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DEVELOPMENT SALE AND LEASE AGREEMENT

Entered into by and between

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

(Established under Notice 6766/2000 published in Provincial Gazette Extra-Ordinary, dated 1 October 2000)

herein represented by the City of Joburg Property Company (SOC) Ltd (registration number 2000/017147/07) represented by MUSAH MAKHUNGA in his capacity as GENERAL MANAGER of City of Joburg Property Company (SOC) Ltd, duly authorized thereto under and by virtue of a sub-delegation by the CHIEF EXECUTIVE OFFICER dated 30 November 2022

and

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1 INTERPRETATION

In this Agreement -

clause headings are for convenience and are not to be used in its interpretation;
unless the context indicates a contrary intention -

1.1.1 an expression which denotes -

1.1.1.1 any gender includes the other genders;

1.1.1.2 a natural person includes a juristic person and *vice versa*;

1.1.1.3 the singular includes the plural and *vice versa*;

1.1.1.4 words and phrases defined in any clause will for the purpose of that clause bear the meanings therein assigned thereto;

1.1.2 the following expressions bear the meanings assigned to them below and cognate expressions bear corresponding meanings unless inconsistent with the context:

1.1.2.1 **“Agreement”** means this Development Sale and Lease Agreement with all annexures thereto and any other documents referred to herein, all of which will be incorporated and made a part of this Agreement by such reference, and the words “Clause” or “Clauses” and “Annexure” or “Annexures” refer to clauses of and annexures to this Agreement;

1.1.2.2 **“Architect”** means the architect appointed by the Developer;

1.1.2.3 **“Attorneys”** means the Legal Practitioner/Notary Public appointed by the Developer to attend to the notarial registration of the Lease in favour of Developer.

1.1.2.4 **“B-BBEE”** means broad-based black economic empowerment and all objectives and principles encapsulated in the Department of Trade & Industry’s Code of Good Practice aimed at promoting broad based black economic empowerment;

1.1.2.5 **“Bondholder”** means the registered bondholder/mortgagor financing the Development on behalf of the Developer;

1.1.2.6 **“Building”** means the buildings, structures, infrastructure and other improvements to be constructed on the Development Portions reasonably in accordance with the Design Documents and the provisions of this Agreement;

1.1.2.7 **“Business Day”** means any day other than a Saturday, Sunday or official public holiday the Republic of South Africa, and “Day” means a calendar day;

1.1.2.8 **“COJ”** means the City of Johannesburg Metropolitan Municipality, a municipality duly established in terms of section 12(1) read with section



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14(2) of the Local Government: Municipal Structures Act, 1998, herein represented by JPC;

- 1.1.2.9 “**Commencement Date**” means the date of [●];
- 1.1.2.10 “**Construction Commencement Date**” means the date on which construction of the Development commences, being a date no later than 18 (eighteen) months from the Signature Date or otherwise agreed to between the Parties;
- 1.1.2.11 “**Construction Period**” means a period of no more than 48 (forty eight) months commencing on the Construction Commencement Date and terminating on the Practical Completion subject to such extensions as certified by the Principal Agent in terms of this Agreement;
- 1.1.2.12 “**Conveyancers**” means the Legal Practitioner/Conveyancer appointed by the COJ to attend to the transfer of the Sale Portions to the Developer.
- 1.1.2.13 “**Covering Mortgage Bond**” means the bond referred to in Clause 50.
- 1.1.2.14 “**Critical Path**” means the longest sequence of activities in the Development Plan which must be completed on time for the Development to complete on Practical Completion Date, with an activity on the critical path cannot be started until its predecessor activity is complete;
- 1.1.2.15 “**Design Documents**” means collectively the plans, sections, development documents, specifications, elevations and other documents attached hereto as **Annexure F** which Design Documents the COJ has approved of and consented to in principle as amended from time to time;
- 1.1.2.16 “**Development**” means collectively, the preparation of the Land, the construction and completion of the Building on the Land reasonably in accordance with the Design Documents and the provisions of this Agreement, including but not limited to excavating, filling, levelling and compacting the Land, all the necessary storm water drainage works, hard surfacing, landscaping, beautifying and paving of open areas, as detailed in the Agreement in accordance with the Development Proposal attached hereto as **Annexure F**, and “**Develop**” will have a corresponding meaning;
- 1.1.2.17 “**Development Costs**” means all items of expenditure necessary to Develop the Land as envisaged in this agreement and to achieve the issue of the Final Completion Certificate;
- 1.1.2.18 “**Development Facilitation Fee**” means the development facilitation fee as more fully set out in Clause 18 of the Agreement;



- 1.1.2.19 “**Development Portions**” means the portions being subject to the Development, being the Sale Portions and Lease Portions collectively, and any reference to “**Property**” shall have a corresponding meaning;
- 1.1.2.20 “**Development Proposal**” means the Developer’s proposal in respect of the Development of the Building, attached hereto as **Annexure F**. *Should there be any conflict between the provisions of this Agreement and Development Proposal, the provisions of the Agreement shall prevail.*
- 1.1.2.21 “**Development Provisions**” means Section 3, as applicable to the development of the Sale Portions, the Lease Portions, and the Park Portion, as read with the General Provisions;
- 1.1.2.22 “**Development Rights**” means the rights set out in Clause 24 of the Agreement;
- 1.1.2.23 “**Engineering Services Contributions**” means all contributions payable for improved Development Rights as contemplated in terms of the Municipal Planning By-Law for the COJ as published in Provincial Gazette Number 255 of 3 August 2016 under Local Authority Notice 1240 of 2016, being internal and external bulk.
- 1.1.2.24 “**Environmental Legislation**” means all environmental law, common and statutory, relating to the protection of the Environment, including, but without being limited to, the National Environmental Management Act 107 of 1998, the National Water Act 36 of 1998, the Atmospheric Pollution Prevention Act 45 of 1965, the Hazardous Substances Act 15 of 1973, the Environment Conservation Act 73 of 1989, and all relevant environmental regulations, provincial ordinances, local government by-laws, notices, directives, orders, demands, decrees, criteria, standards, conditions, guidelines, codes of practice and the like, issued by any competent authority, and all resolutions or judgements of any court, administrative or regulatory authorities, national government, provincial government, local government or any other body empowered with the responsibility for the protection of the Environment, in effect on the Commencement Date. For the purposes of this clause “Environment” will mean the environment as defined in the National Environmental Management Act 107 of 1998;
- 1.1.2.25 “**Expiry Date**” means 50 (fifty) years from Lease Commencement Date;
- 1.1.2.26 “**Final Completion Date**” means the date on which the Final Completion Certificate is issued, which should be not more than 90 (ninety) days from Practical Completion Date;

- 1.1.2.27 “**Final Completion Certificate**” means a certificate issued by the Principal Agent in terms of which the Principal Agent certifies that the Development has been finally completed;
- 1.1.2.28 “**Financial Year**” means a financial year of the Developer falling within the duration of the Agreement or if only part of any Financial Year of Developer falls within this period, that part of such Financial Year;
- 1.1.2.29 “**Financial Year End**” means the last day of any Financial Year;
- 1.1.2.30 “**General Provisions**” means the provisions set out in Section 4, applicable to the sale, lease and development of the Land and portions thereof;
- 1.1.2.31 “**JPC**” means City of Joburg Property Company SOC Ltd, a wholly owned municipal entity of the COJ, a private company duly incorporated in accordance with the Company Laws of the Republic of South Africa, with Registration Number 2000/017147/07;
- 1.1.2.32 “**Land**” means Portion 159 of the Farm Diepkloof 319 I.Q., on which the proposed township Diepkloof Extension is to be established. The proposed township comprises Erven 1 – 14 Diepkloof Extension Township, collectively measuring 30,5292 (thirty comma five two nine two) hectares;
- 1.1.2.33 “**Lease Provisions**” means section 2, as read with the Development Provisions and General Provisions;
- 1.1.2.34 “**Lease Commencement Date**” means the date 60 (sixty) days after Practical Completion Date;
- 1.1.2.35 “**Lease Period**” means a period of 50 (fifty) years from Lease Commencement Date;
- 1.1.2.36 “**Lease Portions**” means the portions of the Land indicated as Erven 1, 2, 3, 12, 13, and 14 on the plan representing the proposed township annexed hereto as **Annexure B**;(This must not include SEZ)
- 1.1.2.37 “**Local Authority**” means the relevant department or entity of the COJ, as the context may indicate;
- 1.1.2.38 “**Material Breach**” means a breach of this Agreement going to the root of the Agreement which is incapable of being remedied by a payment in money, or if capable of being remedied by a payment in money, the defaulting party fails to pay the amount concerned within 20 (twenty) Business Days after the amount has been determined;
- 1.1.2.39 “**Operating Expenses**” means all operating expenses incurred by the Developer in respect of the Building comprising all and any —
- a) municipal and State charges and/or levies and/or services;

