

MEMBERSHIP AGREEMENT

made and entered into by and between:

FORTES MOTOR INDUSTRIES (PTY) LTD T/A

FOUR TWENTY ON BREE

(The "*Members Lounge*")

and

THE MEMBER

(Identity/Passport Number: _____)

(The "*Member*")

1. Definitions and Interpretation:

1.1. **Definitions** In this Agreement and the recitals, unless clearly inconsistent with or otherwise indicated by the context –

- 1.1.1. "**Agreement**" means this growing agreement and any annexures attached hereto, all as amended, novated or replaced, from time to time, which regulates the terms and conditions on which the Members Lounge shall provide a growing service on behalf of the Member, with the assistance of Independent Growers, enabling the growth of the highest quality Cannabis, from germination, to drying and curing without the use of any pesticides;
- 1.1.2. "**Business Day**" means any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;

- 1.1.3. **“Cannabis”** means the whole plant or any portion or product thereof and includes cannabis, seeds, leaves, stalks, flowers and cannabinoids;
- 1.1.4. **“Members Lounge”** means The Lounge, a non-profit private Members Lounge duly registered and incorporated in accordance with the Members Lounge Laws of the Republic of South Africa;
- 1.1.5. **“Confidential Information”** means, *inter alia*, all information relating to the business conducted by the Members Lounge, its joint ventures, associates, affiliated companies and customers that is reasonably regarded as confidential, being information not in the public domain, together with the possible or likely function, purpose or application of that information whether in the current activities of the Members Lounge or field to which the activities of the Members Lounge may reasonably extend from time to time, any part or improvements to that information, and any recommendation, test or report of the Members Lounge or any consultant or agent in connection with that information, and whether such information is oral or written, recorded or stored by electronic, magnetic, electro-magnetic or other form or process or otherwise in a machine readable form, translated from the original form, recompiled, made into a compilation, wholly or partially copied, modified, updated or otherwise altered, or originated or obtained by, or coming into the possession, custody, control or knowledge of the Members Lounge, or any person or entity with which the Members Lounge deals, including, but without being limited to, *inter alia*, all inventions, technical data, research and development information, business records, information and notes, products, technology, software, programs, Websites, mobile applications, data feeders, electronic and/or otherwise programs, coding, know-how, Trade Secrets, the Growing Medium, the Methodology, designs, specifications, processes and formulae, planning procedures, techniques or information, marketing plans, strategies and forecasts, business and product development plans, financial statements, budgets, prices, costs and financial projections, accounting procedures or financial information, names and details of customers, trade connections, clients and agents, employee details or

any other information which the Members Lounge has an interest in keeping confidential;

- 1.1.6. “**CPA**” means Consumer Protection Act, 68 of 2008;
- 1.1.7. “**Delivery Period**” means the period within which the Members Lounge will deliver the Cannabis to the Member, being as soon as reasonably practicable after the Cannabis has been cured;
- 1.1.8. “**Independent Growers**” means third party growers, sub-contracted by the Members Lounge on behalf of the Member which enables the growth of the highest quality Cannabis, from germination, to drying and curing;
- 1.1.9. “**Information Sheet**” means the schedule to which this Agreement is annexed;
- 1.1.10. “**Member**” means an adult male or female above the age of 21 (twenty-one) years old, as set out more fully in the Information Sheet;
- 1.1.11. “**Member’s Designated Area**” means the defined space/s in respect of which the Members Lounge and the Member will conclude the Sub-Lease Agreement for the purposes of providing the Member an area in which to grow their Plant/s;
- 1.1.12. “**Membership Fee**” means the monthly membership fee payable by the Member as set out in the Information Sheet in respect of the costs and fees associated Services;
- 1.1.13. “**Methodology**” means, but is not limited to, the body of methods, procedures and techniques used by the Independent Growers in the growing and preparation of the Cannabis for the Member’s private, personal use, consumption and possession;
- 1.1.14. “**Order**” means the order placed by the Member on the Website for the provision of Services by the Members Lounge;
- 1.1.15. “**Parties**” means the Members Lounge and the Member, and “**Party**” shall mean either one of them as the context may indicate;
- 1.1.16. “**Plant**” means any Cannabis plant being grown by the Members Lounge, with the assistance of the Independent Growers, on the Member’s behalf;

- 1.1.17. **“Premises”**; means the Members Lounge’s physical address, where the Members Lounge will conduct its business, situated at 190 Bree Street Cape Town, Western Cape, South Africa;
- 1.1.18. **“Seed”** means a unit of reproduction of a flowering Plant;
- 1.1.19. **“Seedling”** means the phase in which the Seed begins to germinate;
- 1.1.20. **“Services”** means the various services to be rendered by the Members Lounge to the Member as laid out more fully hereinbelow;
- 1.1.21. **“Sub-Lease Agreement”** means the agreement, annexed hereto as Annexure A, entered into between the Members Lounge and the Member, in terms of which the Member sub-lets a portion of the Premises wherein the Members Lounge will grow one or more Plants on the Member’s behalf;
- 1.1.22. **“Registration Date”** means the date on which this Agreement is signed by the Party signing last in time;
- 1.1.23. **“Trade Secret”** means an invented formula, discovery, practice, process, design, instrument, pattern, commercial method, business connections, lists of actual or potential clients, or compilation of information which is not generally known or reasonably ascertainable by others, and by which a business can obtain an economic advantage over competitors or customers;
- 1.1.24. **“VAT”** means value-added tax as levied from time to time in terms of the VAT Act;
- 1.1.25. **“VAT Act”** means the Value-Added Tax Act, No. 89 of 1991, as amended; and
- 1.1.26. **“Website”** means www.fourtwentyonbree.com , related mobile-sites and software applications which is owned and operated by the Members Lounge;

1.2. INTERPRETATION

Unless the context clearly indicates a contrary intention:

- 1.2.1. The headings in the Agreement shall not be used in its interpretation;

- 1.2.2. The singular includes the plural, the masculine includes the feminine, natural persons include legal persons and vice-versa where the context requires;
- 1.2.3. References to "Schedules" or "Annexures" shall refer to the schedules or annexures of and to this Agreement, as the context of the clause so requires;
- 1.2.4. The rule of construction that, in the event of ambiguity, the agreement shall be interpreted against the party responsible for the drafting thereof, shall not apply in the interpretation of this Agreement;
- 1.2.5. When any number of days is prescribed in this Agreement, same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day falls on a Saturday, Sunday or public holiday, in which case, the last day shall be the next succeeding Business Day;
- 1.2.6. Where figures are referred to in numerals and words, if there is a conflict between the two, the words shall prevail; and
- 1.2.7. In the event of conflict between this Agreement and the Schedules or Annexures, the Agreement shall take precedence over the Schedules or Annexures.

