

**LEASE AGREEMENT**

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

**HOEDSPRUIT FLYING CLUB**

**(ASSOCIATION INCORPORATED UNDER SECTION 21)**

(Registration number 2002/027520/08)

Which is herein represented by \_\_\_\_\_

in his capacity as \_\_\_\_\_

and duly authorized to conclude this agreement on behalf of the Club

(hereinafter referred to as "the **LESSOR**")

**AND**

**THE PERSON OR ENTITY SPECIFIED IN "ANNEXURE A"**

(hereinafter referred to as "the **LESSEE**")

**WHEREAS:**

- A. The **LESSOR** owns the Hoedspruit Civil Airfield in terms of a Title Deed.
- B. The **LESSOR** is in control of the Hoedspruit Civil Airfield and the infrastructure, facilities and amenities on the airfield which are customary in use and required at civil airfields;
- C. The **LESSOR** made/ hereby makes hangar space available to the **LESSEE** for purposes of erecting a movable aircraft hangar at the airfield in accordance with an approved plan and specifications; (hereinafter referred to as the "**HANGARSPACE**");
- D. The **LESSEE** has, at his own expense and at his own risk, erected/will erect a removable aircraft hangar on the agreed **HANGAR SPACE** on condition that it will not become a fixed and permanent improvement to the Hoedspruit Civil Airfield;
- E. Details of the **HANGAR SPACE**, its measurement and description are set out in "**ANNEXURE A**";
- F. The parties have verbally agreed that the **LESSOR** will hire to the **LESSEE** and the **LESSEE** will hire from the **LESSOR** the **HANGAR SPACE** upon the terms and conditions set out in this agreement;

**NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:**

**1. LETTING AND HIRING**

The **LESSOR** lets and the **LESSEE** hires the **HANGAR SPACE** on the terms and conditions set out in this agreement;

**2. USE OF HANGAR SPACE**

The **HANGAR SPACE** shall only be used by the **LESSEE** for the hangarage of his aircraft except that when the aircraft is removed from the hangar to fly, the **LESSEE** shall be entitled to park his motor vehicle in the hangar.

**3. DURATION**

The term of this lease shall, notwithstanding the date of signature thereof, be for the period specified in "**ANNEXURE A**".

**4. RENTAL**

- 4.1 The rental (hangar fees) payable by the **LESSEE** to the **LESSOR** in respect of the **HANGAR SPACE** shall be the amount specified in "**ANNEXURE A**" and the rental shall be payable in advance on the date of commencement of this agreement.

- 4.2 The rental (hangar fees) will become due and payable 60 (sixty) days after construction has commenced on the hangar irrespective of the progress of completion of the hangar.
- 4.3 Fifty Percent (50%) of the construction deposit will be forfeited to the **LESSOR** if the construction time exceeds sixty (60) days and the remaining fifty percent (50%) will be forfeited to the **LESSOR** if the construction time exceeds ninety (90) days and after which time a further fine of R2500 (two thousand five hundred rand) will be invoiced and paid by the **LESSEE** for every 30days or part thereof it takes for the hangar to be completed by the **LESSEE**.
- 4.4 If the **LESSEE** fails to pay the rental due as per “**ANNEXURE A**” and continues to be in default for more than sixty (60) days after written notification has been sent to the *domicilium et executandi* to rectify such default, the hangar shall become the property of the **LESSOR**, and the **LESSEE** shall not be entitled to any compensation in respect thereof from the **LESSOR**.
- 4.5 In the event that the **LESSEE** cedes any part of this lease to a third party this cession of rights will not release the **LESSEE** of his obligation to pay the full rental for the **HANGAR SPACE** to the **LESSOR** and the **LESSEE** remains responsible to collect the rental proportionately from the third party.

## 5. REMOVAL OF THE HANGAR

- 5.1 At the expiration of this agreement or any extension thereof, the **LESSEE** shall be entitled, at his own expense, to remove the hangar.
- 5.2 It is agreed that if any damage would be caused to the Hoedspruit Airfield as result of such removal, the **LESSEE** shall be liable for such damage without resource to the **LESSOR**.
- 5.3 If the **LESSEE** does not remove the hangar within sixty (60) after this agreement has finally come to an end, the hangar shall become the property of the **LESSOR**, and the **LESSEE** shall not be entitled to any compensation in respect thereof from the **LESSOR** and in which event the **LESSOR** will be entitled to remove and place anywhere on the airfield it sees fit, all and any moveable goods stored inside the hangar at the cost of the **LESSEE**.

## 6. OTHER OBLIGATIONS OF THE LESSEE

- 6.1 The **LESSEE** bind himself and undertakes at all times during the currency of this agreement and at his own expense;
- 6.1.1 to keep and maintain the **HANGAR** and the **HANGAR SPACE** in a safe, clean, tidy and serviceable condition;
- 6.1.2 to replace and repair all fittings to the hangar whenever necessary;
- 6.2 to establish and maintain proper secured access control to the hangar.

- 6.3 The **LESSEE** shall not cause or permit any nuisance to emanate from the **HANGAR SPACE** and/or cause or permit any disturbance to users of other hangars or occupants of properties at the Hoedspruit Civil Airfield.
- 6.4 The **LESSEE** binds himself and undertakes at all times during the currency of this agreement to procure and maintain in force adequate comprehensive insurance cover against damage to the hangar together with adequate comprehensive public liability insurance cover against any claims which may be made or instituted against the **LESSEE** and/or the **LESSOR** as a result of the existence of the hangar and/or the utilization thereof.
- 6.5 The **LESSEE** indemnifies the **LESSOR** and holds it harmless against any claims which may be made or instituted against the **LESSOR** as a result of the utilization of the hangar and/or the performance of this agreement.
- 6.6 The **LESSEE** indemnifies the **LESSOR** and holds it harmless against any damage, loss and/or costs arising out of or in connection with illness, injuries, death and/or damage to and/or loss of property of any guests or associates of the **LESSEE** in any way sustained in connection with the performance of this agreement and the utilization of the **HANGAR SPACE**.

