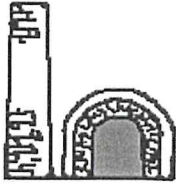


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Lab & ~~Workshop~~



CHAMOTTE HOLDINGS (Pty) Lt

Reg. No: 1963/006210/07

VAT No: 4430103525

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AGREEMENT OF LEASE

Between

Chamotte Holdings (Pty) Ltd

(herein represented by R. R. Greaves, 7801145068080, Director)

("Hereinafter referred to as the LANDLORD")

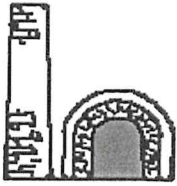
- and -

Taupele Construction (Pty) Ltd

(of 25 Bloemendal Road, Rayton, Bloemfontein 9301)

("Hereinafter referred to as the TENANT")

WHEREBY IT HAS BEEN AGREED AND IS RECORDED AS FOLLOWS:



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1 PREMISES LEASED

1.1 The LANDLORD hereby lets to the TENANT, who hereby hires, an agreed portion of the farm Strathmore 214 JU, as detailed on the "Site Layout" which has been signed by both LANDLORD and TENANT as well as an adjacent WORKSHOP. A plan of the LEASED PREMISES is attached to this Agreement of Lease as Addendum A for the purpose of identifying both the size and position of the premises. The above area will hereafter be referred to as "the leased premises").

2 SERVICES

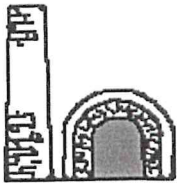
2.1 The LANDLORD undertakes to provide the TENANT with services as stipulated in clauses 2.1.1 to 2.1.6

2.1.1 At the time of drafting this agreement, the LEASED PREMISES is not equipped with an electrical supply point. Should an electrical supply point be required by the TENANT on the LEASED PREMISES, the LANDLORD is a position to install a dedicated overhead line and transformer. The cost of this installation will need to be agreed upon by both parties and covered by the TENANT.

2.1.2 Should the TENANT require an electrical supply on the LEASED PREMISES, the LANDLORD'S responsibility in terms of electrical supply to the LEASED PREMISES will terminate at the circuit breaker connected to the low voltage side of the supply transformer to the LEASED PREMISES. The TENANT will be responsible for the electrical reticulation system within the LEASED PREMISES.

2.1.3 The TENANT will pay for the consumption of electrical energy as stipulated in clause 4.2.

2.1.4 The LEASED PREMISES will be supplied with a water supply via a suitably sized pipe. The water supply pipe will terminate on the LEASED PREMISES with an appropriately sized valve to allow isolation and connection to the TENANT'S water reticulation system.



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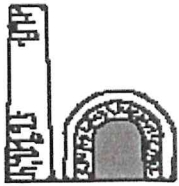
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-
- 2.1.5 The TENANT will pay for the consumption of water as stipulated in clause 4.3.
- 2.1.6 The LANDLORD undertakes to try to maintain an undisrupted supply of water and electrical energy to the TENANT on the LEASED PREMISES. The LANDLORD however will not be held liable for any losses that the TENANT may incur as a result of any interruption in the supply of any services to the LEASED PREMISES, save that should the interruption be owing to any action by or negligence of the LANDLORD, the LANDLORD shall be obligated to rectify and reinstate the supply of water in the shortest time reasonably possible.

3 PERIOD OF LEASE

- 3.1 This lease shall commence on **1 July 2020** for a period of 12 months, with an option to renew the lease before **1 June 2021**. The parties agree that the terms of the lease agreement will be re-negotiated on the renewal of this lease agreement.
- 3.2 Should either party wish to terminate the lease agreement, the will give the other Party One calender month's notice, in writing.