- b) maintenance, repairs, cleaning and pest control;
 - c) insurance costs;
 - d) security and access control;
 - e) administration and management fees; and
 - f) bank charges;
- 1.1.2.40 **“Outdoor Advertising”** means outdoor advertising as defined in the City of Johannesburg’s Outdoor Advertising By-Laws;
- 1.1.2.41 **“Park Portion”** means the portion of the Land indicated as Erf 8 on the plan representing the proposed township annexed hereto as **Annexure B**;
- 1.1.2.42 **“Parties”** mean the Developer and the COJ;
- 1.1.2.43 **“Personal Information”** means personal information as defined in POPIA, in as far as such information is applicable to this Agreement and the Parties thereto;
- 1.1.2.44 **“POPIA”** means the Protection of Personal Information Act, Act 4 of 2013;
- 1.1.2.45 **“Practical Completion”** means the stage of completion as certified by the Principal Agent where the works or a section thereof has been completed free of patent defects other than minor defects identified in the list for completion and can be used for the intended purpose;
- 1.1.2.46 **“Practical Completion Certificate”** means a certificate issued by the Principal Agent in which the Principal Agent certifies that the Development has been completed for Practical Completion purposes reasonably in accordance with the Design Documents and the Building is fit and ready for occupation by Developer and save for attending to remedying defects stated on the Snag List after the Practical Completion Date;
- 1.1.2.47 **“Practical Completion Date”** means the day on which Practical Completion is achieved as evidenced in the Practical Completion Certificate but not later than 48 (forty eight) months from the Construction Commencement Date;
- 1.1.2.48 **“Preliminary List”** means the preliminary completion list to be completed in terms of Clause 21.1 which will set out all the items needed to be rectified in order for Practical Completion to be achieved;
- 1.1.2.49 **“Principal Agent”** means the Principal Agent appointed by the Developer to act on its behalf in terms of the Joint Building Construction Contract and who is not a party to the Agreement and does not hold



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any contractual rights or obligations in terms hereof but has the authority to bind the Developer by issuing contract instructions and also receive notices on behalf of the Developer;

- 1.1.2.50 “**Proclamation**” means the proclamation of the proposed township establishment on the Land in terms of the Township Application;
- 1.1.2.51 “**Property**” means the Development Portions and Building and Residential Units to be constructed thereon, in accordance with this Agreement;
- 1.1.2.52 “**Property Rental**” means the rental payable by the Developer to the COJ as more fully set out in clause 13 of the Agreement;
- 1.1.2.53 “**Purchase Price**” means the consideration amount payable by the Developer in respect of the purchase of the Sale Portions, as more fully set out in clause 5;
- 1.1.2.54 “**Residential Units**” means sectional title units or developed residential portions (subdivided) as is developed on the Sale Portions.
- 1.1.2.55 “**Sale Provisions**” means Section 1, as read with the Development Provisions and General Provisions
- 1.1.2.56 “**Sale Portions**” means the portions of the Land indicated as Erven 4, 5, 6, 7, 9, 10, and 11 on the plan representing the proposed township annexed hereto as **Annexure B**;
- 1.1.2.57 “**Signature Date**” means the date of the signing of this Agreement by the last signatory thereto;
- 1.1.2.58 “**Site Development Plan**” means the approved site development plan for the Building and will, on approval thereof by the relevant department of the Local Authority, be deemed to have been incorporated in this agreement;
- 1.1.2.59 “**Snag List**” means the list prepared by the Principal Agent in consultation with the Developer setting out the defects to the Building(s) which are required to be rectified and which in the opinion of the Principal Agent do not interfere with the Developer's ability to commence with its fitting out and furnishing of the Premises;
- 1.1.2.60 “**Third Parties**” means legal practitioners, town planners, land surveyors, financial institutions and other property professionals required by the parties to ensure the proper implementation and enforcement of this Agreement;
- 1.1.2.61 “**Township Application**” means the township application process currently underway to establish the proposed township on the Land, which could take up to 12 (twelve) months from Signature Date to



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obtain approval and another 6 (six) months thereafter to reach Proclamation;

- 1.1.2.62 “**Transfer Date**” means the date of registration of the Sale Portions in the Deeds Registry;
- 1.1.2.63 “**VAT**” mean Value Added Tax as contemplated in the Value-Added Tax Act, 1991 (Act No 89 of 1991); and
- 1.1.2.64 “**Youth**” means the youth as defined by the National Youth Commission from time to time, currently defined as people between the ages of 14 and 35 (thirty five) (both inclusive).

Any substantive provision conferring rights or imposing obligations on any party in the interpretation clause shall be given effect to as if it were a substantive provision in the body of the Agreement.

Words and expressions defined in any clause shall bear the meaning assigned to such word or expression throughout this Agreement unless the application of any such word or expression is specifically limited to that clause.

Reference to months or years shall be construed as calendar months or years, such calendar month or year being a period of time between the same dates in successive calendar months or years.

No provision herein shall be construed against or interpreted to the disadvantage of any party due to such party having or being deemed to have structured or drafted such provision.

The *eiusdem generis* rule shall not apply and whenever the term “including” is used followed by specific examples, such examples shall not be construed so as to limit the meaning of that term.

Unless specifically otherwise provided, any number of days prescribed shall be determined by excluding the first and including the last day, or where the last day falls on a Saturday, Sunday or public holiday, the next succeeding Business Day.

A reference to any statutory enactment shall be construed as a reference to that enactment as at the Signature Date and as amended or re-enacted from time to time.

This Agreement incorporates the annexures and appendices, which annexes and appendices shall have the same force and effect as if set out in the body of this Agreement.

Unless specifically otherwise provided, all amounts in this Agreement are exclusive of VAT, which shall be levied at the prescribed rate applicable from time-to-time and which shall be payable in addition to any amount thus stipulated.

2 RECORDAL

The parties hereby record that -





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WHEREAS the COJ has a vision is to transform Soweto into a liveable city district in its own right with access to jobs and an array of urban amenities, economic opportunities and social services. It is aimed at addressing the lack of diversity in Soweto's economy and supporting local businesses.

WHEREAS this mixed use node is envisaged to:

- 2.1.1 Be an iconic entrance point into Soweto;
- 2.1.2 A growth point for jobs within the area;
- 2.1.3 A development to promote Black Economic Empowerment and Small, Medium and Micro Enterprises;
- 2.1.4 Be a vibrant 24 hour city node; and
- 2.1.5 To accommodate integrated housing to cater for low cost housing as envisaged in the tile conditions.

WHEREAS the COJ has the following development objectives in respect of the property:

- 2.1.6 To accommodate a mix of land uses taking advantage of its location in terms of the Baralink Node;
- 2.1.7 To complement and reinforce surrounding uses and activities such as: commercial, educational, light industrial, retail, hotel and conferencing and institutional and training facilities;
- 2.1.8 To accommodate medium to high density mixed income residential, community facilities, recreation and public spaces within a well-balanced and sustainable urban structure, well connected and accessible to the precincts within and the greater Soweto Region – a place to live, work and play; and
- 2.1.9 To create a destination place for the local community, one of which the City can be proud.

WHEREAS on 31 October 2018, in compliance with Section 14(2) of the Municipal Finance Management Act of 2003, read with the Municipal Asset Transfer Regulations of 2008, the City of Johannesburg Council approved the alienation of Portion 159 of the Farm Diepkloof 319 I.Q ("the Land") through sale of the residential portion of the Property, and leasing of the commercial, office, industrial and business portions of the Property;

WHEREAS the notice of the proposed alienation in compliance with the provisions of Section 79(18) of the Local Government Ordinance no 17 of 1939, which was published on 24 May 2018.

WHEREAS on 2 June 2023, the Land was released on tender under RFP 33/2023FY/PF – Request for Proposals for the Development Sale and/or Long Term Lease of Portion 159 of the Farm Diepkloof 319 IQ. The tender requested proposals for the Development of the Land.



WHEREAS in line with this objectives COJ awarded the tender for the Development Sale and Lease Agreement of the Land to Developer as the successful bidder on 29 November 2023;

WHEREAS the Developer is to Develop the Land, in line with the Design Document attached hereto as **Annexure F** subject to such variations as may be agreed to between the Parties.

WHEREAS the COJ and the Developer agree that certain portions of the Land will be sold to the Developer, certain portions of the Land will be leased to Developer, and the Developer will be responsible for the upkeep and maintenance of the park portion of the Land.

WHEREAS the Agreement is accordingly divided into four sections, being the Sale Provisions, Lease Provisions, Development Provisions, and General Provisions;

WHEREAS the parties wish to conclude this Agreement in terms of which the Developer will be granted beneficial occupation and the right to Develop the Land, subject to the terms and conditions of this Agreement;

NOW THEREFORE the parties agree as follows:

SECTION 1 – SALE PROVISIONS

3 TRANSACTION

The Seller sells to the Purchaser, who purchases the Sale Portions on the terms and conditions set out in this Agreement at the price set out in this Agreement.

4 DESCRIPTION OF THE SALE PORTIONS

The Sale Portions of the Land, as indicated on the plan representing the proposed township annexed hereto as **Annexure B**, are:

(1) Erf 4 Diepkloof Extension Township;

Measuring approximately 1,2247 (one comma two two four seven) Hectares

(2) Erf 5 Diepkloof Extension Township;

Measuring approximately 1,2247 (one comma two two four seven) Hectares

(3) Erf 6 Diepkloof Extension Township;

Measuring approximately 7 663 (seven thousand six hundred and sixty three) square meters

(4) Erf 7 Diepkloof Extension Township;



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Measuring approximately 2,9546 (two comma nine five four six) Hectares

(5) Erf 9 Diepkloof Extension Township;

Measuring approximately 3,3086 (three comma three zero eight six) Hectares

(6) Erf 10 Diepkloof Extension Township;

Measuring approximately 2,0751 (two comma zero seven five one) Hectares

(7) Erf 11 Diepkloof Extension Township;

Measuring approximately 1,3739 (one comma three seven three nine) Hectares

5 PURCHASE PRICE

6 POSSESSION AND OCCUPATION OF THE SALE PORTIONS

Occupation of the Sale Portions shall be given to the Developer on Signature Date.

