



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOTSE

DIRECTORATE ECONOMIC
& RURAL DEVELOPMENT

Our Ref: Micro Retail Park/Erf 7878 Namibia/TM

Your Ref: _____

Date: 20 November 2019

Tel: +27 (51) 405 8343

The Speaker

COUNCIL ITEM

AVAILING COUNCIL PROPERTY: PORTION OF ERF 7878, NAMIBIA EXTENSION 24 (PAPA G), MANGAUNG FOR THE CONSTRUCTION OF THE MICRO-RETAIL PARK IN COLLABORATION WITH DEPARTMENT OF ECONOMIC DEVELOPMENT, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS, LETSATSİ POWER PROJECT AND THE MANGAUNG METROPOLITAN COUNCIL

1. PURPOSE

The purpose of this report is to request Council to avail Council property Portion of Erf 7878, Nomibia, Extension 24, Mangoung for the purpose of constructing Micro-Retail Park in collaboration with Department of Economic Development, Small Business Development, Tourism and Environmental Affairs (Destea) and Letsatsi Power Project.

2. BACKGROUND

The National Development Plan envisioned that by 2030 SMMEs will contribute 60-80% to GDP increase, and generate 90% of the 11 million new jobs in our country. Although SMME businesses have a critical role to play in addressing the challenges that our citizens are confronted with, levels of entrepreneurship and growth in the SMME sector remain low. There is also a high failure rate of SMMEs in the Mangaung Metropolitan Municipality. The constraints are due to among others, the rising input costs (electricity prices, municipal rates and services).

Other challenges include poor work ethics, an increasing regulatory burden, and inadequate sources of finance and skills shortages. Also, there are low levels of entrepreneurial intent by SMME owners. Policy initiatives to support SMMEs - such as credit guarantee schemes,

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www.mangaung.co.za

AT THE HEART OF IT ALL

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entrepreneurship training, business incubation and technology assistance - have not yet had the desired effect.

Globally, SMMEs are seen by policy makers and government officials as the ideal vehicles for economic growth and job creation. SMMEs include a very broad range of firms, from established traditional family businesses employing over a hundred people (medium-sized enterprises), down to the survivalist self-employed from the poorest layers of the population (informal micro-enterprises). These firms are not homogenous. They may operate in different sectors, as well as experience different challenges at different stages of their development.

Current structures in the retail sector that support informal and SMME businesses appear to be insufficient to support the existing and new business start-ups, their long-term growth and sustainability. In the spirit of attempting to address such deficiencies, Mangaung Metropolitan in partnership with Letsatsi Power Project and the Department of Economic Development, Small Business Development, Tourism and Environmental Affairs (Destea) in the Free State Province has identified the need of retail space to revitalize township economy for existing informal and SMME beneficiaries and to extend this offering to additional small/micro enterprises.

The development of such infrastructure is contemplated in the township of Namibia Ext 24, Mangaung (commonly known as Freedom Square). The Freedom Square township is one of the townships earmarked for the development of Micro-Retail Park given the SMME trading demand as well as the need to establish small retail centre for SMME beneficiaries and small/micro enterprises. The number of enterprises and service offerings to be accommodated at the centre will be informed through consultation with various stakeholders, particularly the surrounding communities.

Mangaung Metropolitan Municipality and Destea views this as a strategic initiative to participate in and will take the lead in integrating public sector support which could be expanded into a township revitalisation programme.

Portion of Erf 7878, Namibia Ext 24 (Freedom Square) is a business area of strategic significance and Mangaung Metro Municipality is committed towards the regeneration of this area through the introduction of economic development interventions geared towards SMMEs development and township economy revitalisation (Annexure A). The above-mentioned Council property is needed to provide the minimum level of basic municipal services in the form of micro retail businesses, in a manner that primarily promotes Broad Based Black Economic Empowerment and improve the quality of life of the people and SMMEs and further make a positive contribution to the municipal economic growth and sustainable utilization of all land parcels within the municipal jurisdiction.

The property is situated along George Lubbe Street (M10) opposite the Fire Station in Namibia and it is under-developed measuring 3 866.58 m² in the robust and vibrant formal settlement of

Freedom Square (Annexure B). The site is regarded as a nodal point to the community. The current operation that is undertaken is a car wash utilised by all spectrums of society in Bloemfontein and it is incorporated in the designs of the Micro-Retail Park.

3. DELIBERATION

Mangaung Metropolitan Municipality, Desteza and Letsatsi Power Project have agreed to collaborate and contribute towards:

- Implementing the proposed Micro-Retail Park development in Namibia Ext 24 (Freedom Square) Mangaung to increase job creation and to contribute to the revitalisation of the surrounding areas;
- Creating sustainable entrepreneurs/business opportunities for the township, by providing, enterprise and skills development;
- Reducing unemployment through enabling access to the economy.

The relationship between the strategic partners has been formalised through a Memorandum of Understanding (MOU) detailing the respective responsibilities of the partnership (Annexure C). Following the signing of the MOU, the detailed conceptual designs were drafted and approved by the three parties (Annexure D) for the construction of the Micro-Retail Park on Portion of Erf 7878 Ext 24, Namibia, Mangaung.

The site is ideally located in terms of visibility, accessibility and connectivity. The project is estimated at the cost of R5 512 405.46 (Annexure E). The provision of bulk and link services are estimated at the costs of R291 750.11 (Annexure F) which will be borne by the Mangaung Metropolitan Municipality. The current market value of Erf 7878, Namibia, Mangaung is determined at R775 000.000 (Annexure G).