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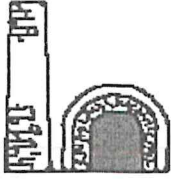
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4 RENTAL AND PAYMENT FOR SERVICES

4.1 The rental payable by the TENANT to the LANDLORD in respect of "the LEASED PREMISES and adjacent WORKSHOP" commencing on **1 July 2020**, shall be **R11 000.00** per month plus VAT at the applicable rate and shall escalate at a rate of 10 % at the end of each year of this lease, commencing from the first month of occupation of the LEASED PREMISES and WORKSHOP. All rentals payable by the TENANT to the LANDLORD in terms of this lease, shall be payable on the first day of each month in advance free of exchange to the bank account of the LANDLORD and in such manner as directed by the LANDLORD in writing. Should the TENANT fail to pay the rental on due date and fail to remedy this non-payment within a period of 7 (seven) days after having been given written notice by the LANDLORD to do so on more than 3 (three) occasions in any one year commencing from the commencement date of this agreement, the LANDLORD shall be entitled at it's option to cancel this agreement and to evict the tenant from the LEASED PREMISES forthwith in addition to any other rights it may have at law.

4.1.1 A DEPOSIT to the value of two month's rental is to be paid up front by the TENANT after signing the rental agreement.



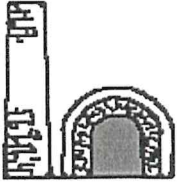
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-
- 4.2 The TENANT will pay monthly in arrears for electrical energy consumption as stipulated in clauses 4.2.1 to 4.2.3.
- 4.2.1 At the time of drafting this agreement, the leased premises is not equipped with an electrical supply point. The TENANT will be required to reimburse the LANDLORD for any capital costs incurred in providing the TENANT with an electrical supply point on the leased premises. The installation and associated costs will need to be mutually agreed to by both the LANDLORD and the TENANT.
- 4.2.2 The TENANT will pay for the quantity of electrical energy determined by the dedicated kilowatt hour meter installed on the electrical supply to the LEASED PREMISES.
- 4.2.3 The rate paid by the TENANT to the LANDLORD for electrical energy will be determined by the total effective rate per kilowatt-hour paid by the LANDLORD to the electrical energy supplier as well as an additional fee as determined by the LANDLORD for overhead line and transformer maintenance. The initial rate to be paid for electrical energy consumption will be **R3.00** per kilowatt hour (excluding VAT) from commencement of this lease agreement.
- 4.2.4 Escalations on the initial rate will be determined by increases in the tariffs paid by the LANDLORD to the electrical energy supplier. Increases in the rate charged by the LANDLORD to the TENANT for electrical energy will become effective when increases in the rate paid by the LANDLORD to the electrical energy supplier become effective.
- 4.3 The TENANT will pay monthly in arrears for water consumption as stipulated in clauses 4.3.1 to 4.3.3.
- 4.3.1 The TENANT will pay for the quantity of water as determined by the dedicated flow meter installed in the dedicated water supply pipe to the LEASED PREMISES.



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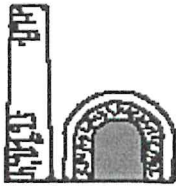
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4.3.2 The rate paid by the TENANT to the LANDLORD for water consumption will be determined by the total effective cost the water supply as determined by the LANDLORD as well as an additional fee determined by the LANDLORD for water licences and legal compliance. The initial rate to be paid per kilolitre of water will be:

1. Extraction from plant reservoir: **R7.00 per Kiloliter** (excluding VAT) from the commencement of this lease agreement.
2. Extraction from Salt Creek: **R2.00 per Kiloliter** (excluding VAT) from the commencement of this lease agreement. This water will be pumped by the TENANT at their own cost.

4.3.3 Escalations on the initial rate to be paid for water consumption by the TENANT will be determined by increases in the total effective cost of pumping as determined by the LANDLORD. Increases in the rate charged by the LANDLORD to the TENANT for water consumption will become effective when increases in the total effective cost of pumping as determined by the LANDLORD become effective.



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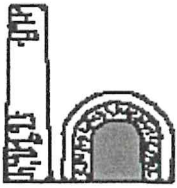
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The installation, maintenance and repair of any equipment outside of the LEASED PREMISES is the responsibility of the LANDLORD and the TENANT will refrain from attempting any repairs or work on equipment outside of the LEASED PREMISES except with the LANDLORD'S express approval.