Possession of the Sale Portions shall be given to the Developer on Transfer Date

From the date of possession:

- (1) the Developer will be responsible for and have to pay for anything that happens to the Property and will be entitled to any profit made from the Property and will also have to bear any loss incurred in relation to the value of the Property;
- (2) **all risk, loss or profit in the Property will transfer to the Developer;**
- (3) the Developer will be responsible for the payment of all assessment and other rates, taxes, levies, sanitary fees, water and electricity charges, surcharges and all other municipal and/or municipal entity charges charged;
- (4) The Developer shall also be responsible to insure the Sale Portions against any contingency;
- (5) Should the COJ have prepaid any such rates, levies and taxes beyond the Transfer Date, the Developer shall refund to the COJ all amounts paid beyond the said date on demand and upon producing a satisfactory proof thereof; and
- (6) the Developer will be responsible for all duties that may be due to any local authority and any municipal entity in respect of the Sale Portions.

Upon cancellation of this agreement the Developer and any other person(s) in occupation of the Sale Portions with the Developer's permission shall be obliged to vacate the Sale Portions immediately, it being recorded that no tenancy shall be created by this Agreement.



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7 **TRANSFER OF THE SALE PORTIONS**

The COJ will appoint the Conveyancer to attend to the transfer of the Sale Portions as soon as possible after date of Proclamation.

The Parties hereby instruct the Conveyancers that transfer of the Sale Portions will be registered in the name of the Developer by the Conveyancers only after:

- (7) The Purchase Price together with VAT thereon has been paid, or guarantees for the payment thereof has been furnished;
- (8) all conveyancing fees have been paid by the Developer; and
- (9) the Developer has complied with all the obligations in terms of the Sale Provisions.

The Parties will provide all information and sign all documents (or ensure that all documents are signed) and perform all acts that may be required to transfer the Sale Portions. If this is not done, the defaulting Party will be in breach of the Agreement and the provisions of clause 14 below will apply.

In addition, if the Developer causes any unreasonable delays in the transfer of the Sale Portions, then the Seller will be allowed to charge the Developer interest at the rate of 15.5% per year, on the purchase price, from the date that the Developer failed to comply with a written notice contemplated in clause 45 until the Transfer Date.

Whereas there are no known council services on the Sale Portions, the Developer shall register any unprotected council services and will relocate any services that might be affected by any future development of the Sale Portions at its own cost.

If the COJ is for any reason, other than the gross negligence of the COJ, unable to transfer the Sale Portions to the Developer then:

- (1) this agreement, in as far as it relates to the Sale Portions, will be cancelled by the COJ;
- (2) the Parties will be placed in as close a position as possible to the position that they were in before they signed this Agreement;
- (3) that Parties will have no further claims against each other.

8 **ELECTRICAL COMPLIANCE**

9 **DEVELOPER'S FINANCIAL OBLIGATIONS**

10 **WARRANTIES IN RESPECT OF THE SALE PORTIONS**

The persons signing this Agreement on behalf of the Parties expressly warrant their authority to do so.



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The Sale Portions is sold as vacant land. The Developer acknowledges that the Sale Portions is purchased *voetstoots* in its current state.

The Sale Portions are sold and will be transferred subject to all the conditions and servitudes mentioned or referred to in the title deeds of the Land and the conditions of establishment for the proposed township of Diepkloof Extension and further subject to all conditions imposed by the Local Authority in respect of the Sale Portions.

If the Sale Portions have been incorrectly described in this Agreement, such a mistake will not be binding on the COJ. The description of the Sale Portions as set out in the COJ's general plan and Title Deed(s) will then apply, and both Parties will agree to the amendment of this agreement to indicate the correct description of the Sale Portions.

The Developer is obliged to familiarize itself with the nature, extent and location of all electrical cables, water and sewerage pipes and/or any other services and/or servitudes which may affect the Sale Portions. This is not the responsibility of the COJ.

The COJ specifically gives no warranties in respect of the soil conditions of the Sale Portions.

The Sale Portions are further sold subject to its existing and/or proposed zoning in terms of any applicable Town Planning Scheme or the Township Application. Any development to be pursued by the Developer must align to the COJ Town Planning Regulations and the Developer shall be responsible to obtain all statutory approvals required for any development of the Sale Portions.

The COJ shall not be required to indicate the position of the beacons or survey pegs on or of the Sale Portions.

The Parties warrant to each other that they were not introduced to the other by an estate agent or any other party that might be entitled to commission and indemnify each other against any legal claims in this regard. For the purposes of clarity this means that the COJ and the Developer promise to each other that they were not introduced to each other by any third party to whom they must pay commission. If this is not true then the Party who did deal with a third party will be responsible for any legal claims that arise because of those dealings

The COJ further warrants that:

- (1) no portion of the Sale Portions has been expropriated nor has the COJ received any notice of any authority to expropriate the Property;
- (2) the Sale Portions is, to the knowledge of the COJ, not subject to any land claims.

The Developer warrants that they have complied with all of their tax obligations to the South African Revenue Services and will continue to comply with such obligations until Transfer Date.

SECTION 2 – LEASE PROVISIONS

11 LEASE

The COJ, with effect from the Commencement Date, lets to the Developer the Lease Portions and the Developer hereby accepts such lease.

The Lease Portions of the Land, as indicated on the plan representing the proposed township annexed hereto as **Annexure B**, are 🙄 (Provided these properties are what was offered in the RFP)

(1) Erf 1 Diepkloof Extension Township;

Measuring approximately 1,3749 (one comma three seven four nine) Hectares

(2) Erf 2 Diepkloof Extension Township;

Measuring approximately 2,2824 (two comma two eight two four) Hectares

(3) Erf 3 Diepkloof Extension Township;

Measuring approximately 2,9417 (two comma nine four one seven) Hectares

(4) Erf 12 Diepkloof Extension Township;

Measuring approximately 3,6852 (three comma six eight five two) Hectares

(5) Erf 13 Diepkloof Extension Township;

Measuring approximately 5 236 (five thousand two hundred and thirty six) square meters

(6) Erf 14 Diepkloof Extension Township;

Measuring approximately 3 194 (three thousand one hundred and ninety four) square meters

The Lease Portions is leased for the purposes of Development, management, operation and maintenance thereof, in accordance with the Development Proposal attached as **Annexure F**.

12 DURATION

13 PROPERTY RENTAL

SECTION 3 – DEVELOPMENT PROVISIONS



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14 **DEVELOPMENT SPECIFICATIONS AND OBLICATIONS BY DEVELOPER**

The Development in respect of the Sale Portions Shall be done in accordance with the following proposed zoning rights:

:

d to be upgraded.

15 **USE OF THE PROPERTY**

The Property and the improvements shall be used in accordance with the zoning granted by the Local Authority, and solely for the purpose of the Development, and any activities reasonably ancillary thereto to be developed on the Property by the Developer and for no other purposes whatsoever save with the prior written permission of the COJ.

16 **POSSESSION AND OCCUPATION**

Occupation of the Development Portions will be given to the Developer effective Signature Date.

Subject to the provisions of clause 6.1, possession of the Development Portions will be given to the Developer effective from Construction Commencement Date.

From the date of possession:

- 16.1.1 the Developer will be responsible for and have to pay for anything that happens to the Property and will be entitled to any profit made from the Property and will also have to bear any loss incurred in relation to the value of the Property;
- 16.1.2 all risk, loss or profit in the Property will transfer to the Developer;
- 16.1.3 the Developer will be responsible for the payment of all assessment and other rates, taxes, levies, sanitary fees, water and electricity charges, surcharges and all other municipal and/or municipal entity charges charged, as more fully set out in Clause 17; and
- 16.1.4 the Developer will be responsible for all duties that may be due to any local authority and any municipal entity in respect of the Property.
- 16.1.5 the Developer shall be responsible for all costs relating to the valuation, rezoning, survey, registration of servitudes, relocation of services, etc.; and
- 16.1.6 the Developer shall also be responsible to insure the Property against any contingency.

17 **ASSESSMENT RATES AND MUNICIPAL SERVICE CHARGES**



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18 DEVELOPMENT FACILITATION FEE

Each of the COJ and the Developer acknowledges and confirms that, save for the Development Facilitation Fee payable to JPC no other person is entitled to claim payment from either of them in respect of facilitation fees, estate agent's commission or any other consideration, for facilitating the tender process whereby the Developer procured the rights to undertake the Lease and Development, for introducing the Developer to the Land or any aspect of the transactions set out in this agreement or in respect of the negotiation or finalisation of this Agreement.

19 DESIGN DOCUMENTS

The parties agree that the Developer shall be entitled to amend the Design Documents to comply with the needs and requirements of any end user or tenant of the Development, provided that such amendment may not affect the approved Site Development Plan, the construction period or reduce the Development Cost an amount below without the prior written consent of the COJ, which consent will not be unreasonably be delayed or withheld.

In the event that an amendment to the Design Documents requires an amended Site Development Plan, or in the construction period being extended or any change in height to the Building or a reduction of the Development Cost to below the Developer will be required to approach the JPC in order to obtain the JPC's consent, in consultation with the Local Authority's Development Planning and Urban Management Department, for the amendments or variations of the design of the Development as set out in the Design Documents which consent may not be unreasonably withheld or delayed and provided that:

19.1.1 if JPC fails to convey its decision to the Developer within 30 (thirty) Business Days of the request from the Developer (or such longer or shorter period as may reasonably be stipulated by the Developer having regard to the Developer's time constraints during the construction of the Development), then JPC will be deemed to have consented to the amendment or variation; and

19.1.2 if the Developer and JPC are unable to reach agreement in regard to the amendment or variation, the matter will be referred to an expert Architect appointed in terms of this Agreement who will make a determination in accordance with sound building practice and with what could reasonably be provided in the circumstance insofar as quality and quantity are concerned. The Architect will be an expert and not an arbitrator in making such determination and his or her determination will be final and binding on the parties.