Overall, the in-kind contribution by the Mangaung Metropolitan Council to the collaboration with Desteza and Letsatsi Power Project amount to R1 066 750.11. Desteza has committed R1 500 000.00 (VAT incl.) whilst Letsatsi Power Project has set aside an amount equal to R2 500 000.00 (VAT incl.) to the project.

Partners' Contribution	Activity	Amount
Mangaung Metro	Bulk and link services (MMM)	R291 750.11
Mangaung Metro	Land value (refer to Annexure G) (MMM)	R775 000.000
Letsatsi Solar Power	Design, construction and related services	R2 500 000.00
Desteza	Construction and related services	R1 500 000.00
Total contribution by partners		R5 066 750.11
Total project costs		R5 512 405.46
Surplus		R445 655.35

4. RECOMMENDATIONS

It is recommended that the Mangaung Metropolitan Municipal Council approves:

- 4.1 That the land (Portion of Erf 7878, Namibia, Extension 24, Mangaung) be availed for the project as contained in the signed MOU (i.e the development of Micro-Retail Park) as a contribution of the Mangaung Metropolitan Council to the revitalization the township economy as well as progressive SMME businesses and enterprises development in the metro;
- 4.2 The three parties, viz. Mangoung Metropolitan Municipality, Desteza and Letsotsi Power Project must enter into a Land Availability Agreement which shall state that the use of the property (i.e Portion of Erf 7878, Namibia, Extension 24, Mangaung) shall be used exclusively as SMME Micro-Retail Park and that SMME's shall lease retail space within the Park;
- 4.3 That ownership of the land shall remain with the Mangaung Metropolitan Municipality;
- 4.4 That Mangaung Metropolitan Council approves the in-kind contribution (bulk and link services, and availing land) to the value of R1 066 750.11 as a commitment to the partnership;
- 4.5 That Letsatsi Power Project shall have management and control of the facility (Micro-Retail Park) in the form of entering into a Retail Park Management and Control Agreement with the Municipality for the purpose of rendering support to the end users (SMMEs);
- 4.6 That the Retail Park Managing company shall have the right to charge the tenants for the cost of maintenance, control and security costs;
- 4.7 That the above-mentioned management and control should specifically be on and around issues of maintenance and security of the Micro Retail Park;
- 4.8 That such Lease Agreements for the retail spaces be direct between the Municipality and the leasing SMMEs;
- 4.9 That the land tenure arrangement be such that the SMME's concerned have a direct relationship with the Mangaung Metropolitan Municipality through a short-term lease agreement;
- 4.10 That notwithstanding the date of approval, the construction commencement date be the first day of the month following the Council approval;

- 4.11 That the beneficiaries of the project (SMME's) be provided with pre-paid water and electricity metres;
- 4.12 That the right to advertise within and around the Micro-Retail Park shall remain the responsibility of the Mangaung Metropolitan Municipality.



HOD: Economic and Rural Development
Mr Teboho Maine

RECOMMENDED/~~NOT RECOMMENDED~~



City Manager
Adv. Tankiso Mea

APPROVED/~~NOT APPROVED~~



Hon. Executive Mayor
Cnr Matawana Mlamleli



Mangaung Metropolitan Municipality

DECISION LETTER TO APPLICANT: ERF 7878 FREEDOM SQUARE

Attention: City Manager

APPLICATION FOR THE FOLLOWING:

- **AMENDMENT OF THE GENERAL PLAN (SG 1645/2998) BY MEANS OF THE CLOSURE OF A PORTION OF ERF 7878 MANGAUNG ETX.24 (FREEDOM SQUARE) AS A PUBLIC OPEN SPACE**
- **THE SUBDIVISION OF THE CLOSED PORTION INTO TWO PORTIONS; AND**
- **REZONING OF THE CLOSED PORTION OF ERF 7878 FREEDOM SQUARE FROM "PUBLIC OPEN SPACE" TO "BUSINESS"**

1. The above-mentioned application, refers.

2. The Municipal Planning Tribunal, **approved in whole**, your application for the following:

- Amendment of the General Plan (SG 1645/2998) by means of the closure of a portion of erf 7878 Mangaung etx.24 (Freedom Square) as a public open space as indicated on Annexure "A", in terms of the Section 16 (2)(a)(vi) of Mangaung Land Use Planning By-laws [2015] read together with the Section 62 of the Spatial Planning and Land Use Management Act 2013 (Act 16 of 2013).
- Subdivision of the closed portion into two portions in terms of Section 16(2)(a)(v) of the Mangaung Land Use Planning By-laws [2015] read together with the Section 62 of the Spatial Planning and Land Use Management Act 2013 (Act 16 of 2013).
- Rezoning of the closed portion of erf 7878 Freedom Square from "Public Open Space" to "Business" in terms of Section 16 (2) (a)(ii) of the Mangaung Land Use Planning By-laws [2015] read together with Section 62 of the Spatial Planning and Land Use Management Act 2013 (Act 16 of 2013).

3. The above approval is subject to the conditions attached in Annexure "A".

4. Attached is the stamped layout Plan.

Regards



.....
B.S. MTHEMBU
HOD: PLANNING

25/04/2018
.....
DATE

Copy to: Registrar of Deeds: Bloemfontein
Private Bag X20613
Bloemfontein
9300

AND

Registrar of Surveyor General: Bloemfontein
73 Aliwal Street
Bloemfontein
9300

For your information.

The above mentioned matter refers.