2. INTRODUCTION

- 2.1. These terms and conditions govern the relationship between the Lounge and the member whether the member uses its rights of tenancy within the Lounger whether the Member makes use of the Website which is owned and/or operated by the Members Lounge.
- 2.2. The Lounges situated at the physical address as described hereinabove which amongst other services provides access to a strictly organic Cannabis growing service on behalf of the Member, with the assistance of the Independent Growers, which enables the growth of the highest quality Cannabis, from germination, to drying and curing without the use of any pesticides or other harmful additives.
- 2.3. The Website is an online, private portal that provides the member with the same services as those provided for in paragraph 2.2 hereinabove.
- 2.4. By signing up as a member (whether at the Members Lounge) or via the Website, the Member registering on the Website and/or accessing the

Website and/or using the Website, the Member hereby agrees to be legally bound by this Agreement, regardless of whether the Member has expressly signed or assented to the terms and conditions contained in this Agreement.

2.5. Signing of this agreement at the Lounge similarly has the same effect.

2.6. This Agreement applies to Members who are consumers for purposes of the Consumer Protection Act, 68 of 2008 (the "CPA").

2.7. This Agreement contains provisions that appear in similar text and style which:

2.7.1. may limit the risk or liability of the Members Lounge or a third party;

2.7.2. may create risk or liability for the Member;

2.7.3. may compel the user to indemnify the Members Lounge or a third party; and/or

2.7.4. serves as an acknowledgement, by the Member, of a fact.

2.7.5. If the Member does not understand this Agreement, it is its responsibility to ask the Members Lounge to explain before acceptance of the Agreement or continue using the Website.

2.8. This Agreement is not intended or understood to unlawfully restrict, limit or avoid any right or obligation, as the case may be, created for either the Member or the Members Lounge in terms of the CPA.

2.9. The Member must not use the Website or access the Lounge if he/she does not agree with the terms and conditions contained herein.

2.10. The Members Lounge and the Member accordingly agree as set out herein.

3. RELATIONSHIP BETWEEN THE PARTIES

3.1. The Parties record that the Lounge shall fulfil its obligations in terms of this Agreement as an independent contractor, and not as a labour broker, employee or agent of the Member.

3.2. Save as otherwise provided herein, neither Party shall be entitled to bind the other Party to any obligation of any nature whatsoever or to incur any liability on behalf of the other Party, whether in contract or otherwise.

4. SERVICES

4.1. The Lounge operates a strictly organic Cannabis growing service on behalf of the Member, with the assistance of Independent Growers, enabling the growth

of the highest quality Cannabis, from germination, to drying, trimming and curing without the use of any pesticides.

- 4.2. Each Member shall only be entitled to request the Service, and the Lounge shall only be obliged to provide such Services, for a maximum of two (2) Plants at any one time.
- 4.3. The Sub-Lease Agreement between the Member and the Lounge will commence immediately upon the Member Lounge's confirmation of the Order and shall be regulated in terms of Annexure A.
- 4.4. Once the Independent Grower has completed the drying, trimming and curing process, the Member shall be advised by the Members Lounge that the Member's Cannabis is ready for delivery, a portion of which will always be kept available on demand as the Member deems fit. The Lounge shall notify the Member if its stock has been depleted.
- 4.5. The Member shall, at all times, remain the owner of any Cannabis being grown on its behalf. Further, and as the Cannabis shall be grown for the Member, possession and effective control of the Cannabis will remain with the Member for the duration of the Cannabis's lifecycle. The Lounge shall provide the Services only and shall never become the owner of the Seeds or the Cannabis at any time.
- 4.6. The Lounge warrants that it shall:
 - 4.6.1. perform the Services with the utmost care and professionalism that can be expected of such a business relationship;
 - 4.6.2. take all reasonable precautions to guard against any loss to the Member through the failure of the Members Lounge, its employees, partners, agents, contractors, representatives and/or associates to execute their respective commitments properly and on time and to carry out the Services as agreed in terms of this agreement;
 - 4.6.3. ensure that the Services shall be carried out in accordance with the industry best practices in which the Services are to be performed; \
 - 4.6.4. timeously advise the Member of any circumstances or events which may prevent or inhibit the Membership Lounge in the carrying out of the Services;
 - 4.6.5. not action any work, beyond the scope of the Services, without obtaining the prior written approval of the Member;

- 4.6.6. issue detailed and complete invoices and statements timeously, where applicable;
 - 4.6.7. carry out, conscientiously all such functions and duties as are reasonable and lawful;
 - 4.6.8. observe the standards and principles set out by the Members Lounge, from time to time, in the conduct of its business; and
 - 4.6.9. abide by the current and future customs, rules, policies and regulations of the industry.
- 4.7. The Lounge further warrants that it is competent and properly qualified to perform its duties, is not and shall not be under any obligation or disability which would prevent or restrict it from entering into and freely performing the Services and will not perform nor agree to perform any services which interfere, conflict with or prevent the Lounge complete performance of its duties.
- 4.8. The Member expressly agrees that it shall be entitled to the Monthly Yield set out in the Information Sheet. Accordingly, and while the Lounge and its Independent Growers shall grow the requested numbers of Plants on the Member's behalf, the Member shall not be entitled to any Cannabis yield which exceeds the amount set out in the Information Sheet.

5. RECORDAL

- 5.1. The Members Club shall provide the Services to the Member as set out hereinabove which Services the Member accepts in exchange for the Membership Fee.
- 5.2. The Parties have agreed to the terms and conditions upon which the Lounge shall render the Services to the Member for which the Member shall pay.

6. MONTHLY FEES, DEDUCTIONS AND PAYMENTS

- 6.1. The Parties agree that the Member shall be liable to pay the Membership Fee monthly in advance, as set out in the Information Sheet, which payment will commence on the Registration Date and thereafter on the same day of each subsequent month, or as agreed between the parties.
- 6.2. All payments made by the Member to the Lounge shall be made without set-off and/or deduction.