20 CONSTRUCTION OF DEVELOPMENT

The COJ will tender beneficial occupation of the Property to the Developer on the Commencement Date, and the Developer will commence construction of the Development by the Construction Commencement Date. It is however recorded that the Developer will have the right to withdraw from this Agreement should the following event occur:-



- 20.1.1 Should Developer having used its best endeavours, but the Development is commercially not viable and therefore is unable to obtain financing within 60 (sixty) Days from Commencement Date, in this instance the Developer will forfeit any payments made to the COJ in respect of Property Rentals, the Development Facilitation Fee and any payments made;
- 20.1.2 Developer will be obliged to give the COJ notice of its intention to withdraw from this Agreement no later than 14 (fourteen) days after the date envisioned in Clause 20.1.1 above and will make payment of any outstanding amounts due in respect of the Development Facilitation Fee and amounts payable in terms of the Agreement, up to the date of delivery of the notice of its intention to withdraw from this Agreement.

The party whose performance is delayed by the happening of an Event will take all reasonable measures to minimise the consequences of such an Event and to fulfil its obligations under this agreement with a minimum of delay.

parties.

21 **WARRANTIES AND UNDERTAKINGS BY THE COJ IN RESPECT OF DEVELOPMENT PORTIONS**

The Property is let and made available for the Development in terms of this Agreement “voetstoots” as to the condition and extent and the COJ shall not be liable for any defects, either latent or patent.

The Developer has conducted its due diligence and has acquainted itself with the situation, nature and condition of the Property and locality of same and the positioning of all existing services as well as any servitudes or conditions affecting the Property, and COJ is entirely free from any liability therefore, save as provided in terms of this Agreement.

The condition of the Property shall be the sole responsibility of the Developer. Accordingly, and without prejudice to any other obligation of the Developer under this Agreement, the Developer has or shall be deemed to have:

- 21.1.1 carried out a physical and geophysical investigation and to have inspected and examined the Property and its surroundings;
- 21.1.2 satisfied itself as to the nature of the Property, the ground and the subsoil, the form and nature of the Property, the load bearing and other relevant attributes of the Property;
- 21.1.3 satisfied itself as to the adequacy of the rights of access to and through the Property and any accommodation it may require for the purposes of fulfilling its obligations under this Agreement (such as additional property or buildings outside the Property); and



21.1.4 satisfied itself as to the precautions, times and methods of working necessary to prevent any nuisance or interference, whether public or private, being caused to any third parties.

The COJ gives and makes to the Developer the warranties set out below:

21.1.5 it is the registered owner of the Property and as such has the right to grant rights in an to the Property to the Developer;

21.1.6 that the Property is not subject to any mortgage bonds and/or pre-emptive rights and that the Property will not be bonded or encumbered by the COJ for the duration of this Agreement;

21.1.7 that the COJ has obtained all necessary internal approvals required for the conclusion of this Agreement;

21.1.8 that the COJ will promptly and timeously sign all such documents and do all such things as are necessary in order to give effect to the notarial registration of the Agreement and the registration by Developer of the mortgage bond (if any) referred to in Clause 50, provided that if the COJ incurs any administrative expenses in that regard, such expenses will be for the account of the Developer;

21.1.9 to the best of the COJ's knowledge and belief the COJ has no knowledge of any lodged or pending claim, or any claim which is likely or contemplated, relating to the Land or any part thereof, or any properties immediately adjacent thereto, in terms of or pursuant to the Restitution of Land Rights Act 22 of 1994, which will or may affect the Land in any manner whatsoever, either directly or indirectly;

21.1.10 that the COJ has complied with all the applicable legislation, including but not limited to, the prescripts of the Local Government: Municipal Finance Management Act 56 of 2003 and its Regulations, and the Local Government: Municipal Systems Act 32 of 2000 and its Regulations, required for the conclusion of this Agreement.

Each warranty will -

21.1.11 be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty; and

21.1.12 be deemed to be material and to be a material representation inducing the Developer to enter into this Agreement.

The COJ hereby indemnifies and holds the Developer harmless against any claim, loss or damage which may be brought against or suffered by the Developer under or arising out of this Agreement as a result of any breach of the warranties or any loss or damage suffered by the Developer as a consequence of any breach of any of the provisions of this Agreement.

22 WARRANTIES AND UNDERTAKINGS BY THE DEVELOPER



23 DEVELOPMENT RIGHTS

The Developer shall, at its sole cost and expense, obtain all Development Rights and approvals, which are required for the completion of the Development, including but not limited to:

- 23.1.1 Approval of Building Plans in terms of the National Building Regulations with the appropriate department of the COJ;
- 23.1.2 Approval of a Site Development Plan with the appropriate department of the Local Authority;
- 23.1.3 Any approvals, which may still be required in terms Environmental Legislation;
- 23.1.4 Any approvals required in terms of the National Heritage Resources Act;
- 23.1.5 Payment of the Engineering Services Contributions applicable to all approvals obtained, including any Engineering Services Contributions payable in respect of rights already obtained by the COJ. For the avoidance of doubt, the application fees for the approvals sought by the COJ will be payable by the COJ, and the Engineering Services Contributions in respect of such applications will be borne by the Developer.

The COJ shall be responsible for obtaining the following Development Rights in respect of this Agreement or the Development:

- 23.1.6 Township establishment on the Land.

In exercising the Development Rights referred to in Clause 24, the Developer shall be granted access to the Land on Signature Date.

24 DEVELOPMENT OF THE PROPERTY

25 CIVIL AND ELECTRICAL SERVICES

The COJ will not be responsible to provide any civil and electrical services.

The Development Portions is granted with existing services as are currently available thereon and with regard to the adequacy of which the COJ makes no warranty.

The Developer will be responsible for the provision of all civil and electrical services required for the Development, both within the boundary of the Land and to the boundary of the Development Portions (where applicable). The cost of the provision of such services, and the costs of any work to be carried out on or in connection with the services in terms of the requirements imposed by the Local Authority will be borne by the Developer.

26 THE COSTS OF CONSTRUCTING THE IMPROVEMENTS

27 COMPLIANCE WITH PROGRAMME

SECTION 4 – GENERAL PROVISIONS

28 INSURANCE

The Developer will, at its own cost, insure the Property and the building(s) erected thereon and keep it insured by an insurer selected by it for an amount which it in its *bona fide* opinion considers to be the full reinstatement value of the Building(s), or for such greater amount as the COJ may require (and increase the amount of such insurance from time to time as may be necessary) against risk of damage by -

- 28.1.1 theft, malicious damage, vandalism, civil commotion, loitering, unauthorised entry and illegal occupation;
- 28.1.2 fire, riot, political riot, explosion, combustion and earthquake;
- 28.1.3 hail, snow, wind, hurricane, cyclone, tornado or typhoon;
- 28.1.4 rain;
- 28.1.5 flood;
- 28.1.6 overflowing of guttering and downpipes or bursting or overflowing of municipal or other pipe water supply mains;
- 28.1.7 aircraft and aerial devices or articles dropped therefrom;
- 28.1.8 bursting or overflowing of water tanks, apparatus or pipes, excluding damage thereto;
- 28.1.9 impact by road vehicles;
- 28.1.10 underground subsidence; and
- 28.1.11 loss of Property Rental for twenty-four months consequent upon the damage to or destruction of the building as a result of any of the aforesaid events.

The Developer, at its own cost, will take out and maintain in force a public liability policy of not less than R5 000 000.00 (five million rand) in respect of the Property. The respective interests of the COJ and the Developer will be noted on such policy. The Developer will furnish the COJ with a copy of the policy and proof of payment of the premiums in respect thereof, on request of the COJ. The Developer will be deemed to have public liability insurance in place if the main contractor takes out and maintains public liability insurance during the Construction Period, as envisioned in Clause 23.2.4.

The Developer will not do or omit to do anything if the act or omission may render void or voidable any insurance policy or policies held for the time being by the COJ.

The Developer is obliged to provide the COJ with extracts from its insurance policies to enable the COJ to acquaint itself with their contents, and from time to time upon written request of the COJ exhibit proof of the existence of such insurance and the payment of premiums in respect thereof.



29 ELECTRICITY, WATER AND SANITARY FEES

30 MANAGEMENT, MAINTENANCE AND CONDITION OF THE DEVELOPMENT

The COJ will prior to the expiry of the Agreement request a certificate from its services and rates departments certifying Developer has paid in full all services and rates and taxes as may be required by the COJ and will deliver the certificate to the Developer within 20 (twenty) Business Days. The Developer will not be held responsible for any delays caused by the Local Authority's services and rates departments in issuing such certificate.

The Developer will be obliged to obtain the certificate of compliance in respect of electrical installations within all improvements on the Land as required by the Electrical Installation Regulations published in Government Notice R2920 of 23 October 1992, Government Gazette 14350, and will, deliver same to the COJ within 5 (five) Business Days of date of termination or cancellation. The fees payable in respect of the issue of the certificate be borne by Developer. Developer will bear the costs of all repairs, alterations or additions to such electrical installations to procure such certificate. Such certificate will be obtained from a certified electrician reasonably acceptable to the COJ.

31 BROAD BASED BLACK ECONOMIC EMPOWERMENT AND SUBCONTRACTING

The parties agree that the Department of Trade and Industry's "Codes of Good Practice on Black Economic Empowerment" shall be used to calculate the above overall B-BBEE score and determine whether the direct and indirect contractors to be appointed by the Developer meets the above minimum requirements.