5 HEALTH, SAFETY AND ENVIRONMENTAL OBLIGATIONS

- 5.1 The TENANT acknowledges that the LANDLORD is predominantly a mining operation and is as such subject to stringent safety, health and environmental legislation which governs its operations and the TENANT specifically agrees to cease any operations that could result directly or indirectly in any legal or operational impediment to the operations of the LANDLORD.
- 5.2 Any legal instruction or requirement of any nature which is effective on the LANDLORD'S property prior to this Agreement of Lease or which may in the future become effective on the LEASED PREMISES will be binding on the TENANT who will be responsible for ensuring that there are no environmental or any other statutory infringements caused directly or indirectly by the TENANT'S operations or occupation of the LEASED PREMISES.
- 5.3 The TENANT specifically agrees that there will be no spillage or effluent of any sort released into the atmosphere, ground or any un-contained body of water on or around the LEASED PREMISES in quantities exceeding the quantity determined by any relevant legislation or environmental recommendation.
- 5.4 The TENANT specifically agrees that any fine or legal penalty levelled against the LANDLORD as a direct or indirect result of the TENANT'S operations will be the TENANT'S sole responsibility. The LANDLORD will not in any way be held responsible for penalties or any other costs which may arise from the TENANTS operations on the LEASED PREMISES.
- 5.5 The TENANT shall comply with all laws and regulations relating to:
 - 5.5.1 the manufacturing and handling of any materials related to its operations;
 - 5.5.2 the installation and provision of safety, health and fire fighting equipment and other similar facilities in the LEASED PREMISES;



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5.5.3 such reasonable rules and regulation as are laid down in writing by or on behalf of the LANDLORD for observance by the TENANT and other occupiers of the LEASED PREMISES, their customers and their invitees, including (without generality being limited) rules and regulations in connection with

5.5.3.1 the security of the property and the protection of persons and property thereon, including in particular any rules for the control and identification of persons and vehicles entering the property and any parts thereof;

5.5.3.2 driving and parking of vehicles on or about the property;

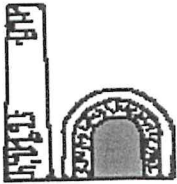
6 INDEMNITY

6.1 The TENANT shall have no claim for damages against the LANDLORD and may not withhold or delay any payment due to the LANDLORD by reason directly or indirectly of

6.1.1 a breach by the LANDLORD of any of its obligations under this lease; any act or omission of the LANDLORD or any agent or servant of, or contractor to, the LANDLORD, whether or not negligent, wrongful, or otherwise actionable at law, and including (without limiting the generality of the afore going) any act or omission of any cleaner, maintenance person, handyman, artisan, labourer, workman, watchman, guard or caretaker;

6.1.2 the condition or state of repair at any time of the Premises or any part of the Premises;

6.1.3 subject to clause 2.1.6, any failure or suspension of, or any interruption in, the supply of water, electricity, gas, air-conditioning, heating, or any other amenity or service to the LEASED PREMISES, or any part of the Premises, (including, without generality being limited, any cleaning service), whatever the cause;



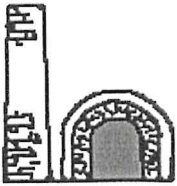
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- 6.1.4 any breakdown of, or interruption in the operation of, any machinery, plant, equipment, installation or system situated in or on, or serving, the LEASED PREMISES or any part of the leased premises, and including (but without limiting the generality of the afore going) any lift, geyser, boiler, burglar alarm, or security installation or system, again regardless of cause;
- 6.1.5 any interruption of, or interference with, the enjoyment or beneficial occupation of the LEASED PREMISES or any part of the LEASED PREMISES caused by any building operations or other works to or in the building or elsewhere on or about the property, whether by the LANDLORD or by anybody else; or
- 6.1.6 any other event or circumstances whatsoever occurring, or failing to occur, upon, in, or about the property, the building, or the LEASED PREMISES, whether or not the LANDLORD could otherwise have been held liable for such occurrence or failure, and the TENANT indemnifies the LANDLORD against all liability to any of the associates, directors, members, agents, customers, servants, guests and other invitees of the TENANT or of any of its Associates, and all other persons who may enter upon the Premises or any parts thereof through or under the TENANT, in consequence of any such matter as is referred to in clauses 6.1.1 to 6.1.7 above.
- 6.1.7 The LANDLORD shall not, however, be excused from specific performance of any of its obligations under this lease, whether express or implied, and particularly (but not only) its obligations to afford the TENANT occupation and enjoyment of the LEASED PREMISES as contemplated by this lease and to carry out such maintenance and repairs as are incumbent upon the LANDLORD in terms hereof; and if the LANDLORD fails to carry out any such obligation of maintenance or repair with reasonable speed or efficiency, and persists in such default after reasonable notice in writing requiring that it be remedied, the TENANT may cause the necessary maintenance or repair (including any incidental or necessary replacement) to be carried out and may then recover the reasonable cost thereof from the LANDLORD on demand.