ANNEXURE A

- Amendment of the General Plan (SG 1645/2998) by means of the closure of a portion of erf 7878 Mangaung etx.24 (Freedom Square) as a public open space as indicated on Annexure "A", in terms of the Section 16 (2)(a)(vi) of Mangaung Land Use Planning By-laws [2015], **is approved.**
- Subdivision of the closed portion into two portions in terms of Section 16(2)(a)(v) of the Mangaung Land Use Planning By-laws [2015], **is approved.**
- Rezoning of the closed portion of erf 7878 Freedom Square from "Public Open Space" to "Business" in terms of Section 16(2)(a)(ii) of the Mangaung Land Use Planning By-laws [2015], **is approved**, subject to the following conditions:
 - (i) that civil and electrical municipal services be provided to the proposed subdivision by the Mangaung Metropolitan Municipality; and
 - (ii) that a 7 meter building line applies to the development of any permanent structure.

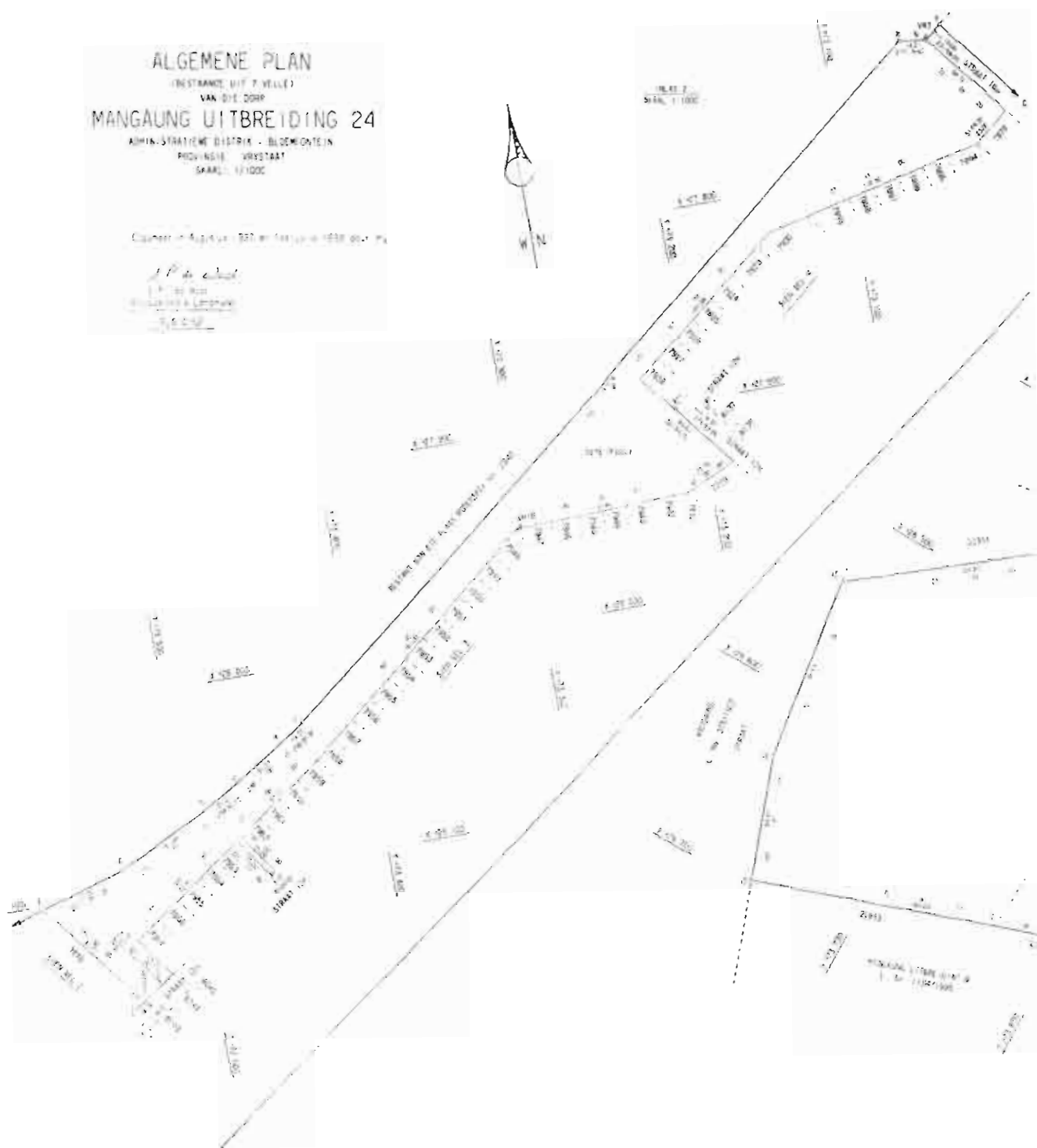


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B. S. MTHEMBU
HOD: PLANNING

25/04/2018
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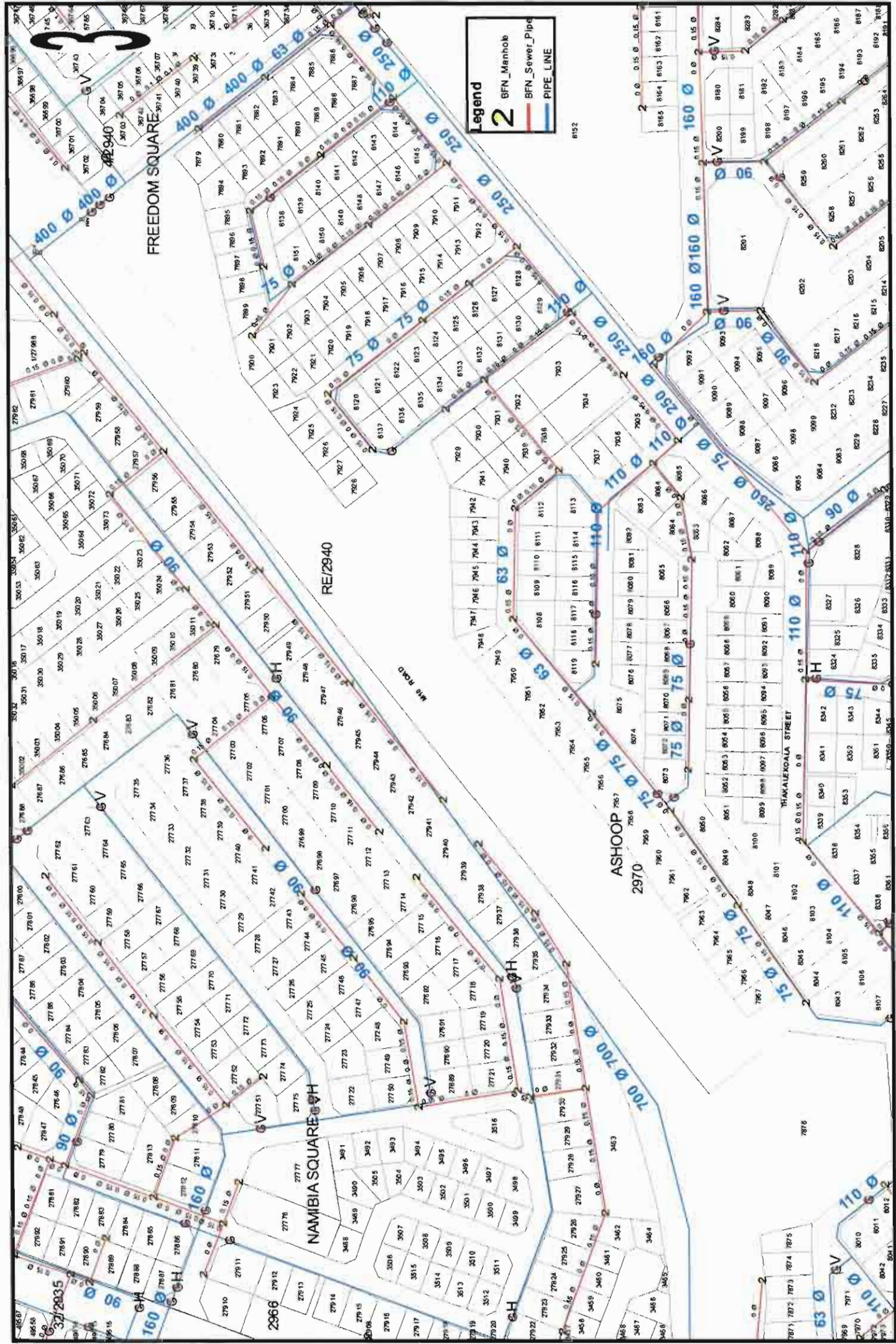
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$\frac{1}{2} \times 100 = 50$
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● 2014 年 10 月 1 日起

11. Tessa Andrea Lippman is a U.S. Environmental Protection Agency (EPA) scientist working with the Pacific Northwest Laboratory (PNL) in Richland, WA. She is currently a senior research advisor in the EPA's Office of Research and Development, where she is responsible for the development and implementation of research programs in the area of environmental health and safety. She has a B.S. in Biology from the University of Washington and a M.S. in Environmental Health Sciences from the University of Washington. She has been with EPA since 1988 and has worked in a variety of capacities, including as a research scientist, project manager, and senior advisor. She has a strong background in the areas of toxicology, environmental health, and risk assessment. She has published numerous papers in the field and has been a frequent speaker at national and international conferences. She is currently working on a number of projects, including the development of new methods for assessing the risk of environmental chemicals and the evaluation of the health effects of environmental pollutants. She is also involved in the development of educational materials for the public and the media. She is a member of the American Society for Environmental Health and Safety and the Society of Environmental Toxicologists and Chemists.