32 SECURITY FOR COMPLIANCE BY DEVELOPER

This Agreement is entered into subject to the Surety and Co-Principal Debtor providing the COJ with a guarantee or deed of surety to the value of an amount equal to 12 (twelve) months' Property Rental payable by the Developer to the COJ in respect of the first Property Rental year, in a form reasonably approved by COJ.

The deed of security shall be binding from the Commencement Date until the expiry of the first year Property Rental is payable in terms of this Agreement. For the avoidance of doubt, the guarantee or deed of surety must be valid for the year following the Lease Commencement Date.

This Agreement is subject to compliance with the condition as set out in Clause 33.1 being fulfilled within 14 (fourteen) days from the Commencement Date, failing which the Agreement will be null and void; the Developer shall have no claim against the COJ for any damages suffered as a result of its non-compliance with the provisions of this clause.

Subject to the above clause, it is agreed and declared that all admissions and acknowledgement of indebtedness by the Developer in regard to its obligations under this Agreement, thereby shall be binding on the Surety and Co-Principal Debtor for the duration of the guarantee or deed of surety.



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The Surety and Co-Principal Debtor hereby expressly renounces the benefits of the legal exceptions of *beneficium ordinis*, *beneficium excussiones et divisionis*, and *beneficium cedendarum actionem*, the full force and effect of such renunciation having been explained to the Surety and Co-Principal Debtor.

In the event of:-

- 32.1.1 any order for the liquidation, business rescue or sequestration of the Developer or the Surety and Co-Principal Debtor providing security for the due performance of the obligations of the Developer being issued by a competent court of law; or
- 32.1.2 any settlement paid to or compromise entered into by the Developer with any of its creditors or by any such other Surety and Co-Principal Debtor, whether in terms of the company law or insolvency law or under common law, the Surety and Co-Principal Debtor shall not file any claim against the Developer or Surety until the COJ's claim against the Developer has been paid in full.
- 32.1.3 Notwithstanding any part payment by the Surety and Co-Principal Debtor or on his behalf, the Surety and Co-Principal Debtor shall have no right to any cession of action in respect of such part payment and shall not be entitled to take any such action against the Developer or against any other surety for the Developer in respect thereof unless and until the indebtedness of the Developer to COJ shall have been discharged in full.
- 32.1.4 The Surety and Co-Principal Debtor acknowledges that all amounts due and payable by the Developer to the COJ shall be recoverable from and paid by the Surety and Co-Principal Debtor notwithstanding that the Developer may have any claim or counterclaim of whatsoever nature and howsoever arising against the COJ.

33 ALTERATIONS AND ADDITIONS

The Developer will be entitled to effect tenant installations (such as installing fixtures and fittings, making any non-structural alterations to the Building, altering and/or arranging the layout of any partitioning installed in the Building) without the COJ's consent. The Developer also will be entitled to remove such tenant installation items from time to time and upon termination of this Agreement and will make good any damage caused by such installation and removal.

Should the Developer not be required to remove such tenant installation items when the Agreement terminates then, the provisions of Clause 34.1 will *mutatis mutandis* apply to such tenant installations.

34 DAMAGE OR DESTRUCTION OF DEVELOPMENT

Should the Development be completely destroyed or be so damaged as to render it substantially untenable for any reason (other than as a result of structural or other



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defects arising from the construction of the Development and for which Developer is responsible) then the following will apply unless the Parties agree otherwise in writing:

- 34.1.1 If the destruction occurs during the first 30 (thirty) years of the Lease Period, then the Agreement shall not terminate but will be suspended for the period during which the Building is to be reinstated. Notwithstanding the suspension of the Lease Period all services, rates and taxes will still be payable by the Developer;
- 34.1.2 the Lease Period will be extended by the amount of time that the same is suspended and reoccupation can take place provided that such extension will not be more than 24 (twenty four) months from date of destruction.
- 34.1.3 If the destruction occurs during the last 20 (twenty) years of the Lease Period then at the election of the Developer –
 - 34.1.3.1 the Agreement will terminate subject to the provisions of Clause 35.2; or
 - 34.1.3.2 the Agreement will not terminate but will be suspended for the period during which the Building is to be reinstated Notwithstanding the suspension of the Lease Period all services, rates and taxes will still be payable by the Developer. The Lease Period will be extended by the amount of time that this agreement is suspended and reoccupation can take place provided that such extension will not be more than 24 (twenty four) months from date of destruction.

Should the Developer elect the termination of the Agreement the following provisions will apply –

- 34.1.4 The Developer will be entitled to a *pro rata* refund of any Property Rental paid in advance in respect of the unexpired Lease Period;
- 34.1.5 The Developer will be entitled to the proceeds of any insurance policy payable to the owner of the Development, which it will use to reinstate the Property.

In event of the Development being in such a manner that they are nevertheless reasonably tenable, then the Agreement will not be terminated, but having regard to the extent to which and period during which the Developer is unable to enjoy full beneficial occupation of the Development provided that such extension will not be more than 12 (twelve) months. Should any dispute arise between the COJ and the Developer in regard to extent of the extension, such dispute will be determined by Expert Determination as contemplated in Clause 39.

For the purposes of this Clause 35, the Development will be considered to have been rendered substantially untenable if in the circumstances more than 40% (forty *per centum*) of the Development are destroyed.

35 THE COJ'S RIGHT TO REPAIR THE DEVELOPMENT



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In the event that the Developer fails to carry out any repairs and/or maintenance it is obliged to carry out in terms of this Agreement within 20 (twenty) Business Days or such longer period as may be reasonable in the circumstances, after receipt of written notice calling upon it to carry out such repairs and/or maintenance, the COJ will be entitled to carry out such repairs and/or maintenance of the interior of the Property and recover the proven and reasonable costs of such repairs and/or maintenance from the Developer.

Provided that the COJ is legally entitled to carry out such repairs, the Developer undertakes to reimburse the COJ for the reasonable costs of such repairs and/or maintenance within 20 (twenty) Business Days after receipt of the invoice/s in respect of all repairs and/or maintenance. The Developer will not have any claim for remission of any rent, compensation or damages in connection with the proper exercise by the COJ of the aforesaid rights including any claim arising from a breach of Developer's security arrangements provided the COJ or its agents have complied with Developer's security arrangements. However, the COJ will not unduly or unreasonably interfere with the conduct by the Developer of its business from the Property.

The Developer acknowledges that any repairs and/or maintenance which may in future be carried out in terms of this Clause will occasion a certain amount of inconvenience, noise and dust. The COJ will ensure that every reasonable precaution will be taken to minimise the inconvenience, noise and dust to the Developer.

36 COJ'S RIGHT OF ENTRY

On prior reasonable written notice to the Developer, the COJ and its agents will be entitled to enter the Property once annually and during business hours, either through their representatives or servants or through contractors for the purposes of inspecting the Property ("Annual Inspection"). The COJ will, in exercising rights as aforesaid, not unduly or unreasonably interfere with the conduct of any business lawfully carried on in the Development and will be subject to and comply with Developer's security arrangements while they are on the Property. The aforesaid written notice shall, at the bare minimum, set out the date of the Annual Inspection and the period the Annual Inspection will take.

On prior reasonable written notice to the Developer, the COJ and its agents will be entitled to enter the Development at all reasonable times, during business hours, for any other lawful purposes. The COJ will, in exercising rights as aforesaid, not unduly or unreasonably interfere with the conduct of any business lawfully carried on in the Development and will be subject to and comply with the Developer's security arrangements while they are on the Property.

Should the COJ wish to sell the Lease Portions, it shall give notice of its intention to the Developer before the COJ approaches its Council for the approvals required in terms of the Municipal Finance Management Act of 2003, as read with the Municipal Asset Transfer Regulations of 2008 thereto.

Should the COJ wish to sell the Lease Portions, the Developer will, on prior reasonable notice during business hours, permit prospective owners of the Property or any portion



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thereof or any owner of any undivided portion of the Land to view the interior of the Development; and during the period of 12 (twelve) months immediately preceding the termination or expiry of the Lease permit interested parties to view the interior of the Property during business hours and the COJ or any incoming owner or tenant to exhibit on the Development any notice that may be required in connection with any application for any licence to carry on business in the Development and "To Let" or "To Sell" notices.

37 SERVITUDES

The Land is made available subject to all existing servitudes and municipal service routes, which cannot be protected by registration of servitudes.

38 INTEREST

39 OUTDOOR ADVERTISING

Save for the Developer's right to erect sufficient business signage of the Developer's choice, advertising the Development and the Property and all tenants operating from the Property on the structure and buildings erected by the Developer, the parties agree that in terms of this Agreement, no Outdoor Advertising shall be permitted on the Property without the approval of the COJ.

40 CONDUCT OF BUSINESS

The COJ does not warrant that the Property will be fit for any purpose or that the Developer will be granted a licence or licences to conduct any business therein or be granted any necessary authority/ies under any legislation from time to time in force regarding the conduct of the Developer's proposed business or that any such licence or licences or authority/ies will be renewed.

The COJ will not be obliged to do any work or make any alterations or repairs to the Building to ensure compliance with the requirements of any licensing authority.

The COJ will not unreasonably withhold or delay its consent should the Developer require same to do any such work or alterations, and at the Developer's expense, provided that the COJ will be entitled to require that such work or alterations be effected subject to the reasonable approval of any architect nominated by the COJ, that the architect's fees be paid by the Developer and that the Developer will not be entitled to any compensation for any alterations or repairs made as aforesaid.

41 RISK

The Developer shall bear all risk in respect of the Property, improvements and all materials and goods brought onto the Property area or incorporated in the improvements during the Lease Period.