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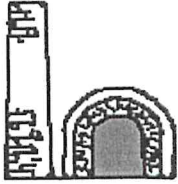
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6.1.8 The LANDLORD does not warrant that the LEASED PREMISES will be suitable for the purposes of the TENANT or any of its Associates or that the TENANT or any of its Associates will be granted any licence or consent which may be necessary for the carrying on of any business or activity in the LEASED PREMISES

7 TENANT'S OBLIGATIONS AND RESTRICTIONS

7.1 The TENANT -

- 7.1.1 shall not make any structural alterations or additions to "the LEASED PREMISES" without the LANDLORD'S written consent, which consent will not be unreasonably withheld;
- 7.1.2 shall not be entitled to sublet or give up possession of the LEASED PREMISES, in whole or in part, to any third party, without the LANDLORDS prior written consent.
- 7.1.3 shall not be entitled to cede any of the rights of the TENANT under this agreement
- 7.1.4 shall not use the premises or allow it to be used in whole or part, for any purpose other than that of a factory for the manufacturing of organic cocopeat growing mediums supplying into the agriculture sector unless otherwise agreed to by both parties.
- 7.1.5 shall keep the premises clean and tidy and shall at its own expense and without recourse to the Landlord throughout the Lease period maintain in good order and condition the interior, fixtures, fittings, all systems, works and installations contained on the premises.
- 7.1.6 Should the TENANT fail to carry out any of its obligations under this lease agreement with regards to maintenance, repair or replacement, the LANDLORD shall be entitled, without prejudice to any of its other rights or remedies, to effect the required item of maintenance, repair or replacement and to recover the costs thereof from the TENANT on demand.



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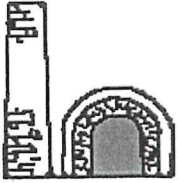
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8 CONDITION OF LEASED PREMISES

- 8.1 The TENANT acknowledges that it has inspected "the LEASED PREMISES" and accepts the premises Voetstoots. Upon the expiration or earlier termination of this lease, the TENANT undertakes to deliver to the LANDLORD "the LEASED PREMISES" in at least the same state of repair as at the commencement of the lease, fair wear and tear and vis major excepted.



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9 LANDLORD'S RIGHTS AND OBLIGATIONS

9.1 The LANDLORD -

9.1.1 shall be entitled to such access to "the LEASED PREMISES" as is reasonably necessary for the carrying out of any repairs, or for any purposes of the LANDLORD'S operational requirements that may be necessary from time to time;

9.1.2 shall be entitled to inspect "the LEASED PREMISES" at all reasonable times.

10 DAMAGE OF OR DESTRUCTION TO THE LEASED PREMISES

10.1 Should "the LEASED PREMISES" be destroyed or damaged to an extent which prevents the TENANT from having beneficial occupation of "the LEASED PREMISES", then -

10.1.1 the TENANT shall have no claim whatsoever against the LANDLORD as a result thereof unless such destruction or damage was occasioned by or arose as a result of the negligent act or omission of the LANDLORD;

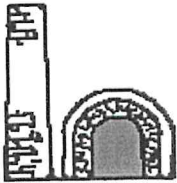
10.1.2 the LANDLORD will be entitled to determine within 2 (TWO) calendar months after such destruction or damage whether or not this lease shall be cancelled and shall notify the other party of his/her decision. In such event, the TENANT shall not be liable for the payment of any rental after the date of destruction or damage;

10.1.3 if no such notice is given by the LANDLORD, then this lease shall not be terminated.