ISSUE 23

June 2019

CITY GIVES SMALL BUSINESSES A BOOST

As part of creating organic economic hubs and growing township economy, Mangaung Metro has joined forces with the Department of Economic, Small business development, Tourism and Environmental Affairs and Letsatsi Power Project to build a macro retail facility for small businesses in Namibia.

Addressing community members and members of the media on Tuesday, June 11, Mangaung Metro Executive Mayor Cllr. Olly Mlamleli said the City is committed to giving small businesses the necessary support needed for them to thrive.



"We have a huge responsibility to think about how to cultivate smaller, locally owned businesses. I am happy that the newly appointed MEC for DESTEAM Makalo Mohale is part of this event. This is a milestone, which will change how the community of Namibia does business and create employment opportunities for residents," said Mlamleli.

She emphasized that she would like to thank Letsatsi Power Project for deciding to give back to the people of Mangaung. Mlamleli said the purpose of the event was to engage residents on the development that will be taking place in the area. "Our contribution as Mangaung Metro is providing land where the retail facility is going to be build and will connect water and electricity. Once the retail facility is

complete, we are going to help the tenants with their individual connections for pre-paid water and electricity," said Mlamleli.

MEC Mohale said DESTEAM is working tirelessly to formalise township economy but

the first step is to provide small business owners with a place to operate.

"We are trying to ensure that all small businesses in the township are formalised so that they can be part of the mainstream economy," said Mohale. He added that the project is going to be continuous; but the goal is for the container macro retail facility to be up and running before the end of the year.

Letsatsi Power Project CEO Thigesh Velen said the group is very passionate about giving back to the community and they identified a piece of land in Mangaung that they thought would be suitable for a macro retail facility. "Besides the retail facility, we also want to develop an incubation centre for small businesses in this area. We believe that small businesses in the township will go a long way in creating employment and growing the local economy," said Velen.

The facility will accommodate a car wash, restaurants and retail stores.