42 **INDEMNITY**

Neither the COJ nor JPC will be responsible to the Developer or to any third party, including but not limited to tenants of the Property or any other person occupying otherwise present at or visiting the Development) for loss, death or injury. whether to person or Property arising from any cause whatsoever, save where such loss, damage or injury has been caused by the gross negligence or conduct of the COJ or JPC their agents or employees or by a breach of this agreement by the COJ or JPC.

The Developer hereby indemnifies the COJ and JPC against and holds harmless from any claim, cost, expense, action, proceeding, liability, loss or damage that may in any manner be incurred by the COJ or JPC in respect of all claims or proceedings which may be made or instituted against the COJ or JPC by third parties by reason of, or in any manner arising out of, the exercise by the Developer of any rights granted to the Developer in terms of this Agreement or any act or omission on the part of the Developer in respect of the Land or the Building, including all legal costs on an attorney-and-client scale and other expenses incurred by the COJ or JPC in investigating, resisting or settling any such claims or proceedings.

43 **VALUE-ADDED TAX**

It is recorded that the COJ is registered as a VAT Vendor for the purposes of the transactions as set out in the Agreement. The Developer is liable for VAT on goods and/or services supplied in terms of this Agreement calculated at the prescribed tax rate on the value of the goods and/or services so supplied.

44 **BREACH AND CANCELLATION**

In the event of a breach by any Party (the "Party in Breach") of any obligation imposed upon it in terms of this Agreement, or in the event of a breach of any warranty contained in this Agreement, the Party not in breach (the "Aggrieved Party") shall have the right:

- 44.1.1 to claim specific performance from the Party in Breach, whether with or without a claim for such damages as the Aggrieved Party may have suffered; or
- 44.1.2 after the expiry of a reasonable period of notice (being not less than 20 (twenty) Business Days given in writing by the Aggrieved Party to the Party in breach, requiring it to remedy the relevant breach, and if such breach has not been remedied to -
 - a) terminate this Agreement in the event of a Material Breach having occurred subject to Clause 45.2; and/or
 - b) claim such damages as the Aggrieved Party may have suffered by reason of such breach or termination.



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Should the Developer commit a Material Breach of this Agreement on more than 3 (three) occasions in a 6 (six) month period, the COJ shall be entitled, but not obliged to terminate this Agreement by serving written notice thereof on the Developer.

Either Party may terminate this Agreement, without prejudice to such other rights as it may have at law or in terms of this Agreement, at any time by giving to the other Party written notice of such termination if -

- 44.1.3 the Developer is, other than for the purposes of reconstruction or amalgamation, placed under voluntary or compulsory liquidation (whether provisional or final) or under business rescue or under receivership or under the equivalent of any of the foregoing; or
- 44.1.4 final judgement is taken against the Developer other than in the ordinary course of business, and it fails within 14 (fourteen) Business Days of becoming aware thereof, either to satisfy the same or to take steps (and thereafter actively to pursue such steps) to appeal or set aside such judgement; or
- 44.1.5 the Developer makes any arrangement, compromise with its creditors generally or ceased or threatens to cease to carry on business.

While for any reason or on any grounds, the Developer occupies the Property and the COJ disputes its right to do so, then, until the dispute is resolved whether by settlement, arbitration or litigation, the Developer (notwithstanding that the COJ may contend that this Agreement is no longer in force) will, without prejudice to its rights,-

- 44.1.6 continue to pay an amounts equivalent to the Property Rental and other amounts provided for in this Agreement on the due dates as stipulated herein and the COJ will be entitled to accept and recover such payments (tendered as rental or otherwise), and such payments and the acceptance thereof will be without prejudice to and will not in any way whatsoever affect the COJ's claim then in dispute and if the dispute is resolved in favour of the COJ, the payments made and received in terms of this clause will be deemed to be amounts paid by the COJ on account of damages suffered by the COJ by reason of unlawful occupation or holding by the Developer;
- 44.1.7 comply with all its further obligations provided for in this Agreement *mutatis mutandis*.

Should either Party object to the processing of Personal Information for the purposes of the implementation or enforcement of this Agreement, such objection shall be deemed to be a breach of this Agreement. If the objecting Party fails to rectify this breach within 10 (ten) Business Days after receipt by the other Party of written notice calling upon it to remedy the breach in question, the other Party shall be entitled, but not obliged to cancel this Agreement forthwith and retake possession of the Property, without prejudice to its claims for any sums due and payable hereunder or for any damages which it may suffer by reason of such breach and/or cancellation or any other rights which it may have in terms hereof or at law.



45 **OWNERSHIP OF PROPERTY AND IMPROVEMENTS**

Ownership of all fixed improvements effected on the Property by the Developer will forthwith vest in the COJ and may not at any time be removed from the Property. The Developer will have no claim whatever against the COJ for compensation for any fixed improvements to the Property at the expiration of the Agreement. For the avoidance of doubt, fixed improvements means any fixtures and appurtenances which the Developer may permanently affix to the Property.

Should this Agreement be terminated as a result of breach on the part of the COJ, the COJ shall be liable to reimburse the Developer the then prevailing market value of the improvements on the Land including the Buildings and all damages consequent to the said termination within 6 (six) months. The aforesaid market value will be determined by obtaining sworn valuations of the improvements and the Buildings by three sworn valuers appointed by the Parties by mutual agreement, failing agreement the sworn valuer will be appointed by the President or Chairperson for the time being, of the South African Council for the Property Valuers Profession. The provisions of this Clause 46.2 shall survive the termination of this Agreement.

46 **CONTINUITY OF DEVELOPER'S AGREEMENTS**

The Developer shall ensure that it does not enter into any services agreements with its service providers and or suppliers beyond the termination date of this Agreement. The COJ shall not be responsible for any payment of services rendered by the Developer's service providers

In respect of leases with subtenants of the Building, to the extent that same is permitted in terms of this Agreement, the Developer shall -

- 46.1.1 within 20 (twenty) Business Days from the Expiry Date, hand over lease agreements, together with all annexures and addenda thereto, in respect of each portion of the Building that is occupied by any subtenant of the Developer, to the COJ;
- 46.1.2 be entitled to continue with any legal proceedings instituted against any of its subtenants prior to the Expiry Date;
- 46.1.3 ensure that any illegal occupants of the Property has been evicted from the Property after following due legal process.

47 **EXPERT DETERMINATION**

The provisions of this Clause apply to any matter that must, by express statement to that effect in the agreement, be submitted to and resolved by Expert Determination.

The expert will be an independent practising quantity surveyor, Principal Agent, sworn valuer, urban designer or other professional ("Expert"), as may be suitable depending on the nature of the matter subject to determination, of not less than 10 (ten) years' standing



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and registered with the applicable professional association, agreed upon between the COJ and the Developer. If the COJ and the Developer fail to agree on an expert within 14 (fourteen) days after the matter is subjected to Expert Determination, the expert will be nominated, at the request of any one of the COJ and the Developer by the President or Chairperson for the time being of the applicable professional association.

The Expert will obtain from each of the COJ and the Developer a written submission containing, applicable, an indication of the monetary amount or valuation, which they respectively believe to be appropriate in respect of the subject matter of the determination and consult with each of them in an endeavour to reach agreement. If either of the COJ or the Developer failed to make a submission to the Expert within 5 (five) Business Days of being requested in writing by the Expert to do so, the right of such party to make such submission to the Expert will immediately cease and the Expert will not, save with the written approval of the other of them, be entitled to have regard to any submission lodged after expiry of such period. If agreement is not reached, the Expert will make a fair determination, taking due regard of the provisions of this agreement, the aforesaid submission/s and all other relevant circumstances.

Where the determination of a monetary amount or valuation is concerned, the COJ and the Developer agree that notwithstanding the determination of the Expert, if -

- 47.1.1 the Expert determines a value which is less than the lowest value to which either of the COJ and the Developer was willing to agree to, the value of such amount will be such lowest value to which any of them was willing to agree to;
- 47.1.2 the Expert determines a value which is higher than the highest value to which either of the COJ and the Developer was willing to agree to, the value of such amount will be such highest value to which any of them was willing to agree to;
- 47.1.3 the Expert determines a value between such highest and lowest value to which any of the COJ and the Developer willing to agree to, the value of such amount will be the value as determined by the Expert.

Subject to the provisions of Clause 48.4 each of the COJ and the Developer will give effect to the determination made by the Expert, provided that if the Experts determination is found to be manifestly unjust by a court, and the court exercises its general power, if any, to correct such determination the patties be bound thereby.

The Expert-

- 47.1.4 may award interest with effect from any date, and on any basis, he considers appropriate in the circumstances; and
- 47.1.5 will determine the liability for his charges.

Any applicable matter will be deemed to have been subjected to Expert Determination when either of the COJ or the Developer gives written notice to the other of them demanding Expert Determination and requests agreement on an Expert.



It is the intention that the Expert Determination will, where possible, be concluded within 25 (twenty five) Business Days following the matter being subjected to Expert Determination. Each of the COJ and the Developer will use their best endeavours to procure the expeditious finalisation of the Expert Determination.

48 **DISPUTE RESOLUTION**

Any dispute arising between the Parties in respect of this Agreement, whether in respect of

- 48.1.1 the Interpretation of;
- 48.1.2 the effect of;
- 48.1.3 the parties' respective rights or obligations under;
- 48.1.4 a breach of;
- 48.1.5 the termination of;
- 48.1.6 any matter arising out of the termination of; or
- 48.1.7 the rectification of;

this Agreement or otherwise, shall in the first instance, be referred in writing to the senior executives of the Parties by either Party for resolution. The senior executives of the Parties shall meet within 5 (five) Business Days after receiving the aforesaid written referral and shall use their best endeavours to resolve the dispute within the time forgoing, i.e. 5 (five) Business Days.

