

# ANNEXURE TO LEASE AGREEMENT

## WE USE PAYPROP

### 1. PAYPROP'S ROLE

- 1.1 In the event of any conflict arising between the terms of this Annexure and any of the provisions of the lease agreement to which it is attached (the 'Lease'), the provisions of this Annexure will prevail.
- 1.2 We use the services of Property Payment Solutions (Pty) Ltd (registration number 2005/001364/07), trading as PayProp, to process rental collections and payments to beneficiaries, and to manage the Tenant's damage deposit and the Landlord's retained funds in a Property Account.
- 1.3 PayProp is a specialist property practitioner and payment processing agent under the provisions of the Property Practitioners Act (No 22 of 2019), as well as a third-party payment provider registered with the Payments Association of South Africa, that processes all rental monies through a suite of properly constituted trust accounts which are subject to annual audits and are protected by the Fidelity Fund operated by the Property Practitioners Regulatory Authority.
- 1.4 PayProp effectively operates as an extension of our business and provides the same security under the Fidelity Fund operated by the Property Practitioners Regulatory Authority as would be the case had we held the funds directly in trust ourselves.
- 1.5 All rental monies will flow through designated trust accounts managed on our behalf by PayProp, which are subject to annual audits by both PayProp's and our auditors.
- 1.6 **By entering into this agreement, you agree to PayProp holding the relevant funds in trust and them acting as payment processing agent.**

### 2. YOUR DEPOSIT OR RETAINED FUNDS

- 2.1 The Tenant's damage deposit and/or the Landlord's retained funds will be invested by us in an interest-bearing trust account with a registered financial institution, using PayProp's deposit management- and/or Property Account service. The damage deposit will bear interest at a rate as negotiated from time to time by PayProp in its sole discretion with PayProp's financial services providers, provided that such rate will never be less than the rate applicable to a savings account held with such financial services providers.
- 2.2 PayProp charges a monthly deposit management fee for its deposit management- and/or Property Account service, for which the Tenant is liable in the case of a damage deposit, and for which the Landlord is liable in the case of a Property Account. Please refer to your monthly Tenant or Landlord statement.
- 2.3 In regard to PayProp's monthly deposit management fees:
  - 2.3.1 As the Tenant you agree that PayProp will be entitled to deduct its monthly deposit management fee in relation to your damage deposit from the interest earned on the damage deposit funds held in trust by PayProp, at a rate not exceeding 0,311% per month of the damage deposit amount.
  - 2.3.2 As the Landlord you agree that PayProp will be entitled to deduct its monthly deposit management fee in relation to your funds retained in a Property Account from the interest earned on the funds held in trust by PayProp, at a rate not exceeding 0,311% per month of the retained amount.
- 2.4 Upon termination of the lease agreement to which this annexure is annexed, and after deducting any amounts owing to the Landlord for rental arrears, damage or lost keys and the deduction of PayProp's monthly deposit management fee as referred to in paragraph 2.3.1, the balance of the deposit (if any) will be paid over to the Tenant, together with interest accrued thereon, subject to the terms and conditions of the agreement.
- 2.5 The Landlord's retained funds, together with interest accrued thereon, will be paid over to the Landlord as part of our final remittance, after the deduction of PayProp's monthly deposit management fee as referred to in paragraph 2.3.2.

**To learn more visit [www.payprop.co.za](http://www.payprop.co.za)**

**AGREED TO AND ACKNOWLEDGED BY THE TENANT**

Name printed in block letters:	
SIGNATURE:	Date:
WITNESS:	

**AGREED TO AND ACKNOWLEDGED BY THE LANDLORD**

Name printed in block letters:	
SIGNATURE:	Date:
WITNESS:	

The Property Practitioner hereby warrants the validity of his / her / its Fidelity Fund Certificate as at the date of signature of this Agreement.

**THE PROPERTY PRACTITIONER**

Name printed in block letters:	
SIGNATURE:	Date:
WITNESS:	