MANGAUNG NEWS UPDATE

This platform has been created to communicate all the activities, projects, events and the latest developments within MMM. If an individual Directorate wants to publish their information, please contact the communications unit: (Tel: 051-4058212 or e-mail qondile.khedama@mangaung.co.za)



DIREKTORAAT EKONOMIESE ONTWIKKELING EN BEPLANNING
LITHAPHA LA NTSWETSIPELE YA RORONO LE MORALO
DIREKTORAAT EKONOMIESE ONTWIKKELING EN BEPLANNING

LEGEND	
ERF NO.	AREA
117878	±372.71m ²
217878	±218.70m ²
317878	±244.60m ²
417878	±279.06m ²
517878	±313.53m ²
617878	±247.93m ²
717878	±269.41m ²
817878	±352.14m ²
917878	±273.49m ²
1017878	±243.88m ²
1117878	±3866.62m ²

SITE	COLOUR
RESIDENTIAL	Blue
STREET	Blue
BUSINESS	Red

TEK. Nr.	ORC. No. UIT/ISS
KODE	1

ALGEMEEN BESTUURDER
GENERAL MANAGER

ADELIENSHOOF
DIVISIONAL HEAD

HOOF TEKENDIENSTE
CHIEF DRAUGHTING SERVICES

SKAAL
SCALE

TOEGEKEN
DRAWN

OPREKES
SURVEYED

ONTWERP
DESIGNED

SUB DIR
SUB DIR

SUBJECT

AMENDMENT OF THE GENERAL PLAN AND ZONING OF ERF 1117 IN NAMIBIA

LOCALITY PLAN

SCALE 1:7500



MEMORANDUM OF AGREEMENT**ENTERED INTO AND BETWEEN****DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS**

Herein represented by Dr Mbulelo Nokwequ in

his capacity as the **Head of the Department**(Hereinafter referred to as **"DESTEA"**)**MANGAUNG METRO MUNICIPALITY**

Herein represented by Advocate Tankiso Mea in

his capacity as the **City Manager** (Hereinafterreferred to as **MANGAUNG"**)**LETSATSI POWER PROJECT**

Herein represented by Mr Thigesh Velen

In his/her capacity as **Chief Executive Officer**(Hereinafter referred to as **"LETSATSI"**)

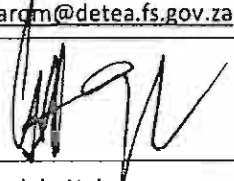
For DESTEA.....

For MANGAUNG Metro Municipality: For LETSATSI:

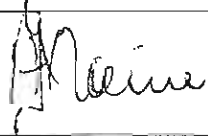
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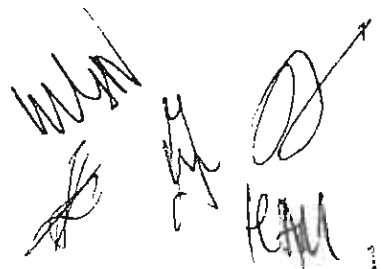
**DEPARTMENT OF ECONOMIC, SMALL BUSINESS DEVELOPMENT, TOURISM AND
ENVIRONMENTAL AFFAIRS**

("DESTEА")

Physical Address	113 St Andrews, Bloemfontein, 9301
Postal Address	Private bag x20801, Bloemfontein, 9301
Telephone Number	051 400 9619
Telefax No.	+27(0) 86 273 6458
Contact Person	Mr Modisaotsile Sehularo
Email Address	sehularom@detea.fs.gov.za
Signature(s) (who warrants that s/he is duly authorised to Sign)	
Name	Dr Mbulelo Nokwe
Title	Desteа: Head of Department
Date	4/7/2019

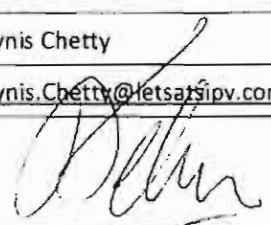
MANGAUNG METROPOLITAN MUNICIPALITY ("MANGAUNG")

Physical Address	No. 5 de Villiers Street, Bloemfontein
Postal Address	P.O. Box 3704, Bloemfontein, 9300
Telephone Number	+27 (51) 405 8343
Telefax No.	+27 (51) 405 8741
Contact Person	Teboho Maine
Email Address	teboho.maine@mangaung.co.za
Signature(s) (who warrants that s/he is duly authorised to Sign)	
Name	Adv. Tankiso Mea TEBOHO MAINE
Title	City Manager (Acting)
Date	2019-07-05



LETSATSI POWER PROJECT

("LETSATSI")

Company Registration Number	2011/145434/07
Physical Address	Office 6A, 6 th Floor, Sinosteel Plaza, 159 Rivonia Road, Sandton
Postal Address	P.O Box 651384, Benmore, 2010
Telephone Number	011 217 7420
Telefax No.	086 596 1313
Contact Person	Glynis Chetty
Email Address	Glynis.Chetty@letsatsipv.com
Signature (s) (who warrants that s/he is duly authorised to Sign)	
Name	Thigesh Velen
Title	Chief Executive Officer
Date	10/07/2019

 2

CONTENTS

1.	PREAMBLE.....	4
2.	DEFINITIONS.....	5
3.	DURATION.....	7
4.	PURPOSE OF THE MOA	8
5.	THE OBJECTIVE OF THE PROJECT	8
6.	STEERING COMMITTEE	8
7.	LIABILITY.....	9
8.	CONFIDENTIAL INFORMATION	10
9.	BREACH	11
10.	SPECIAL CONDITIONS.....	11
11.	ADDRESS FOR CORRESPONDENCE.....	12
12.	ASSIGNMENT AND SUB-CONTRACTING.....	13
13.	GOOD FAITH.....	13
14.	GENERAL	14
15.	FORCE MAJEURE	14
16.	DISPUTE RESOLUTION AND ARBITRATION	15
17.	VARIATIONS	15
18.	SIGNATURES.....	16

LIST OF ANNEXURES

- A. PROJECT PROPOSAL
- B. COMMITMENT & UNDERTAKINGS AGREEMENT

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1. PREAMBLE

WHEREAS as part of the Enterprise Development programme, Letsatsi has identified the need for retail space (**Micro-Retail Park**) for the existing micro-enterprises and to extend this offering to other additional micro-enterprises.