If the senior executives fail to meet within five (5) Business Days after a dispute has been referred to them or fail to resolve the dispute within the time in clause 40.1 above, then that dispute shall be submitted, at the written request of either party to the dispute to the other party(ies) to such dispute, to mediation in Sandton or Johannesburg in accordance with the AFSA or successor body mediation rules, as in effect at the date of such written invitation. Each of the parties' chief executive officers (or such other senior officer nominated by the relevant chief executive officer) will represent the parties to the dispute in such mediation.

If the Parties are unable to agree on a mediator within 10 (ten) days of the dispute being submitted to mediation as referred to in Clause 48.2 above, AFSA will appoint a mediator.

If the Parties fail to resolve the matter within 10 (ten) Business Days of it being referred to mediation any party will be entitled to submit the matter to court.

This Clause 40 will not preclude any party from obtaining interim relief on an urgent basis from a court of competent jurisdiction if necessary.

49 **REGISTRATION OF COVERING MORTGAGE BOND**

The COJ consents to the Developer registering a Covering Mortgage Bond in favour of a Bondholder over its rights, title and interest in the Agreement as security for the cost of the Development provided that the aggregate capital amount that may be secured by the



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Covering Mortgage Bond will not exceed (or such increased amount as the COJ may consent to, such consent not to be unreasonably withheld or delayed);

The Covering Mortgage Bond will be cancelled by no later than the Expiry Date or termination of the Agreement, at the cost of the Developer.

The remaining terms thereof will be substantially in accordance with the standard terms of a development loan granted by one of the major banks. Developer undertakes to provide the COJ with a copy of the Covering Mortgage Bond prior to registration thereof.

The Developer undertakes to provide the COJ with written notice of the identity of the Bondholder in favour of whom the Covering Mortgage Bond will be registered as well the name and title of an authorised representative of the Bondholder together with the physical address and facsimile number for notices to be sent to such authorised representative.

50 **STEP-IN-RIGHTS**

The COJ agrees in favour of the Bondholder (if any) that the COJ will not be entitled to cancel the Agreement as a consequence of default by the Developer ("the Default") unless the COJ has given the Bondholder:

50.1.1 notice of the Default, whether or not the COJ is obliged to give notice of the Default to the Developer, which notice shall be given to the Bondholder as soon as reasonably possible after the Default occurs or concurrently with any notice pertaining to the Default is given by the COJ to the Developer; and a period of time not being less than 30 (thirty) Business Days, has passed subsequent to:-

- a) the date of receipt by the Bondholder of the notice contemplated in clause 51.1.1; or
- b) the expiry of the period stated in any notice to the Developer within which the Developer is required to remedy the Default;

whichever is the latest date: and

50.1.2 an opportunity to procure that the Developer remedies the Default within the 30 (thirty) Business Day period referred to in clause 51.1.1 (notwithstanding the expiry of the period referred to in clause 51.1.1); or

50.1.3 an opportunity to remedy the Default on behalf of the Developer within the 30 (thirty) Business Day period referred to in clause 51.1.1.

The Parties hereby agree that the Agreement will not be cancelled or amended in any manner, whether in consequence of default by the COJ or the Developer, or otherwise howsoever, other than by operation of law in circumstances which are beyond the control of the COJ or the Developer, without the prior notification to the Bondholder. The provisions of this clause will not apply where the Developer is in default and the Agreement is cancelled by the COJ pursuant to the provisions of clause 36, (but after giving effect to the Bondholder's rights as envisaged in 51.1.1).



The Parties agree that any purported cancellation or termination of the Agreement which is contrary to the provisions of this Agreement will be invalid and of no force or effect whatsoever.

The rights and obligations under this Clause 50 will terminate automatically upon payment in full of the indebtedness of the Developer to the Bondholder, whereafter this clause 50 will be of no further force or effect whatsoever.

For the purposes of this Clause 51, the Bondholder's address shall be as specified in the registered mortgage bond.

The provisions of this clause are severable from the rest of this Agreement.

51 **INDULGENCES**

The provisions of this Agreement will continue to be of full force and effect and binding on the Developer notwithstanding any indulgence, extension of time, relaxation or latitude which may be shown or given by the COJ to the Developer, and no such indulgence will constitute a waiver of any of the rights of the COJ.

52 **VARIATION**

No variation or amendment of this Agreement, including this clause, or addition thereto or consensual cancellation thereof will have any force or effect unless reduced to writing and signed by the COJ and the Developer or their agents acting under written authority.

It is specifically recorded that the provisions of the Electronic Communications and Transactions Act 25 of 2002 in respect of electronic signature of documents does not apply to this Agreement.

53 **WAIVER**

No waiver of any of the terms and conditions of this Agreement will be binding for any purpose unless expressed in writing and signed by the COJ, and any such waiver will be effective only in the specific instance and for the purpose given. No failure or delay on the part of the COJ in exercising any right, power or privilege will operate as a waiver, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

54 **NOTICES**

The parties hereto select as their respective *domicilia citandi et executandi* the following addresses:

COJ

c/o: the Chief Executive Officer

City of Joburg Property Company



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3rd Floor, Forum I (Entrance B)

Braampark

33 Hoofd Street

Braamfontein

2017

Tel: (010) 219 9000

Fax: (010) 219 9400

DEVELOPER

c/o: the Chief Executive Officer

[•]

[•]

[•]

[•]

[•]

[•]

[•]

For the purposes of giving or sending any notice or service of legal process provided for or required hereunder, or such other address as may be substituted by notice given as herein required. Each of the Parties will be entitled from time to time by written notice to the others, to vary its *domicilium* to any other address within the Republic of South Africa is not a post office box or *poste restante*.

Any notice addressed to a party at its physical address will be sent by fax, email or be delivered by hand.

Any notice will be presumed (which presumption is rebuttable) to have been given -

54.1.1 if hand delivered during business hours on a Business Day, on the day of delivery.

54.1.2 if sent by fax or email deemed to have been duly received by the addressee on the 1st (first) Business Day after the date of successful transmission of the telefax or email,

Notwithstanding the above, any notice actually received by the party to whom the notice is addressed will be deemed to have been properly given and received, notwithstanding that such notice has not been given in accordance with the provisions of this clause.

55 COMING INTO OPERATION OF AGREEMENT



This Agreement will only have effect and become binding on the Parties if and when it is signed by the Parties hereto, failing which the Parties will not have the right to claim the existence of a tenancy from the other, whether verbal or otherwise, by reason of negotiations having been conducted or concluded in regard thereto or by reason of this Agreement having been drafted and thereafter executed by the Developer only or by reason of the Developer being in occupation of the Property, whether or not Property Rental has been paid.

56 **SUBLETTING, CESSION, ASSIGNMENT**

The Developer will not be entitled to cede and/or assign all or any of its rights and/or obligations relating to the Lease and/or the construction of the Development under this Agreement to any third party, without the prior written consent of the COJ.

The provisions of this clause will not detract from the right of the Developer to enter into sub-leases with tenants in respect of portions of the development forming part of the Development to be constructed on the Land, for the duration of the lease period, provided that the use of the property or portions thereof by such sub-tenants shall be in line with the use of the property as set out in Clause 7 of the Agreement.

The provisions of this clause will not prohibit the Developer from registering a mortgage bond over the Developer's right, title and interest in and to the lease for an amount not more than the Development Costs.

The shareholders/holders of members' interests in the Developer may not dispose of any of its shares/members interests without the prior written approval by and consent of the COJ.

57 **SEVERABILITY**

If any provision of this Agreement is or may become illegal, invalid or unenforceable in any jurisdiction affected by this Agreement will, as to such jurisdiction, be ineffective to the extent of any such illegality, invalidity or unenforceability and will be treated *pro non scripto* and severed from the balance of this Agreement, without invalidating the remaining provisions of this Agreement or affecting the legality, or enforceability of such provision in any other jurisdiction.

58 **WHOLE AGREEMENT**

This Agreement constitutes the whole agreement between the Parties as to the subject-matter hereof and no agreement, representations or warranties express or implied or tacit whether by law, contract or otherwise and whether they induce the agreement or not, which are not set out in this Agreement will be binding on the Parties.

59 **COSTS**



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Each party will bear own costs in respect of the negotiation, drafting, implementation and execution of this Agreement and all attendances in connection therewith.

60 NOTARIAL EXECUTION

The parties hereby agree to have this Agreement notarially executed and registered against the title deeds of the relevant Property by the Attorneys and the Developer undertakes to procure such notarial execution and registration.

As soon as practicable after the Commencement Date, the Developer shall instruct its Attorneys and notaries to notarially register the Agreement over the Land in favour of the Developer.

The Developer will bear the costs of the notarial execution of this Agreement and the registration thereof in the relevant Deeds Office.

The Parties give a mutual undertaking to each other to sign all documents and to do all such things as may be necessary or to the Agreement, on request or as soon as reasonably possible after being requested to do so.

61 EXPROPRIATION

The COJ undertakes:

61.1.1 within 7 (Seven) days of receipt of any notice of expropriation, to furnish the Developer with copies of such notice; and

61.1.2 to oppose the expropriation and/or to authorise the Developer, by mutual agreement, to oppose the expropriation.

61.1.3 All costs incidental to the opposition of the expropriation will be borne by the COJ.

62 PRECINCT MANAGEMENT

The Developer is expected to pioneer the possible establishment of a home owners association type group that will be responsible for the management and enhancement of the Precinct.