- 6.3. All payments made by the by the Member to the Lounge shall be exclusive of VAT (if applicable) unless otherwise stipulated.
- 6.4. The Membership Fee is subject to change from time to time with reasonable notice to the Member and the Lounge reserves the right to effect such change within its discretion.
- 6.5. The Member shall pay the Membership Fee into the Lounge's bank account, which details are set out in the Information Sheet.
- 6.6. Payment shall be made by the Member to the Lounge by credit card. Where a credit card is used, the Members Lounge may require additional information in order to authorise and/or verify the validity of payment. If such authorisation is not received, the order will be cancelled. The Lounge shall then provide the Member with its unique Member's Tag for use within the Lounge.
- 6.7. The Membership Fee payable by the Member to the Lounge shall be comprised as follows:
- 6.7.1. a service fee in respect of the Services to be rendered by the Lounge to the Member;
 - 6.7.2. the operating costs and relevant municipal services relating to the rendering of the Services; and
 - 6.7.3. any ancillary costs which may apply including the maintenance of machinery and or general cleanliness of the Lounge.
- 6.8. Any increase in the Lounge's cost of supplying the Cannabis caused by any level of governmental law, regulation, tax, or other burden imposed after the date of this Agreement on the ownership, storage, processing, production, distribution or use of the Cannabis covered by this Agreement will be added to the price under this Agreement after notice of such increase has been provided to the Member.

7. DURATION

- 7.1. With effect from the Registration Date, the Parties shall be obliged to perform on the terms and conditions of this agreement, unless terminated prior thereto:
- 7.1.1. by virtue of the expiry by effluxion of time, lawful termination or withdrawal; or
 - 7.1.2. on at least 2 (two) months written notice by the Member to the Lounge;
or

7.1.3. in accordance with the terms of this agreement.

(hereinafter referred to as the “**Duration**”).

7.2. The Member agrees and accepts that the Lounge shall, as from the date of termination, be required to remove the Plants from the Member’s leased areas and immediately stop all Services in respect of the Member’s Plants which will result in the destruction of the Plants.

8. LOUNGE OBLIGATIONS

8.1. The Lounge warrants and undertakes to the Member that it shall:

8.1.1. vet and select Independent Growers which it considers to be competent, reliable and with sufficient expertise and facilities to ensure that the Services are properly performed;

8.1.2. arrange for regular inspections of all Independent Growers operations to ensure continued compliance by all Independent Growers with the Members Lounge’s requirements and standards;

8.1.3. it shall ensure that the Services shall be carried out in accordance with the industry best practices, as well as the quality standards and methodologies, as may be updated from time to time.

9. MEMBER OBLIGATIONS

9.1. The Member shall:

9.1.1. pay the Monthly Fees and any other amount which may become due and owing in terms of this Agreement, in full and on time.

9.1.2. submit to the Lounge such information as may reasonably be required of him/her from time to time in connection with the business of the Lounge and to prepare or have prepared such report/s in such form as may be required by the Lounge with regard to such business.

9.1.3. comply with all applicable laws, regulations, by-laws, ordinances, judgments and/or regulations in respect of the ownership, consumption and use of the Cannabis grown on their behalf; and

9.1.4. not on-sell or trade in the Cannabis grown on their behalf in terms of this Agreement, nor use the Cannabis for any commercial or other gain and shall use the Cannabis for their own personal use and consumption.

10. ANONYMITY OF THE MEMBER

- 10.1. The Parties acknowledge that the Member's personal information provided by the Member to the Lounge, will remain anonymous to the Independent Grower, save for the Member's serial/membership number contained in the Information Sheet.
- 10.2. The Parties acknowledge that the Member's right to remain anonymous shall serve as a benefit to the Member, which benefit shall serve as a measure of protection of the Member's personal information provided to the Members Lounge.

11. WAIVERS

- 11.1. The Lounge does not warrant any specific level of strength, potency or concentration in respect of the Cannabis.
- 11.2. The Member hereby indemnifies the Lounge and holds it harmless against any and all claims of whatsoever nature and howsoever arising in relation to the use, possession or transport of the Cannabis produced on the Member's behalf, or any rights and obligations contained in this Agreement, specifically the provision by the Lounge of the Services, direct or indirectly, and whether such claim arose as a result of any negligent conduct on the part of the Lounge or its duly appointed Independent Growers.
- 11.3. Neither Party shall be liable for any consequential, indirect, general or punitive damages arising in terms of this Agreement

12. LIMITATION OF LIABILITY IN RESPECT OF THE SERVICES

- 12.1. The use of the services provided by the Lounge is entirely at the Member's own risk and the Member assumes full responsibility for any damage or loss resulting from the use of the Services.
- 12.2. The Lounge cannot be held liable for any inaccurate information published on the Member's Information Sheet and/or any incorrect prices displayed on the Member's Information Sheet, save where such liability arises from the gross negligence or wilful misconduct of the Lounge, its employees, agents or authorised representatives.

- 12.3. The Lounge shall not be liable for any direct, indirect, incidental, special or consequential loss or damages which might arise from the Member's use of, or reliance upon, the Services contemplated in this Agreement.
- 12.4. The Member hereby indemnifies the Lounge, its employees, agents and authorised representatives and holds any and all of them harmless against any claim, charge or criminal prosecution which may arise as a result of the Member utilising any Cannabis grown on the Member's behalf to deal or trade in or distribute or acquire any illegal substance or product, and the Lounge shall not be in any way responsible for any legal action or criminal prosecution which a Member may face as a result of any misuse of the Services or Cannabis.
- 12.5. The Member's indemnification of the Lounge shall cover all legal actions, suits, proceedings, claims, demands, costs and expenses whatsoever, which may be brought against the Lounge or incurred or become due and payable by the Lounge arising from or in respect of Services rendered in respect of the Member's Cannabis, including but not limited to, any claims arising out of the Services provided by the Lounge to the Member.
- 12.6. Whilst the Lounge shall do all things reasonably necessary to protect the Member's rights to privacy, including compliance with all applicable local laws, the Lounge cannot guarantee or accept any liability whatsoever for unauthorised or unlawful disclosure of the Member's personal information, whilst in the Lounge's possession, made by third parties who are not subject to its control, unless such disclosure is as a result of the gross negligence or wilful misconduct of the Lounge, its employees, agents or authorised representatives.

13. OWNERSHIP AND ACCESS

- 13.1. The Member shall, at all times, remain the owner of any Cannabis being grown on its behalf. Further, and as the Cannabis shall be grown, possession and effective control of the Cannabis will remain with the Member for the duration of the Cannabis's lifecycle. The Lounge shall provide the Services only.
- 13.2. For so long as the Member is up to date with any and all Membership Fees owing to the Lounge, the Member shall be entitled to request that any Plant

that is being grown by the Members Lounge on the behalf of the Member is handed over to the Member, upon the payment of by the Member of a fee which is to be determined by the Lounge taking into consideration any amounts which have been incurred in growing the Plant on the Member's behalf but not yet covered by the Membership Fees at that time.

