisfied with the copies or the extracts delivered to it by the Second Party, the Second Party shall permit the First Party, its officers, agents and representatives to enter into its premises and audit such books and records.

* 1. **Performance under Leases**

Perform all of its covenants and obligations under the Lease punctually and in accordance with its terms.

* 1. **Advice regarding Default**

Advise promptly the First Party of any default under the Lease or any event which, with the giving of notice, the passage of time or both, would constitute an event of default, in each case upon its becoming aware of same.

* 1. **Indemnity**

Indemnify, defend and save the First Party harmless from and against any and all claims, losses, costs, expenses and damages, including legal fees (on a solicitor and his own client basis, where applicable), incurred, suffered or sustained by the First Party at any time arising out of, resulting from or as a consequence of:

* + 1. the failure of the Second Party to perform or observe any covenants or obligations hereunder or under the Lease;
		2. the untruth or the inaccuracy of any representations or warranties made by the Second Party in this Agreement or any document or instrument annexed hereto or contemplated hereby; and
		3. the total loss or destruction of the Equipment, save that the liability of the Second Party under this subsection 5.6.3 shall be limited to the difference, if any, between:
			1. the Stipulated Loss Value; and
			2. the sum of the aggregate amount of insurance proceeds received by the First Party as a consequence of such loss or destruction and the Residual Value actually received by the First Party.

* 1. **Legal Fees**

Pay upon demand all legal fees and disbursements incurred by the First Party in connection with:

* + 1. the negotiation of this Agreement, as well as the preparation and registration of the documentation required in connection therewith, up to a maximum aggregate amount of [AMOUNT]; and
		2. The parties acknowledge and agree that any legal fees and disbursements incurred by the First Party with respect to the purchase of any Equipment, Lease, Rentals and Collateral Rights shall be for its own account exclusively unless otherwise agreed between themselves.
	1. **Change of Business**

Not change substantially the nature of its business from that being carried on at the Transaction Date.

* 1. **Liens**

Not create, assume, incur or suffer the existence of any Lien upon or *in re*spect of the Equipment, the Lease, the Rentals or the Collateral Rights.

* 1. **Amendment**

Not amend, supplement or terminate the Lease, or give any consent or waiver with respect thereto, subject only to the provisions of Section 2.9 hereof.

1. **GENERAL PROVISIONS**
	1. **Governing Law**

This Lease Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of the Republic of South Africa.

* 1. **Assignments by the Second Party**

The rights and obligations of the Second Party hereunder are declared to be purely personal to it and shall not be assigned or transferred to any third party, any such assignment or transfer being null and void with respect to the First Party.

* 1. **Severability**

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under South African Law, such provision will be fully severable; and its severance shall not affect the remaining provisions of the Agreement or affect the enforceability or validity of the entire Agreement.

* 1. **Notice**

Notices between the parties shall be validly delivered or received if sent via post or registered mail or personal delivery through a messenger at the address set forth herein or other address as may be communicated to either party:

* + 1. to the First Party:

[COMPANY NAME]

“the First Party”

[FULL ADDRESS]

Attention: Regional Manager

Telex: [NUMBER]

Fax: [FAX NUMBER]

* + 1. to the Second Party:

LESSOR NAME

“the Second Party”

[FULL ADDRESS]

Attention: The President

Telex: [NUMBER]

Fax: [FAX NUMBER]

Any notice sent by telex or facsimile copier shall be deemed to have been received on the date of transmission, any notice sent by messenger shall be deemed to have been received on the date of delivery and any notice sent by mail shall be deemed to have been received on the third Business Day after sending.

* 1. **Recourses**

The exercise by the First Party of any right or recourse provided for hereunder, pursuant hereto or by law, shall not preclude it from exercising any other right or recourse, all of its rights and recourses hereunder or pursuant hereto being cumulative and not alternative.

* 1. **Additional Expenses**

Unless otherwise, each of the parties hereto will bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated under this Agreement. If the Second Party fails to remedy its non-performance within \_\_\_\_\_\_ Business Days of the receipt by the Second Party of a written notice from the First Party advising it of same, then the First Party may itself perform or cause to be performed such covenants or obligations and all expenses incurred or payments made by South African bank in so doing shall be paid by the Second Party to the First Party forthwith upon demand with interest at a rate per annum equal to the rate published, quoted and commonly known as the “prime rate” of a South African Bank of which such bank establishes at its office in South Africa as the reference rate of interest in order to determine interest rates for loans in South Africa, in all cases adjusted automatically upon each change in such rate (the “Prime Rate”), plus [PERCENTAGE %] per annum, calculated monthly not in advance until paid.

* 1. **Time**

Time is of the essence with respect to the performance of this Agreement.

* 1. **Extensions**

The First Party may grant extensions, take up and give securities, accept compositions, grant releases and discharges and otherwise make arrangements with the Second Party and deal with other persons (including, without limitation, the Lessee) and securities as the First Party may see fit without prejudice to the obligations or liabilities of the Second Party or the First Party’s right to hold, deal with and realise on the Equipment, Lease and Rentals contemplated under this Agreement.

* 1. **Inurement**

This Agreement is binding upon, and inures to the benefit of, the parties and their respective successors and assign.

* 1. **Entire Agreement**

This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to this subject matter; and may only be amended or supplemented with the written consent of each of the First Party and the Second Party.

* 1. **Receipt of Proceeds**

Upon any assignment of interests by the Second Party, the Second Party shall hold the rentals so received as an agent and shall be obligated to pay the receipt(s) to the First Party.

* 1. **Appointment as Attorney**

The Second Party does hereby irrevocably constitute the First Party, its officers, agents and representatives, as the Second Party’s true and lawful attorney with full power (in the Second Party’s name or otherwise) to ask, require, demand, receive, compound and give acquittance for any and all Rentals, and to endorse any check, notes, instruments of payment or other remittances in connection therewith.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

## FIRST PARTY SECOND PARTY

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

**SCHEDULE A**

**LEASE TERMS**