AND WHEREAS Letsatsi would like to develop the retail space infrastructure in a Micro- Retail Park and facilitate the appointment of a "**Property Management Company**" in Mangaung (Freedom Square, Papa G's Carwash). The Micro-Retail Park shall be developed on the land being identified as Erf 7878, Freedom Square, Mangaung, measuring 3 866 m² (**The Land**) and in the ownership of the Mangaung Metropolitan Municipality.

AND WHEREAS The Land shall be of free issue for the development of the Micro-Retail Park and shall endure the operations of the Micro-Retail Park through a period of minimum 20 (twenty) years. Mangaung Metropolitan Municipality shall construct and make available the requisite bulk services namely potable water, sewerage and electricity supply for the operations of The Land.

AND WHEREAS the Free State Provincial Government through the Department of Economic Development, Small Business Development, Tourism and Environmental Affairs (DESTEa) views this as a strategic initiative in terms of their mandate to participate in integrating public sector support into township revitalisation programmes.

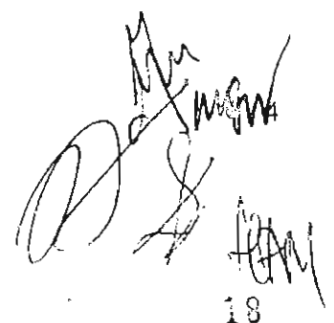
AND WHEREAS One of the development goals of DESTEa is the creation of employment opportunities for historically disadvantaged population groups. As such they intend promoting a culture of entrepreneurship among young men and women preparing them to enter a labour market with scarce formal employment opportunities. The Micro- Retail Park concept serves to deliver on this goal. The retail concept could be extended to become a one-stop-shop to include back office support in the form of incubation and mentorship.

AND WHEREAS Parties will contribute financially and non-financially to ensure the completion of the project.

AND WHEREAS an independent Property Management Company will be established through Letsatsi's Enterprise Development Programme to undertake the necessary operation and maintenance requirements to ensure the sustainability of the retail centre.

AND WHEREAS Parties deem it necessary to enter into the MOA to establish Partnership between DESTEa, Mangaung, and Letsatsi.

NOW THEREFORE the parties hereby and agree as follows:

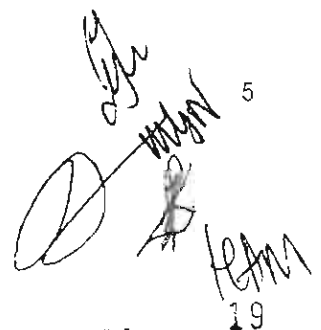


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2. DEFINITIONS

2.1. The expressions defined below shall have the meanings assigned to them unless inconsistent with the context –

- 2.1.1. **“Business Day”** means a day which is not a Saturday or Sunday or a public holiday as gazetted in South Africa from time to time;
- 2.1.2. **“Disclosing party”** shall mean, a party or its Representative that discloses information.
- 2.1.3. the words **“include”**, **“including”** and **“in particular”** shall be construed as being by way of example or emphasis only and shall not be construed, nor shall they take effect, as limiting the generality of any preceding word/s;
- 2.1.4. **“Notice”** means a notice given in writing (including electronically);
- 2.1.5. **“MOA”** means the MOA as contained herein;
- 2.1.6. the words **“other”** and **“otherwise”** shall not be construed eiusdem generis with any preceding words where a wider construction is possible;
- 2.1.7. **“Party/Parties”** means the organisation/s that is/are signatories to this MOA;
- 2.1.8. **“Project”** means the development and operation of a township micro-retail park in Mangaung;



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- 2.1.9. **"Project Manager"** means the nominated officer accountable for a particular project identified by the steering committee. The Project Manager has the overall responsibility for resources, consultants, budget and timeframe in accordance with agreed project plan approved by the steering committee;
- 2.1.10. **"Project Proposal"** means the proposal for the Development of a Township Micro-Retail Park in Mangaung by Letsatsi Power Project and attached hereto as **Annexure A**;
- 2.1.11. **"Receiving party"** means, a Party or its Representative that receives information.
- 2.1.12. **"Responsible Organisation"** means the Party, or other authorised government entity, that has been assigned to undertake work on behalf of the Steering Committee;
- 2.1.13. **"Representative"** means an employee, agent, officer, director, auditor, advisor, partner, consultant, contractor, joint venture, sub- contractor or other representative of a party;
- 2.1.14. **"Annexures"** means the schedules to this MOA.
- 2.1.15. **"Steering Committee"** means committee of representatives established to implement an agreed project plan in accordance with clause 6.1.
- 2.1.16. **"Signature"** or **"Sign"** means a manual written signature, an electronic signature recognised as an electronic signature in terms of South African legislation or electronic acceptance of a particular document;
- 2.1.17. **"Implementation partners"** the parties who agree to implement the project.