The Developer shall support any interventions to ensure the proper management of the precinct in which the Property is located in this regard the Developer shall become and remain a member of any precinct management company or City Improvement District established for the area in which the Property is located, whether mandatory or voluntary, and shall pay all contributions agreed for such company or improvement district

63 PROJECT STEERING COMMITTEE

JPC together with the Developer will form a project steering committee comprising of the following representatives:



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- Two (2) representatives from JPC;
- Two (2) representatives from the Developer;
- One (1) representative from the Department of Human Settlements; and
- One (1) representative from the Department of Planning.

The purpose of the steering committee:

To meet bi-annually;

To ensure compliance with the obligations and terms of the agreement;

To monitor progress of the Developer on behalf of and with due regard to the intention of JPC and the COJ;

Consider progress reports, which the Developer is obliged to supply to the steering committee bi-annually;

The steering committee will meet within one (1) month from the Commencement Date to agree on the terms of reference thereof.

64 **MARKETING**

The Developer shall ensure that the role of the COJ is included on all marketing material prepared by the Developer for the Development and/or the Property during the construction phase as well as during the selling and/or letting for the Development and/or the Property.

The Developer shall ensure that the COJ's branding is displayed in all marketing material for the Development during construction phase.

The Developer shall ensure that the COJ is included in the launch of the Development.

All costs related to the marketing and branding of the Development shall be borne by the Developer, unless otherwise agreed by the COJ.

65 **ENTERING COMPETITIONS**

The Developer will not be entitled to enter the Development into any competitions without the prior written consent of the COJ, which consent shall not be unreasonably withheld.

The Developer shall ensure that the COJ are joined on all competitions and/or awards for the Development.

The Developer shall bear all costs related to entering and/or attending competitions and/or awards for the Development.

66 **GREEN RATING**



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The Developer shall submit a plan, for the COJ's approval, on the green measures that it intends to use in the design, construction and management of the Development to make it more sustainable, and shall, after approval of such plan by the COJ, implement such plan.

67 SMART BUILDING PRINCIPLES

The Developer shall submit a plan, for the COJ's approval, indicating how it intends to incorporate technologies such as connectivity, automated lighting, heating, ventilation and cooling, energy management, surveillance, security, access control, alarm activation, renewable energy, building management and more to contribute the COJ's Smart City Strategy and shall, after approval of such plan by the COJ, implement such plan.

68 POPIA – INFORMED CONSENT

Each Party hereby consents to the other Party to process Personal Information for the purposes of this Agreement, including but not limited to [implementation, enforcement, bond applications, town planning applications, etc.]

The Parties are committed to protecting each other's privacy and recognises that it needs to comply with statutory requirements in collecting, processing and distributing of Personal Information. The Constitution of the Republic of South Africa provides that everyone has the right to privacy and POPIA includes the right to protection against unlawful collection, retention, dissemination and use of personal information. In terms of POPIA, if personal information is collected, the Parties must take reasonably practical steps to ensure that the other Party is made aware of the Personal Information being collected.

In order to implement the agreement, it is necessary to provide Third Parties with Personal Information of the other Party, which personal information includes, but are not necessarily limited to a copy of this Agreement and the Personal Information contained therein. This Personal Information is distributed to Third Parties, usually by electronic means in the form of an email. This personal information to Third Parties is necessary for purposes of contractual obligations.

In accordance with POPIA, the Parties hereby provides the names, registration/identity numbers, contact details, and all information and disclosures as contained in the Agreement, for purposes of implementing and/or enforcing the Agreement, and as required by any other law.

Either Party may be required, directly or indirectly, in terms of any statutes to collect the Personal Information in order to report thereon to Government structures and for responsible record keeping and statistical purposes.

Either Party has the right to access and amend his/her Personal Information at any reasonable time, and either Party is entitled to object to the use of information. However, such objection may lead to the Agreement being terminated, as the information is required for valid reasons.



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The Parties, by signing this Agreement, consents to the use of his/her personal information contained herein and confirms that the Personal Information is supplied voluntarily, without undue influence from any party and not under any duress.

The Parties each acknowledges that he/she is aware thereof that he/she has the following rights with regard to such Personal Information which is hereby collected. The right to:

access the Personal Information at any reasonable time for purposes of rectification thereof;

object to the processing of the Personal Information in which case this Agreement will terminate in accordance with the provisions contained herein;

lodge a complaint to the Information Regulator.

THUS DONE AND EXECUTED AT JOHANNESBURG ON

AS WITNESSES

1. _____

2. _____

COJ

THUS DONE AND EXECUTED AT JOHANNESBURG ON

AS WITNESSES

1. _____

2. _____

q.q. DEVELOPER



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ANNEXURE A

1.	DEVELOPER	
1.1	Full Name of Developer :	
1.2	Registration No. of Developer:	
1.3	Shareholding of Developer	
1.4	Physical / Registered Address:	
1.5	Postal Address:	
1.6	Telephone number:	
1.7	Fax Number	
1.8	Email address of contact	
1.9	Name of contact	
1.10	Name of The Surety and Co-Principal Debtor	
1.11	Value of Surety to be Provided	
	Bank Name	
	Account Type	
	Account Number	
	Branch name	
	Branch Code	
2.	LEASED PROPERTY	
2.1	JMC Number	

2.1	Property Description	[●] as indicated in the lease area diagrams attached as ANNEXURE B The lease area shall be for the purposes of [●]
2.2	Physical Address	
2.3	Property area:m2
2.4	Current Improvements on the property	
2.5	Floor Area of current improvements	
3.	LEASE PERIOD	
3.2	Commencement Date:	Date of Signature by both Parties
3.3	Period of Lease:	50 Years from Practical Completion Date
3.4	Expiry Date:	50 years from Practical Completion Date
3.5	Renewal Periods	None
4.	RENTALS	
4.1	Monthly Property Rental at Rental Commencement Date excluding VAT.	The rental shall be paid monthly in arrears on or before the 7 th day of the subsequent month to the month in which sales were made, plus any charges for assessment rates and taxes applicable to the Property payable in addition to the aforesaid monthly rentals, which amounts shall only become payable as from the commencement date.
4.2	BASE RENTAL	
4.3	Rent Free period	Period from Commencement Date until Property Rental Commencement Date
4.4	Property Rental Commencement Date:	Practical Completion Date
4.5	Escalation rate:	8% per annum

4.6	Estimated payment for monthly Assessment rates (excluding VAT)	To be determined in accordance with tariffs in the prevailing rates policy		
4.7	Total Administration fee (Excl. VAT) to be paid by the Developer on signature of agreement.			
4.8	Development Facilitation Fee (excluding VAT)	1.5% of the total Development Costs		
4.9	Date on which Development Facilitation Fee must be paid	To be paid on [milestone]		
5.	LEASE PROVISIONS			
5.1	LEASE TYPE	MUNICIPAL	SOCIAL	COMMERCIAL x
5.2	Purpose of Lease	[•], in accordance with the development proposal attached as Annexure D .		
5.2	Existing Leases (not to be cancelled), Servitudes and Unprotected Council Servitudes			
5.3	External Services Contributions to be paid by Developer	All contributions levied by City of Johannesburg in terms of the Towns Planning and Townships Ordinance		
5.4	Development Rights to be obtained by COJ			
5.5	Date by which above Development Right shall be obtained			
5.6	Electrical and Civil services to be provided by COJ	None The Developer is responsible for the design, cost and installation of all services as well as road access within the Development which must be to the satisfaction of the relevant regulatory authorities.		

		The Developer is also responsible for paying the bulk services contributions to the COJ as per the calculations from the COJ Planning Department.
5.6	Date by which electrical and civil services are to be provided by the COJ.	N/A
5.7	TRANSFORMATION AND EMPOWERMENT TARGETS DURING CONSTRUCTION	
Employment	Total number of jobs created in the project	10 000
	Number of jobs created for unemployed black people in this project	6 000
	Number of jobs created for black people in this project	3 000
Training & Development	Training of black people in some aspects in the project	6 000
	Training of black Youth in some aspects in the project	5 000
	Training of black women in some aspects in the project	4 000
	Training of black people with disability in some aspects in the project	3 000
Localization	Use of local SMME Suppliers that have black ownership in line with the Delivery Pipeline Management Matrix (Annexure F)	R1 752 620 030
	Full use of locally sourced or locally assembled material and/or products	R2 453 668 040



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Enterprise and Supplier Development	Number of local SMMEs to be supported in terms of the enterprise and supplier development plan for this project, including demonstration graduation of suppliers in this project	250
5.9	The Development (Alterations and Improvements to be completed by DEVELOPER)	
5.10	Development Cost for alterations and improvements to be completed by Developer.	Estimated at R 4 837 703 611.85 (four billion, eight hundred and thirty seven million, seven hundred and three thousand six hundred and eleven rand and eighty five cents), subject to final drawings.
5.11	Development Program for Completion of for alterations and improvements to be completed by Developer.	
	TASK NAME	DATE WHICH TASK MUST BE COMPLETED
	Start Construction of the Development	18 months from Township Establishment
	Completion of construction of the Development. (practical completion)	48 months from start of construction
	Minimum amount of Public Liability Insurance to be taken out by Developer	R 5 Million
	Outdoor Advertising Permitted in terms of this Agreement	None
6	THE COJ	
6.1	COJ's Address:	
6.2	Contact Person:	
6.3	Telephone Number:	
6.4	Telefax Number:	
6.5	Postal Address: P O Box 31565, Braamfontein 2017	



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7.	THE BONDHOLDER	
7.1	Address:	
7.2	Contact Person:	
7.3	Telephone Number:	
7.4	Email address:	