14. LIMITATIONS AND AVAILABILITY

- 14.1. The Member may utilise the Services of the Lounge, which the Lounge may accept or reject depending on circumstances, including but not limited to, the growing capacity of the Lounge and/or its Independent Growers or any non-compliance with any term of this Agreement.
- 14.2. The Lounge may accept an order depending on the correctness and accuracy of the information provided by the Member, the growing capacity of the Lounge and its Independent Growers and receipt of payment and/or payment authorisation by the Lounge of the relevant Membership Fee.
- 14.3. An agreement between the Lounge and the Member shall only come into effect upon the Lounge's acceptance of the order placed on the Information Sheet.
- 14.4. Should the Lounge decline a Member's request for membership with the Members Lounge based on the Lounge and its Independent Growers' lack of growing capacity, the Lounge shall endeavour to advise the potential Member as soon as the Lounge has sufficient growing capacity available to accommodate the Member.
- 14.5. To the extent that a Member cancels its membership with the Lounge at any time, the Member shall remain liable for all Membership Fees up until cancellation of the order, as well as all reasonable costs incurred by the Lounge in providing the Services which it has yet to recover, as well as the costs of restoring the Plant to the Member, and the Lounge shall have no duty or obligation to maintain or protect the Cannabis nor shall it bear any liability of whatsoever nature should the Cannabis be destroyed or damaged in attempting to restore the Plant to the Member.
- 14.6. This Agreement is concluded solely between the Lounge and the Member.
- 14.7. To the extent that that the Lounge is unable to provide the requisite volume of Cannabis on behalf of the Member as per the Information Sheet for any

reason whatsoever, the Members Lounge may, in its discretion, supplement the shortfall of Cannabis from its own stocks. Should the Member's Plant subsequently produce the shortfall amount, alternatively exceed the expected yield, the Member agrees that the Lounge shall be entitled to replenish any stocks which it provided to the Member from such yield.

15. USE OF THE WEBSITE

- 15.1. To register as a Member, the Member must provide the Lounge with his/her first and last name, a valid email address and provide the Lounge with any other relevant information and personal details. Upon approval and validation of these details, the Lounge will provide the Member with a unique username and password ("**Credentials**") to access service-related offerings, via the members portal and nly once registered formally at the Lounge's physical address.
- 15.2. Upon arrival at the Lounge, the member shall be provided with his/her unique membership disc.
- 15.3. A Member can only use the members portal section of the Website after successful registration with the Lounge. The Member's Credentials will be needed to use and access the members portal.
- 15.4. The Member hereby agrees that once the correct Credentials to the Member's account have been entered, irrespective of whether the use of the Credentials is unauthorized or fraudulent, the Member will be liable for payment of such order, save where the order is cancelled by the Member in accordance with this Agreement.
- 15.5. The Member hereby agrees to notify the Lounge immediately upon becoming aware of or reasonably suspecting any unauthorized access to or use of the Member's Credentials and to take reasonable and necessary steps to mitigate any resultant loss or harm.\
- 15.6. The Members Lounge reserves its right to terminate unconfirmed and/or inactive accounts. In addition, the Lounge reserves its sole and absolute discretion to refuse or to terminate all or part of its services to the Member for any reason whatsoever.
- 15.7. The Members Lounge may in its sole discretion terminate, suspend and modify the Website, with or without notice to the Member. The Member hereby agrees that the Lounge will not be liable to the Member in the event

that it chooses to suspend, modify or terminate the Website other than for processing any orders made by the Member prior to such time, to the extent possible.

16.16. SHIPPING AND DELIVERY

- 16.1. The Lounge will offer delivery of the Cannabis by courier directly to the Member's home or office, anywhere in South Africa. Delivery details including the delivery fees of the order will be supplied to the Member, and only once the Member has become formally registered as such in accordance with the terms hereinabove.
- 16.2. Cannabis delivery fees are not included in the Membership Fee. Delivery fees will be charged separately and in accordance with the courier Members Lounge's service fee. The courier Members Lounge will be responsible for delivery of the Cannabis to the Member's specified geographical area. The Member's geographical area will be selected by the Member on the Website.
- 16.3. To the extent that the Website accepts the Member's order, the Lounge will notify the Member of the date of the expected delivery, which expected delivery may be agreed upon as between the Members Lounge and the Member.
- 16.4. The Lounge shall notify the Member in the event that the Lounge is unable to deliver the Cannabis during the Delivery Period.
- 16.5. In the event that the Member's Cannabis cannot be delivered in any given month for any reason whatsoever, the Lounge shall communicate this to the Member as soon as reasonably practical. Where the order was cancelled as a result of events within the Lounge's control, the Lounge shall reimburse the Member all amounts paid by the Member for the month in which no delivery could take place, subject to compliance with any applicable cancellation policies and procedures applicable from time to time. To the extent that delivery of any Cannabis became impossible for any reason beyond the control of the Lounge, the Lounge shall not be obliged to refund the Member the Membership Fee for the month in question but may elect to do so in its sole and absolute discretion.

- 16.6. Prior to delivery of the Cannabis, the Member will receive an email notification confirming delivery at an address nominated by the Member. Should the Member fail to respond to the email notification, the Lounge will assume that no change in address has been made and the Lounge will deliver the Cannabis to the address nominated by the Member.
- 16.7. The Lounge's obligation to deliver the Cannabis to the Member is fulfilled upon delivery of the Cannabis to the physical address nominated by the Member for delivery. The Lounge is not responsible for any loss or unauthorised use of the Cannabis after the Cannabis has been delivered to the physical address nominated by the Member.
- 16.8. Should the Member provide the Lounge with incorrect address details for the delivery of the Cannabis, the Member will be liable for a double fee payable to the courier service which will be debited from the Member's account.

17. RETURNS AND REFUNDS

- 17.1. In the event that the Lounge accidentally provides the wrong Cannabis to the Member, or if the Cannabis is not as described on the Information Sheet, the Member shall be entitled to notify the Lounge and the Lounge shall use its Best Endeavours to correct the error, based on the Member's complaint, at no charge.
- 17.2. The Lounge shall take all reasonable steps to ensure that the Cannabis is delivered by the Members Lounge without any defects and in acceptable packaging.
- 17.3. Should the Member receive damaged, unusable or poor quality Cannabis, the Member shall notify the Lounge within a reasonable period after he/she becomes aware of the defect or poor quality, but in any event within 3 (three) days after delivery of the Cannabis and the Lounge shall use its Best Endeavours to remedy the complaint. Importantly, such defects shall relate only to the Services rendered in respect of the Cannabis, and not the Cannabis itself, which is the Member's property.