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- 2.2. Expressions defined in this MOA shall bear the same meanings in annexures to this MOA, save to the extent to which those annexures themselves assign a different meaning to that term.
- 2.3. The headings in this MOA are inserted for reference purposes only and do not bear upon the interpretation of any clause.
- 2.4. Where any term is defined within the context of any particular clause in this MOA (other than the definition clause), the terms so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this MOA, notwithstanding that such term has not been defined in the definition clause above.
- 2.5. Any reference to legislation (which includes regulations) is to that legislation as at the date on which this MOA is signed and to such legislation (including regulations) as amended or re-enacted or replaced from time to time.
- 2.6. When any number of days is prescribed in this agreement, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a day which is not a Business Day, in which case the last day shall be the next succeeding day which is a Business Day.

3. DURATION

- 3.1. Notwithstanding the date of signature of this MOA, this MOA shall commence on the date of signatures ("Effective Date") and shall, subject to its provisions continue for one year, or until the project is complete" or whichever comes first, to ensure completion of the project ("Term"). Unless this MOA is extended by the Parties in writing and signed with a handwritten signature, neither Party shall have the right to assert any renewal, including tacit renewal, of this MOA.
- 3.2. Notwithstanding anything to the contrary contained herein, the Parties may terminate this MOA by giving 30 (thirty) days' prior written notice of its intention to do so. On termination of this MOA in terms of this clause 2.2, neither Party shall be liable to the other Party for any costs, damages, nor losses of whatever nature whether direct, indirect or consequential in form.



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4. PURPOSE OF THE MOA

- 4.1. This MOA records the principal terms and conditions of the agreement reached between the parties.
- 4.2. This MOA seeks to formalise the cooperation between the Parties by determining the scope and extent of such cooperation in respect of the Project and those areas of collaboration as contained in the Commitment and Undertaking Agreement between the Parties, annexed hereto as Annexure B.

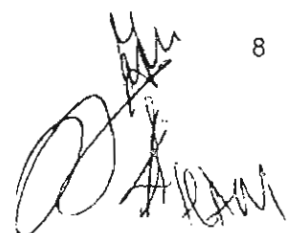
5. THE OBJECTIVE OF THE PROJECT

The objective of the project is to:

- 5.1. Develop and sustain SMMEs in the aim of creating employment and contribute to the revitalisation of township economy;
- 5.2. Creating sustainable entrepreneurs/ business opportunities for township, by providing, enterprise and skills development;
- 5.3. Reducing unemployment through enabling access to the economy.

6. STEERING COMMITTEE

- 6.1. There shall be a steering committee established among the Parties to this MOA. The steering committee shall comprise a maximum of 7 (seven) representatives interested in the objective of this agreement. The committee shall consist of: -
 - 6.1.1. One Executive Manager from DESTEA who the Chairperson will be,
 - 6.1.2. Two Representatives from DESTEA
 - 6.1.3. Two Representatives from Mangaung
 - 6.1.4. Two Representatives from Letsatsi
- 6.2. The Parties at the first meeting of each calendar year (shall select steering committee members. The steering committee shall establish rules governing the manner in which its business is to be conducted.



- 6.3. The steering committee shall make recommendations and approvals on behalf of the respective Parties on matters affecting the Project. The steering committee shall consider input from all Parties in making recommendations.
- 6.4. The Parties will initially meet at times indicated by the Programme Manager. The steering committee may amend its meeting schedule as necessary.
- 6.5. The steering committee shall meet to develop a list of targeted objectives and document a coordinated plan for the implementation of the project.
- 6.6. Each party is to be a champion of the Steering Committee within their respective organisations and in the public realm.
- 6.7. Steering Committee members or delegates will:
 - 6.7.1. Attend all meetings;
 - 6.7.2. Review documents;
 - 6.7.3. Report back to their respective organisation; and
 - 6.7.4 Support the Steering Committee as required.
- 6.8. Each Party (including its delegate member of the Steering Committee) must take all steps, execute all documents and do everything reasonably required to give effect to this MDA.

7. LIABILITY

- 7.1. Each Party bears the liability arising out of its own negligence, wrongful act or omission, and its own breach of this MDA.
- 7.2. This MDA in no way restricts any Party from participation in similar agreements and/or activities with other public or private entities.

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8. CONFIDENTIAL INFORMATION

- 8.1 Each Party ("Receiving Party") must treat and hold as confidential all information which it may receive from the other Party ("Disclosing Party") or which becomes known to it during the duration of this Agreement.
- 8.2. The confidential information of the Disclosing Party shall include all information relating to-
- 8.2.1. the Disclosing Party's past, present and future research and development;
 - 8.2.2. the Disclosing Party's business activities, products, rights, customers, as well as the Disclosing Party's technical knowledge and trade secrets;
 - 8.2.3. the terms and conditions of this MOA.
- 8.3. The Receiving Party agrees that in order to protect the proprietary interests of the Disclosing Party in the Disclosing Party's confidential information –
- 8.3.1. it shall only make the confidential information available to those of the Receiving Party's Personnel who are actively involved in the execution of the Receiving Party's obligations under this MOA and then only on a "need to know" basis;
 - 8.3.2. it shall initiate internal security procedures at least to the same standard as its own internal security procedures applied to its own Confidential Information prevent unauthorised disclosure and shall take all practical steps to impress upon those Personnel who need to be given access to confidential information, the secret and confidential nature thereof;
 - 8.3.3. subject to the right to make the confidential information available to its Personnel under clause 8.3.1 above, it shall not at any time, whether during this MOA or thereafter, either use any confidential information of the Disclosing Party or directly or indirectly disclose any confidential information of the Disclosing Party to third parties;
 - 8.3.4. all written instructions, drawings, notes, memoranda, project plans, strategies and records of whatever nature relating to the confidential information of the Disclosing Party which have or shall come into the possession of the Receiving Party and its Personnel, shall be and shall at all times remain the sole and absolute property of such

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Party and shall promptly be handed over to such Party when no longer required for the purposes of this MOA.

