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LEASE AGREEMENT

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LEASE AGREEMENT

1. Parties

1.1 The Parties to this agreement are:

1.1.1 _____
("Lessor"); and *(insert Lessor's full name)*

1.1.2 _____
("Lessee") *(insert Lessee's full name)*

2. Definitions and Interpretations

2.1 These terms have the following meanings assigned to them:

2.1.1 **Building/s:** the house and outbuildings, if any, on the Property.

2.1.2 **Days:** business days which are calculated by excluding the first day, public holiday, Saturday and Sunday.

2.1.3 **Lease Period:** the duration of this agreement per clause 4.1.

2.1.4 **Lessor's Equipment:** fixtures and fittings on the Building/s; and the appliances, equipment, accessories, tools, and other items belonging to the Lessor listed on an annexure to this agreement, if any.

2.1.5 **Month:** a calendar Month (January to December), and starting on the first day of every Month.

2.1.6 **Property:** described as _____

_____ *(insert the erf number, street name, suburb/township and square footage)*
which includes the Building/s and Lessor's Equipment, if any.

2.1.7 **Rates:** charges relating to the Property, including charges payable by the Lessor to the local authority (such as, but not limited to, charges for refuse removal, sanitary, water, electricity or gas).

2.1.8 **Rent:** the amount the Lessee must pay to the Lessor for the lease of the Property.

2.1.9 **Year:** a period of 12 consecutive Months starting on the date on which this agreement comes into operation.

2.1.10 References to notices, statements and other forms of communication from the Lessor include those from the Lessor's agent.

2.2 When words and figures conflict, the words must prevail.

2.3 The words "shall", "must" and "will" in this agreement are mandatory obligations.

2.4 One gender includes the other gender.

2.5 The singular includes the plural and vice versa.

2.6 The headings of the clauses in this agreement are for convenience and reference only; and shall not be used in the interpretation, modification or amplification of the terms of this agreement.

3. Lease Agreement

3.1 The Lessor leases his Property to the Lessee on the terms and conditions of this agreement.

3.2 The Lessee, for the Lease Period, has the right to use and enjoy the Property as agreed.

4. Duration

4.1 This agreement will commence on _____ (insert date) and will continue for _____ (insert number of year/s) year/s and _____ (insert number of months) months.

5. Rent

5.1 The Rent will be:

5.1.1 R _____ (insert value) _____ (insert words) for each Month of the first Year of the Lease Period; and

5.1.2 such an amount shall increase, annually, by _____% (insert percentage)

5.2 An increase in Rent requires the Lessor to give the Lessee 30 Days written notice of the increase - which will take effect on the first day of the Month after the Lessee receives the notice.

5.3 The Lessee must pay the Rent Monthly in advance, on or before the first day of every Month.

6. Additional Charges

6.1 In addition to paying the Rent, the Lessee must reimburse the Lessor for Rates on the Property, as determined according to the municipal tariff rates. These amounts must be paid to the Lessor within 30 Days after the Lessor delivers the account/s to the Lessee.

7. Payments

7.1 All payments due by the Lessee to the Lessor under this agreement must be made electronically into the following bank account:

Bank : _____ (insert Lessor's name of bank)

Account number: _____ (insert Lessor's account number)

Branch code: _____ (insert Lessor's branch code)

Account type: _____ (insert Lessor's account type)

Name of Lessor: _____ (insert Lessor's full name)

Reference: _____ (insert Lessor's reference)

7.2 The Lessor shall furnish the Lessee with a written receipt for all payments made by the Lessee.

7.3 The Lessee must not withhold, defer, set-off, or make any deduction from a payment he owes the Lessor (regardless of whether the Lessor is indebted to the Lessee, or is in breach of a duty in terms of this agreement).

7.4 The Lessee will be liable for interest on all overdue amounts payable under this agreement at a rate per annum of _____% (insert percentage), commencing from the date of the outstanding amount until the amount is paid in full.

8. Deposit

8.1 On the commencement of this agreement (per clause 4.1), the Lessee must pay the Lessor a deposit of R _____ (insert value) _____ (insert words).

The Lessor must place the Lessee's deposit into an interest bearing account for the duration of this lease for the benefit of the Lessee.

- 8.2 The Lessor can set off the deposit against any amount owed to him in terms of this agreement.
- 8.3 If the Lessor sets off the deposit amount against an amount due to him, the Lessee must make a payment to make up the difference outstanding in terms of the deposit.
- 8.4 Once the Lease Period has lapsed, the Lessor must refund the deposit to the Lessee unless the Lessor can prove that the deposit is needed to restore the Property to the condition it was in on the date this agreement started, taking into account reasonable wear and tear.

9. Insurance

- 9.1 The Lessor must insure the Property against risks for the duration of the Lease Period.
- 9.2 The Lessee must not do anything to the Property that will increase the risks and damages to the Property.