18. WEBSITE INDEMNITY AND WARRANTIES

- 18.1. By using the Website, the Member warrants that he/she is 18 (eighteen) years of age or older and of full legal capacity. Should the Member be under

the age of 18 (eighteen) or not legally permitted to enter into a binding agreement, then the Member may only use the Website only with supervision of a parent or legal guardian. If the parent or legal guardian supervises the Member and gives his/her consent, then such person agrees to be bound to this agreement and to be liable and responsible for the Member and all of the Member's obligations under this agreement.

- 18.2. The Member agrees that it is making use of the Website at its own risk, and that the Website is provided to the Member on an "as is" and "as available" basis.
- 18.3. The Member agrees that the Website cannot guarantee continuous operation of, nor access to, services on the Website. Functionality of available Services may not occur in real time and such functionality is subject to delays beyond the Members Lounge's control.
- 18.4. The Member hereby indemnifies the Members Lounge against any loss, claim or damage which may be suffered by the Member or any third party arising in any way from the Member's use of the Website and/or any linked third party Website.
- 18.5. The Website itself and all information provided on the Website is provided "as is" without warranty of any kind, either express or implied, including but not limited to the implied legality or warranties of merchantability, fitness for a particular purpose, completeness, or non-infringement, as may be allowed in law.
- 18.6. In addition to the limitation of liability and disclaimers contained in this Agreement, the Members Lounge also makes no warranty or representation, whether express or implied, that the information or files available on the Website are free of viruses, spyware, malware, trojans, destructive materials or any other data or code which is able to corrupt, destroy, compromise, disrupt, disable, harm, jeopardise or otherwise impede in any manner the operation, stability, security functionality or content of the Member's computer system, computer network, hardware or software in any way. The Member accepts all risk associated with the existence of such viruses, destructive materials or any other data or code which is able to corrupt, compromise, jeopardise, disrupt, disable, harm or otherwise impede in any manner the operation or content of a computer system, computer network,

any handset or mobile device or the Member's hardware or software, save where such risks arise due to the gross negligence or wilful misconduct of the Members Lounge, its employees, agents or authorised representatives. The Website thus disclaims all liability for any damage, loss or liability of any nature whatsoever arising out of or in connection with the Member's access to or use of the Website.

- 18.7. In respect of all obligations and liabilities which arise in respect of this agreement entered into by and between the Members Lounge and the Member, the Member hereby irrevocably and unconditionally accepts and undertakes all such obligations and liabilities, and hereby indemnifies the Members Lounge including its employees, directors, agents and/or sponsors, in respect of any claim, action, damage, loss, liability, cost or expense which the Member may pay, suffer, incur, or be liable for, as a result of any claim by any person in connection with the Website or provision of the Services by the Members Lounge through the Website, due to any actions or omissions of the Members Lounge, or any of its staff, contractors, agents, representatives or appointees, whether wilful or negligent.
- 18.8. The Members Lounge endeavours to provide accurate and up-to-date information on the Website. however, the Members Lounge cannot be held responsible and liable for any errors, inaccuracies damage caused as a result of the use of, or inability to use the Website.
- 18.9. The Website disclaims liability for any damage, loss or expenses, whether direct or indirect or consequential in nature, arising out of or in connection with the Member's access to or use of the Website and/or any content therein.
- 18.10. For the avoidance of doubt, the Member indemnifies the Members Lounge and holds it harmless for any and all damages or loss (including but not limited to loss of money, goods, goodwill or reputation) resulting directly or indirectly from:
 - 18.10.1. from the Services secured via the Website;
 - 18.10.2. the use of or inability to use the Website;
 - 18.10.3. pricing, promotion, displaying or shipping on the Website;
 - 18.10.4. delays or disruptions on the Website;

- 18.10.5. glitches, bugs, errors or inaccuracies of any kind on the Website;
and
- 18.10.6. viruses or other malicious software obtained through the Website.

19. UNDERTAKINGS

- 19.1. The Member undertakes that it shall:
 - 19.1.1. Not breach or circumvent any laws, third party rights or the Members Lounge's policies;
 - 19.1.2. Not fail to pay for the Services provided by the Members Lounge in respect of the Member's Cannabis;
 - 19.1.3. ensure that all information provided by the Member to the Members Lounge from time to time is accurate and up to date, and is free from any material omission or inaccuracy;
 - 19.1.4. transfer its account to another Member without the Members Lounge's consent; and
 - 19.1.5. infringe the copyright, trademark, patent, publicity, moral, database, and/or other intellectual property rights that belongs to or are licensed to the Members Lounge or another user registered with the Members Lounge.
- 19.2. The Members Lounge undertakes that it shall:
 - 19.2.1. not sell or make the Member's personal information available to any third party other than as provided in this Agreement; and\
 - 19.2.2. take reasonable steps to ensure that the Information Sheet reflects the accurate description, availability and fees in respect price of any Cannabis related services.

20. BREACH

- 20.1. if either Party:
 - 20.1.1. commits any breach of this Agreement and fails to remedy the breach within 14 (fourteen) days after receipt from the other Party of written notice calling upon it to do so; or
 - 20.1.2. commits or attempts to commit an act of insolvency (as defined in the Insolvency Laws of South Africa) is provisionally or finally wound-up or placed under a provisional or final order of judicial management

or liquidation or is sequestrated, or a special resolution is passed for the winding-up of such Party;

20.1.3. compromises or makes an assignment with for the benefit of (or attempts to compromise or make such assignment with) its creditors, the other Party shall be entitled, in addition to and without prejudice to any other right it may have in law or in terms of this Agreement, to:

- a) enforce specific performance of the terms of this Agreement; or
- b) to cancel this Agreement; and
- c) in either event recover such damages as it may have sustained.

20.1.4. Either party may only cancel this Agreement in the event that the breach is material and is not capable of being remedied by payment in money

21. AVAILABILITY OF WEBSITE AND TERMINATION OF MEMBERSHIP

21.1. The Members Lounge will use reasonable endeavours to maintain the availability of the Website, except during scheduled maintenance periods, and is entitled to discontinue providing the Website services or any part thereof with or without notice to the Member.