10.2 Should the LANDLORD not elect to cancel this lease, then -

10.2.1 the LANDLORD shall reinstate, at his/her cost, "the LEASED PREMISES" as quickly as possible in the circumstances;

10.2.2 To the extent that the Tenant is deprived of beneficial occupation of "the LEASED PREMISES" it shall not be liable for rental on an apportioned basis



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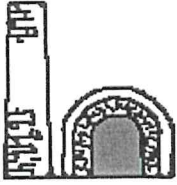
11 BREACH BY TENANT

11.1 Should the TENANT breach any condition of this leases other than in regard to payment of rent and/or fail to remedy that breach within 14 (FOURTEEN) days after the receipt of written notice to that effect to him by the LANDLORD (provided that, should that breach be one that is not reasonably capable of being remedied within the said period of 14 (FOURTEEN) days, then the TENANT shall be allowed such additional period as is reasonably required therefore) or; consistently breaches any of the conditions of this lease in such manner as to justify the LANDLORD in holding that the TENANT'S conduct is inconsistent with the intention or ability of the TENANT to carry out the conditions of this lease, then and in any such event the LANDLORD shall be entitled to cancel this lease without prejudice to any other claim of any nature whatsoever which he/she may have against the TENANT as a result thereof.

11.2 Should the LANDLORD cancel this lease and the TENANT dispute the LANDLORD'S right to do so and remains in occupation of "the LEASED PREMISES" pending the determination of the dispute, then the TENANT shall continue to pay all amounts due by him/her in terms of this lease by the due dates of same and the LANDLORD shall be entitled to recover and accept these payments, which acceptance shall be without prejudice, to and shall not in any manner whatsoever effect the LANDLORD'S claim to cancellation of this lease or of any other nature whatsoever.

11.3 Should the dispute between LANDLORD and TENANT be determined in favour of the LANDLORD, then the payments made to the LANDLORD in terms of 11.2 shall be regarded as amounts paid by the TENANT on account of the loss sustained by the LANDLORD as a result of the holding over by the TENANT of "the LEASED PREMISES".

11.4 No relaxation which the LANDLORD may give at any time whatsoever in regard to the carrying out of any of the TENANT'S obligations in terms of this lease shall prejudice any of the LANDLORD'S rights under this lease in any manner whatsoever nor shall be regarded as a waiver of any of the LANDLORD'S rights in terms of this lease.



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11.5 In the event of the TENANT failing in breach of his/her obligations under this lease to pay the rental, or any portion thereof, on due date or contravening, or permitting the contravention of, any one or more of the provisions of this lease, and the LANDLORD incurring legal expenses in connection therewith, the LANDLORD shall be entitled to recover the amount of the legal expenses, including Attorney - client legal expenses, from the TENANT, whether or not legal proceedings are instituted against the TENANT for recovery of the rental or ejection or damages for breach of contract.

12 DOMICILIA

The parties hereto hereby choose domicilia citandi et executandi for all purposes under this agreement respectively as set out hereunder:

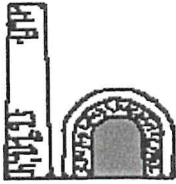
The LANDLORD at: Strathmore Mine,
Kaalrug Road
Malalane
1320

Fax no. 013 791 0000
The TENANT at : 25 Bloemendal Road
Rayton, Bloemfontein 9301

Any party may by written notice to the other change its aforesaid domicilium.
All notices delivered or sent by prepaid registered post by either party to the other shall be deemed to have been received at the time of delivery or on the 5th (FIFTH) business day following the date of posting, as the case may be.

13 COSTS

13.1 The costs of preparation of this lease and the costs of the stamp duty hereon, shall be borne and paid for by the TENANT.



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SIGNED BY THE LANDLORD AT Makelane ON THIS THE
15 DAY OF MAY 2020.

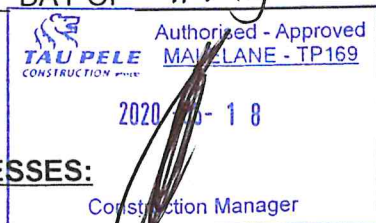
LANDLORD: 

AS WITNESSES:


1. Hessels
2. _____

SIGNED BY THE TENANT AT Makelane ON THIS THE
18 DAY OF May 2020.

TENANT:



AS WITNESSES:

1. 
2. 