10. Cession, Delegation, Assignment and Subletting

- 10.1 The Lessee may not:
- 10.1.1 transfer his rights and/or duties under this agreement to a third person;
 - 10.1.2 sublet the Property in whole or partly;
 - 10.1.3 give up possession of the Property to a third party; or
 - 10.1.4 remove, or allow to be removed, the Lessor's Equipment (except for repair and with the Lessor's permission).

11. Duties of the Lessee

- 11.1 The Lessee must:
- 11.1.1 keep the Property clean and tidy;
 - 11.1.2 use the Property for private dwelling only;
 - 11.1.3 take care of the Property (and other items belonging to the Lessor);
 - 11.1.4 protect the Property from abuse, damage, destruction, and theft;
 - 11.1.5 respect the Property's neighbours;
 - 11.1.6 not be a nuisance, or cause annoyance or discomfort to the Property's neighbours or the public;
 - 11.1.7 leave refuse in the refuse bins provided;
 - 11.1.8 enable the Lessor to carry out his duty of maintenance and repair;
 - 11.1.9 allow no more than _____ *(insert number of persons)* persons to reside on the Property during the Lease Period;
 - 11.1.10 keep no more than _____ *(insert number of animals)* animals on the Property during the Lease Period, and maintain control of them at all times;
 - 11.1.11 prevent blockages and obstructions in the drains, sewerage pipes and water pipes on the Property; and
 - 11.1.12 provide light bulbs when required on the Property.

12. Maintenance and Repairs

- 12.1 The Lessee must at his expense, and without recourse to the Lessor:
- 12.1.1 maintain the Property subject to clause 12.3;
 - 12.1.2 repair damage to the Property regardless of the cause of such damage;
 - 12.1.3 take care of the garden, if any, on the Property through watering, cutting, trimming, mowing,

pruning, fertilizing; and supplying other substances necessary for the maintenance of the garden; and

12.1.4 take care of the swimming pool, if any, on the Property by causing it to be filled, cleaned, and treated with chemicals; and supplying other substances necessary for the maintenance of the swimming pool.

12.2 The Lessee must notify the Lessor in writing within 30 Days after having taken possession of the Property that specific items need to be repaired or replaced. The Lessor must repair or replace the defective item/s at his own expense, without recourse from the Lessee.

12.3 The Lessor is responsible for the maintenance, repair and replacement of the roof and walls of the Building/s; including the structure, systems, and installations of the Building/s.

13. Alterations and Improvements

13.1 The Lessee may not make alterations or improvements to the Property without the Lessor's prior written consent.

13.2 The Lessee cannot claim against the Lessor for compensation for alterations or improvements to the Property, unless the Lessor has given his prior written consent.

13.3 Alterations and improvements made to the Property will belong to the Lessor and may not be removed from the Property.

14. Lessor's rights of entry and carrying out of work

14.1 The Lessor (including his agent or third party acting on his instruction) may enter the Property to perform repairs, replacements, or other necessary maintenance services.

14.2 Prior to entry, the Lessor must give notice to the Lessee to ensure that there is minimum interference to the Property.

14.3 The Lessor may not allow serious alterations or improvements to be carried out on the Property, unless such works are necessary and they comply with clause 12.3.

15. Termination and Breach

15.1 If the Property is destroyed or damaged to the extent that it cannot be occupied, this agreement will terminate unless the Parties agree in writing otherwise.

15.2 If a Party breaches a material provision of this agreement, and fails to remedy such breach within 10 Days of the date of receipt of a written notice from the aggrieved Party requiring him to do so, the aggrieved Party will be entitled to any remedy available in law without further notice, and may cancel this agreement and take possession of his Property.

15.3 This agreement shall not terminate by the death of either Party: the executor of the deceased estate shall elect to terminate or uphold this agreement depending on the circumstances.

15.4 The insolvency of either the Lessor or the Lessee will not terminate this agreement: the trustee of the insolvent estate may exercise the option to terminate or uphold this agreement.

16. General

16.1 This agreement constitutes the whole agreement between the Parties.

16.2 This agreement may only be amended if the Parties agree to the amendment in writing, and sign the written document, in ink by hand – which must be attached to this agreement as an Annexure.

16.3 No Party shall be bound by any express or implied term, representation, warranty, promise, or the like not recorded in this agreement.

16.4 All legal documents, notices or other communication must be delivered to the following address of the Lessor, which will act as his domicilium citandi et executandi:

(insert address of lessor).

16.5 All legal documents, notices or other communication must be delivered to the following address of the Lessee, which will act as his domicilium citandi et executandi:

(insert address of lessee).

16.6 Non-legal documents, notices or other communication between the Parties may be by electronic communication; where a "read receipt" must be attached to each and every electronic communication sent so it can be determined that the electronic communication was received and read by the other Party.

17. Signatories

Signed at _____ on _____ 20____

As witnesses for the Lessor:

1. _____
Signature Full name

2. _____
Signature Full name

The Lessor:

Signature Full name

Signed at _____ on _____ 20____

As witnesses for the Lessee:

1. _____
Signature Full name

2. _____
Signature Full name

The Lessee:

Signature Full name