21.2. The Members Lounge may, in its sole and absolute discretion, terminate the Agreement if the Member fails to comply with any of the provisions contained herein.

21.3. The Member hereby agrees that the Members Lounge will not be liable to the Member in the event that it chooses to suspend, modify or terminate the Website other than for processing any transactions entered into by the Member prior to such time, to the extent possible.

21.4. Should the Member fail to comply with its obligations under this Agreement, including any incident involving payment of the Membership Fee, this may lead to a suspension and/or termination of the Agreement without any prejudice to any claim for damages or otherwise which the Members Lounge may have against the Member.

- 21.5. The Members Lounge is entitled, for purposes of preventing suspected fraud and/or where it suspects that the Member has created multiple profiles to take advantage of a promotion intended by the Members Lounge to be used once-off by the Member, to blacklist the Member, refuse to accept or process payment on any order, and/or to cancel any order concluded between the Member and the Members Lounge, in whole or in part, on notice to the Member.
- 21.6. The Members Lounge shall only be liable to refund the Member money already paid (at its sole and absolute discretion) and accepts no other liability which may arise as a result of such blacklisting and/or refusal to process any transaction.
- 21.7. The Member may, at any time, choose to terminate use of the Website, with or without notice to the Members Lounge.

22. FORCE MAJEURE

- 22.1. If any Party is prevented or restricted directly or indirectly from carrying out all or any of its obligations under this Agreement from any cause beyond the reasonable control of that Party (including without limiting the generality of the foregoing, war, civil commotion, riot, insurrection, strikes, lock-outs, fire, explosion, flood, plague, pandemic and acts of God) where a Party is prevented from carrying out all or any of its obligations, the Party so affected shall be relieved of its obligations hereunder during the period that such event and its consequences continue but only to the extent so prevented and shall not be liable for any delay or failure in the performance of any obligations hereunder or loss of damages either general, special or consequential which the other Parties may suffer due to or resulting from such delay or failure, provided always that written notice shall within 48 (forty-eight) hours of the occurrence constituting Force Majeure be given of any such inability to perform by the affected Party and provided further that the obligation to give such notice shall be suspended to the extent necessitated by such Force Majeure.
- 22.2. For the avoidance of doubt, to the extent that a Party's obligation involves the payment of any amounts which are due, owing and payable, such obligation shall not be suspended by any Force Majeure event.

- 22.3. Any Party invoking Force Majeure shall use its Best Endeavours to terminate the circumstances giving rise to Force Majeure and upon termination of the circumstances giving rise thereto, shall forthwith give written notice thereof to the other Parties.
- 22.4. If the full and proper implementation of this Agreement is precluded by any of the events or a combination of the events contemplated in clause 22.1 for a period of more than 3 (three) consecutive Months at any one time, then and in such event the Parties shall endeavour to conclude new arrangements equitable to both of them and should they fail to agree upon any such new arrangements within 90 (ninety) days of any of the Party calling upon the others to do so, then either of the Parties shall be entitled to terminate this Agreement.

23. PRIVACY POLICY AND PROTECTION OF PERSONAL INFORMATION

- 23.1. The Members Lounge shall take all reasonable measures to protect the Member's privacy as more fully set out below.
- 23.2. Upon registration, the Members Lounge may require the Member to provide personal information which includes but is not limited to, name, surname, email address, physical address, gender, mobile number and date of birth.
- 23.3. Should the Member's personal information change, he/she should inform the Members Lounge via reasonable notice and provide updates to the personal information as soon as reasonably possible to enable the Members Lounge to update the personal information.
- 23.4. The Member may choose to provide additional personal information to the Members Lounge, in which event the Member agrees to provide accurate and current information, and not to impersonate or misrepresent any person or entity or falsely state or otherwise misrepresent an affiliation with anyone or anything.
- 23.5. The Members Lounge will not, without the Member's express consent:
- 23.5.1. use the Member's personal information for any purpose other than as set out below:
 - 23.5.1.1. in relation to the Services;
 - 23.5.1.2. to contact the Member regarding current or new goods offered or any of the Members Lounge's divisions,

affiliates and/or partners (to the extent that the Member has not opted out from receiving marketing material from the Members Lounge);

23.5.1.3. to inform the Member of new features, special offers and promotional competitions offered by the Members Lounge or any of its divisions, affiliates and/or partners (to the extent that the Member has not opted out from receiving marketing material from the Members Lounge); and

23.5.1.4. disclose the Member's personal information to any third party other than as set out hereinbelow:

23.5.1.5. to the Members Lounge's employees and/or third party service providers who assist the Members Lounge to interact with the Member through email or any other method, for the requesting of the Services;

23.5.1.6. to the Members Lounge's divisions, affiliates and/or partners (including their employees and/or third party service providers) in order for them to interact directly with the Member by email or any other method for purposes of sending the Member marketing material regarding any current or new offers by them (unless the Member has opted out from receiving marketing material from the Members Lounge);

23.5.1.7. to law enforcement, government officials, fraud detection agencies or other third parties when the Members Lounge believes in good faith that the disclosure of personal information is necessary to prevent physical harm or financial loss, to report or support the investigation into suspected illegal activity, or to investigate violations of this Agreement; and

23.5.1.8. to service providers (under contract with the Members Lounge) who help with the parts of the Members Lounge's business operations (fraud prevention, marketing, technology services, etc.).

- 23.5.2. The Members Lounge is entitled to use or disclose the Member's personal information if such use or disclosure is required in order to comply with any applicable law, subpoena, order of court or legal process served on the Members Lounge, or to protect and defend the Members Lounge's rights or property.
- 23.5.3. The Members Lounge shall ensure that all of its employees, third party service providers, divisions, affiliates and partners (including their employees and third party service providers) having access to the Member's personal information are bound by appropriate and legally binding confidentiality obligations in relations to the Member's personal information.
- 23.5.4. Notwithstanding anything to the contrary, the Members Lounge shall not retain the Member's personal information longer than the period for which it was originally needed, unless it is required by law to do so, or the Member consents to the retaining of such information for a longer period.
- 23.5.5. The Member hereby warrants that it shall provide to the Members Lounge all the requested information as set out in the Information Sheet.
- 23.5.6. Given the sensitive nature of the information provided, the Members Lounge hereby warrants that:
- 23.5.6.1. it has complied and shall remain to comply with all provisions of the Protection of Personal Information Act 4 of 2013;
 - 23.5.6.2. all relevant checks, tests, safeguards and procedures in terms of the aforesaid Act have been followed and adequately adhered to; and
 - 23.5.6.3. all relevant permissions, waivers, authorisation, approvals and necessary consent has been obtained.
- 23.5.7. The Member hereby indemnifies the Members Lounge against any and all claims that may arise as a result of a failure on the part of the Members Lounge to comply with any provision of the Protection of Personal Information Act 4 of 2013.