## 7. **RENEWAL OF THIS AGREEMENT**

- 7.1 In the event the **LESSEE** remains in occupation after the date of expiry of the initial terms of this agreement, this lease will automatically be extended continuously and repeatedly on a year to year basis until one of the parties gives 2 (two) months written notice in terms of the lease before the end of the calendar year of which the lease is in existence at the time.
- 7.2 The rental amount of the extended periods will yearly be determined at the Annual General Meeting starting at R31.50/m<sup>2</sup> per year for 2017.

## 8. **ASSIGNMENT AND SUBLETTING**

- 8.1 The **LESSEE** shall not without the prior written consent of the **LESSOR** be entitled to:
- 8.1.1 cede or assign all or any of the rights and obligations of the **LESSEE** in terms of this agreement;
- 8.1.2 give up possession of the **HANGAR SPACE** to any third party.
- 8.1.3 Operate any business from the hangar.
- 8.2 The **LESSOR** shall not, however, unreasonably withhold its consent to a cession and assignment of the **LESSEE**'s rights and obligations.

## 9. **COSTS**

Costs incidental to the preparation of this agreement shall be borne by the **LESSOR**.

**10. EXCLUSION OF OTHER TERMS AND CONDITIONS**

- 10.1** This agreement replaces all negotiations, arrangements whether oral or in writing, as well as any other communications between the parties which preceded the conclusion of this agreement.
- 10.2** No alteration or variation of this agreement shall be of any force or effect unless it is recorded in writing and signed by and on behalf of both parties.

**11. DOMICILIA CITANDI ET EXECUTANDI**

The parties choose as their respective *domicilia citandi et executandi* for all purposes under this agreement, the following addresses:

- 11.1** the **LESSOR** at:

The address of the Hoedspruit Airfield.

With Postal Address at:

PO BOX 43  
Hoedspruit  
1380

- 11.2** the **LESSEE** at: The address stated in “**ANNEXURE A**”

**12. BREACH**

- 12.1** in the event of any one of the parties to this agreement failing to comply with his/its obligations in terms of this agreement and remaining in such breach for a period of 14 (fourteen) days after a written notice requiring him/it to remedy such a breach has been served on him/it by or on behalf of the aggrieved party, then and in that event, without derogating from any other remedy which he/it may lawfully have and without further notice, the aggrieved party shall be entitled to:--
- 12.1.1** cancel this agreement forthwith and institute action against the defaulting party for the recovery of damages which the aggrieved party may have suffered as a result of such breach; or
- 12.1.2** institute action for the specific performance of the terms of this agreement and/or the recovery of damages which the aggrieved party may have suffered.
- 12.2** No indulgence which either party may allow at any time whatsoever to the other party in regard to the carrying out of any of the terms and conditions of this agreement shall constitute a waiver of, or prejudice its rights under this agreement.

**13. ARBITRATION**

Any dispute which may arise between the parties with regard to the performance, terms and conditions, or termination of this agreement, which cannot be settled mutually between the parties, may be referred to an independent and impartial third party for settlement by arbitration. If the parties cannot agree upon an independent and impartial third party, the attorneys representing the parties shall jointly appoint an arbitrator.

The arbitration shall take place in an informal manner without pleadings, discovery of documents or strict compliance with the rules of evidence. The arbitration shall take place in South Africa at the place determined by the arbitrator.

Any arbitration in terms hereof shall be strictly confidential between the parties.

If the dispute is primarily by nature an accountancy matter, the arbitrator shall be an independent registered chartered accountant. If the dispute is of a legal or any other matter, the arbitrator shall be a practicing attorney of at least 10 (ten) years standing.

The arbitrator shall, in his/her own discretion and as part of the making of the award, allocate costs between the parties with respect to the arbitration and other arbitration related costs.

Any award made in any arbitration shall be final and binding upon the parties and they shall comply with it.

The clause does not preclude either party from approaching a competent High Court to resolve the dispute.

SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_  
**pp HOEDSPRUIT FLYING CLUB as LESSOR**

SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

1. \_\_\_\_\_

\_\_\_\_\_ **As LESSEE**

2. \_\_\_\_\_

**ANNEXURE "A"**

1. Name of **LESSEE**: \_\_\_\_\_

ID number, where the **LESSEE** is a Close Corporation or Company.

Represented by \_\_\_\_\_ in his capacity as  
\_\_\_\_\_ and duly authorized to conclude this agreement on  
behalf of the **LESSEE**.

2. **HANGAR SPACE** measurements: \_\_\_\_\_ square meters.

3. Hangar number: \_\_\_\_\_

4. Term of this lease shall be a period of: one year from \_\_\_\_\_ to  
\_\_\_\_\_.

5. Rental payable per year R31.50 (Thirty one Rand and fifty cents) per square meter i.e.  
R\_\_\_\_\_ per year for 2017. Subsequent annual rental rates to be  
determined at every Annual General Meeting.

6. The **LESSEE**'s *domicilium citandi et executandi* at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

With Postal address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_