24. CHANGES TO THE TERMS OF USE

The Members Lounge reserves its right to amend, update, change or replace any part of this Agreement and provisions contained herein at its sole and absolute discretion. Any amendment, update, change or replacement of this Agreement and provisions shall be delivered to the Member by way of email, and the continued use of and access of the service following any amendment, update, change or replacement of provisions shall constitute acceptance of same.

25. IMPLEMENTATION AND GOOD FAITH

- 25.1. The Parties undertake to do all such things, perform all such acts and take all steps to procure the doing of all such things and the performance of all such acts, as may be necessary or incidental to give or conducive to giving effect to the terms, conditions and purports of this Agreement.
- 25.2. The Parties shall at all times during the continuance of this Agreement observe the principles of good faith towards one another in the performance of their obligations in terms of this Agreement and will accordingly:
 - 25.2.1. act reasonably, honestly and in a good faith;
 - 25.2.2. perform their obligations diligently and with reasonable care; and
 - 25.2.3. make full disclosure to each other of any matter that affect the implementation of this Agreement.\

26. GOVERNING LAW AND JURISDICTION

The validity of this Agreement, its interpretation, the respective rights and obligations of the Parties and all other matters arising in any way out of it or its expiration or earlier termination for any reason shall be determined in accordance with the laws of the Republic of South Africa. The Parties hereby consent to the adjudication of any dispute, to the degree that such dispute is not otherwise regulated in terms of this Agreement, by any South African court of competent jurisdiction; in accordance with, and in amplification of which, the Parties hereby specifically consent to the exclusive jurisdiction of such court.

27. ARBITRATION AND CLASS ACTION

- 27.1. Should a dispute arise, either party to this Agreement shall be entitled to require, by written notice to the other party, that the dispute be submitted to arbitration in terms of this clause.
- 27.2. Any claim (except for a claim challenging the validity or enforceability of this arbitration agreement, including the Class Action Waiver) may be resolved by binding arbitration if either side requests it.
- 27.3. In the event that a party hereto requests such arbitration, neither party shall have the right to litigate such claim in court. It is further made known that discovery and appeal rights are limited in Arbitration.
- 27.4. Subject to the provisions of this clause, an arbitration shall be held under the provisions of the arbitration laws for the time being in force in the Republic of South Africa and in lines with the rules of AFSA (as it is constituted from time to time) provided that:
- 27.4.1. the arbitrator shall be, if the question in issue is:
- 27.4.1.1. primarily an accounting matter, an independent person qualified for appointment as an accounting officer of a Corporation, under the Act, who has held that qualification for not less than ten (10) years;
 - 27.4.1.2. primarily a legal matter, a practising Senior Counsel or commercial attorney of not less than ten (10) years standing;
 - 27.4.1.3. any other matter, an independent person, agreed upon by the parties who are parties to the dispute and failing such agreement, within three (3) days after the date on which the arbitration is demanded, shall be appointed by the President for the time being of the Legal Practice Counsel of the Western Cape / South Africa who may be requested by any party to the dispute to make that nomination at any time after the expiry of that three (3) day period;
- 27.5. The arbitration shall be held in South Africa under the Rules of AFSA in accordance with the formalities and/or procedures to be settled by the arbitrator, and may be held in an informal and summary manner on the basis that it shall not be necessary to observe or carry out the usual

formalities of procedures, pleadings and/or discovery or the strict rules of evidence;

27.6. The arbitrator shall be entitled:

27.6.1. To investigate or cause to be investigated any matter, fact or thing which he considers necessary or desirable in connection with the dispute and for that purpose shall have the widest powers of investigation;

27.6.2. to interview and question under oath any of the parties;

27.6.3. to decide the dispute according to what he/she considers just and equitable in the circumstances;

27.6.4. to make such award, including an award for specific performance, an interdict, damages or a penalty or otherwise as he in his discretion may deem fit and appropriate;

27.6.5. the arbitration shall be held as quickly as possible after it is demanded with a view to it being completed within thirty (30) days after it has been so demanded;

27.6.6. immediately after the arbitrator has been agreed upon or nominated in terms of clause 26 above, any of the parties to the dispute shall be entitled to call upon the arbitrator to fix a date and place when and where the arbitration proceedings shall be held and to settle the procedure and manner in which the arbitration proceedings will be held.

27.7. Any award that may be made by the arbitrator:

27.7.1. Shall be final and binding;

27.7.2. Will be carried into effect; and

27.7.3. May be made an order of any court to whose jurisdiction the parties to the dispute are subject.

27.8. Both parties agree to a Class Action Waiver.

27.8.1. Arbitration must be on an individual basis. This means that neither party may join or consolidate claims in arbitration by or against the other party or their clients, or litigate on court or arbitrate any claims as a representative or member of a class or in a private attorney general capacity.

- 27.8.2. Only a court, and not an arbitrator, shall determine the validity and effect of the Class Action Waiver. If all parties opt to litigate a claim in court, then either party to this Agreement may elect arbitration with respect to any claim made by a new party or any new claims later asserted in that lawsuit.

28. ENTIRE AGREEMENT

This Agreement represents the entire agreement and understanding between the Parties, and supersedes and replaces any and all prior agreements and understandings. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors, assigns, distributees, heirs, and grantors of any revocable trusts of a Party hereto. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

29. INDULGENCES

- 29.1. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned. Facsimile signatures shall have the same effect as originals.
- 29.2. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence and all waivers must be in writing, signed by the waiving Party, to be effective.

30. NOTICES

- 30.1. Each Party chooses the address chosen by it below for all purposes arising out of or in connection with this Agreement, at which address all the

processes and notices arising out of or in connection with this Agreement, its breach or termination, and any legal notice, pleading or process, may validly be served upon or delivered to it:

30.1.1. the Members Lounge: as per the Information Sheet;

30.1.2. the Member: as per the Information Sheet

30.2. The Parties may, on written notice to the others, change the address nominated by it in terms of clause 29.1 above to any other physical address within South Africa (not a Post Office Box or the similar), provided that such change shall only be deemed to be effective on the 7th (Seventh) day after the last of the Parties has received such notice in accordance with the provisions of this clause 29.

30.3. Any notice given in terms of this Agreement shall be in writing and shall (i) if delivered by hand, be deemed to have been duly received by the addressee on the first Business Day following the date of delivery; (ii) if delivered by recognised international courier service, be deemed to have been duly received by the addressee on the first Business Day following the date of such delivery by the courier service concerned; And (iii) if dispatched by electronic mail, be deemed to have been received on the Business Day following the date of dispatch.

30.4. Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one of the Parties from another shall be adequate written notice or communication to such Party.

31. CONFIDENTIALITY:

Each Party shall keep secret and confidential all, and not disclose to any person any, information of and/or concerning the affairs of the other that they may have acquired in negotiating, settling and/or implementing this Agreement. The aforesaid restriction with regards to disclosure shall not apply where disclosure is strictly necessary for the purpose of giving effect to this Agreement, provided that, (i) the disclosing Party undertakes to bind such third party to the provisions of this clause, the terms adjusted for the context (such third party not being entitled to further disclose such information conveyed to it); and (ii) the disclosing Party guarantees the performance of such third party in respect of same. Further no Party shall use any such information for its own benefit. The obligations in this

clause 13.6 shall, to the degree necessary, not extend to information (i) which is in or comes into the public domain otherwise than through the default of any Party or an outsider; (ii) the disclosure of which is agreed to by the Parties; (iii) which is properly available to the public or disclosed or divulged pursuant to an order of a court of competent jurisdiction; (iv) the disclosure of which is required by law, a stock exchange or other regulatory authority; (v) which is already known to the disclosing Party and is not subject to an obligation of confidence; (vi) which is independently developed by the disclosing Party without using proprietary information; and/or (vii) which is rightfully received from an outside party.

32. GENERAL

- 32.1. Each Party shall, at the reasonable request of any other Party hereto, execute and deliver to such other Party all such further instruments, assignments, assurances and other documents, and take such actions as such other Party may reasonably request in connection with the carrying out the terms and provisions of this Agreement while maintaining confidentiality.
- 32.2. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement. This Agreement shall not confer any rights or remedies upon any Person other than the parties and their respective successors and permitted assigns.
- 32.3. The Partners hereby acknowledge that they have read and understand this Agreement in its entirety, including its intention and effects, and that they are signing the same freely and voluntarily.
- 32.4. The Parties each acknowledge and agree for he or she signed this Agreement each did so of their own free will, voluntarily and without any duress of any kind whatsoever.
- 32.5. This Agreement is not intended to be a Contract or arrangement under which any person agrees, for valuable consideration, whether given or to be given to any such person or to any other person for the sale or supply of Cannabis from any such person's body or from the body of any other person.
- 32.6. This Agreement cannot be modified or amended unless agreed upon and signed by both parties.

Signed at..... on this the..... day
of..... 2024.

For: **420 on Bree**

Name:

Designation: **DIRECTOR**

Signed at..... on this the..... day
of..... 2024.

For: **THE MEMBER**

Name:.....

ANNEXURE A

SUB-LEASE AGREEMENT

1. Irrevocable Offer

- 1.1. Registration on the Website and the Order by a Member shall constitute an irrevocable offer by the Member to hire the Member's Designated Area, which offer shall remain irrevocable for a period of seven Days from the date of placing the Order on the Website (the "**Irrevocable Offer**") and activating the membership at the physical address and acquiring a members tag. The Irrevocable Offer shall be available for acceptance by the Members Lounge at any time during such period.
- 1.2. Upon acceptance of the Irrevocable Offer by the Members Lounge, by means of sending of a written confirmation of the Order on the Website, together with a confirmation of the Member Designated Area, an agreement shall come into effect between the Members Lounge and the Member in terms of which the Members Lounge sub-lets the Member Designated Area to the Member. It being recorded that there will be no further requirements for this Sub-Lease Agreement to come into effect.
- 1.3. The Member accepts that the continuation of the Sub-Lease Agreement is entirely conditional on the Member's acceptance and conclusion of, and compliance with, the General Terms and Conditions (the "**Membership Agreement**") to which this sub-lease is annexed. To the extent that the Main Agreement terminates, for any reason whatsoever, the Parties agree that this Sub-Lease Agreement will automatically and simultaneously terminate as well.
- 1.4. Any capitalised terms contained in this Sub-Lease Agreement which are used but not defined herein shall have the definition assigned to them in the Membership Agreement.

2. Sub-Lease Terms

- 2.1. The Parties agree that the Members Lounge shall let and the Member shall hire the Member's Designated Area.
- 2.2. The Sub-Lease Agreement shall commence on the date on which the Members Lounge commences with the Services (the "**Sub-Lease**

Commencement Date”), and shall remain in effect in accordance with the Duration set out in the Membership Agreement (the “**Sub-Lease Period**”).

2.3. To the extent that the Members Lounge is delayed in giving the Member occupation of the Member’s Designated Area, and to the extent that such inability and/or delay is not due to the gross negligence of the Members Lounge, its employees or agents, the Member shall:

2.3.1. have no claim whatsoever against the Members Lounge for damages;

2.3.2. have no right to cancel the Sub-Lease Agreement; and

2.3.3. accept occupation on such later date on which the Member Designated Area becomes available.

2.4. In the event of a delay as envisaged in clause 2.3 above, the Sub-Lease Commencement Date shall be the date on which the Member’s Designated Area shall become available for occupation, provided that if the Member’s Designated Area is not reasonably capable of occupation within three months of the anticipated Sub-Lease Commencement Date then either Party shall be entitled to terminate the Sub-lease Agreement by giving the other Party at least one month’s written notice to that effect, and neither Party shall have any claim against the other arising from the termination of the Sub-lease Agreement.

2.5. Notwithstanding the Sub-Lease Period, in the event that the Members Lounge in its sole discretion should elect to demolish, reconstruct, redevelop, renovate, improve and/or extend the Premises or the Member Designated Area, the Members Lounge shall be entitled to terminate the Sub-lease Agreement upon giving the Member no less than one month’s written notice of its election and neither Party shall have any claim whatsoever against the other arising from such earlier termination.

3. Rent

3.1. The rental amount due to the Members Lounge shall be determined by the Members Lounge and the amount shall be incorporated into the Membership Fee payable by a Member based on the Member’s Tier (the “**Rental**”).

3.2. The Rental is included in the Membership Fee and will be deducted from the Membership Fee paid by the Member.