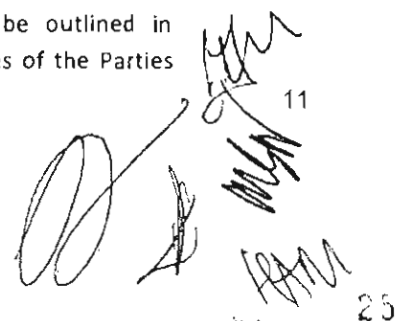
- 8.4. The foregoing obligations shall not apply to any information which –
- 8.4.1. is lawfully in the public domain at the time of disclosure;
 - 8.4.2. subsequently and lawfully becomes part of the public domain by publication or otherwise;
 - 8.4.3. subsequently becomes available to the Receiving Party from a source other than the Disclosing Party, which source is lawfully entitled without any restriction on disclosure to disclose such confidential information; or
 - 8.4.4. is disclosed pursuant to a requirement or request by operation of law, regulation or court order.
- 8.5. The Receiving Party hereby accept liability for the Disclosing Party's loss or damage which the Disclosing Party may suffer as a result of a breach of this clause by the Receiving Party or the Receiving Party's Personnel.
- 8.6. This clause is severable from the remainder of the MOA and shall remain valid and binding upon the Parties, notwithstanding any termination thereof, for a period of 2 (two) years after the effective date of termination.

9. BREACH

Should a Party in any respect whatsoever breach or permit the breach of any one or more of the material terms and conditions of this MOA, and fail to remedy such default or breach within 14 (fourteen) days after receiving written notice from the other Parties to do so, then, notwithstanding any previous waiver on its part of any of its rights under this MOA, the other Parties shall be entitled, without prejudice to any other rights or remedies as it may have in law or in terms of this MOA, to cancel this MOA with immediate effect and claim damages, if any, for the default or breach and the cancellation of this MOA.

10. SPECIAL CONDITIONS

- 10.1. This MOA makes provision for funding obligation on the Parties but is not the Parties financial contribution document. Any endeavour involving reimbursement or contribution of funds between the Parties to this instrument will be handled in accordance with the laws, regulations, and procedures applicable to each governmental agency, or other participant. Such endeavors will be outlined in separate agreements that shall be made in writing by representatives of the Parties



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and shall be independently authorized by appropriate statutory authority.


- 10.2. Each Party shall perform its responsibilities and activities described herein as an independent contractor and not as an officer agent, servant, or employee of any of the other Parties hereto. Each Party shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. Nothing herein shall be considered as creating a partnership or joint venture between the Parties.
- 10.3. This MOA may be executed in any number of counterparts, i.e. deliverables may commence in any order, each of which shall for all purposes be deemed to be an original and all of which shall together constitute one and the same instrument.
- 10.4. Each Party represents and warrants that it has full power and authority to execute and fully perform its obligations under this MOA without the need for any further action and that the person executing this MOA on behalf of each Party is fully authorized to do so.

11. ADDRESS FOR CORRESPONDENCE

- 11.1. The Parties choose the physical addresses as set out hereunder as their address for correspondence for all purposes of this MOA:

DESTEA	MANGAUNG METROPOLITAN MUNICIPALITY
Contact: Dr Mbulelo Nokwequ	Contact: Teboho Maine
Address: 113 St Andrews Bloemfontein 9300	Address: No. 5 de Villiers Street Bloemfontein 9300
Tel: 051 400 4913	Tel: (051) 405 8343
Fax No:	Fax No: (051) 405 8741
Email: HOD_Office@detea.fs.gov.za	Email: teboho.maine@mangaung.co.za

12



LETSATSI POWER PROJECT

Contact: Ms Glynis Chetty

Address: 6A Sinosteel Plaza
159 Rivonia Road
Sandton

Tel: 011 217 7420

Fax No: 086 596 1313

Email: Glynis.Chetty@letsatsipv.com

- 11.2. Notice of change of address must be given in writing, by the Party concerned and delivered by registered mail to the other Parties.

12. ASSIGNMENT AND SUB-CONTRACTING

Neither Party shall cede, assign, delegate or otherwise transfer the benefit or burden of all or any part of this MOA without the prior written consent of the other Party.

13. GOOD FAITH

In the implementation of this agreement, the Parties shall observe the utmost good faith in accordance with the principles of co-operative governance, and by their signatures hereto, warrant that in their dealings with each other, neither shall do anything nor refrain from doing anything, which might prejudice or detract from the reputation, rights or interests of either Party.



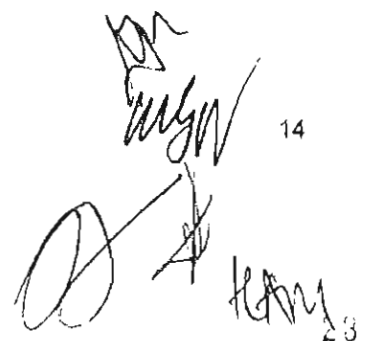
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14. GENERAL

- 14.1. The Parties intend that a partnership relationship be created between them by this MOA.
- 14.2. All additions or modifications to this MOA must be made in writing and must be executed by the Parties.
- 14.3. Neither Party is regarded as having waived, or is precluded in any way from exercising any right under or arising out of this MOA by reason of such Party having at any time granted any extension of time for, or having shown any indulgency to, the other Party with reference to any performance of any obligation under this MOA, or having failed to enforce, or delayed in enforcing any right of action against the other party.
- 14.4. This document and its annexures constitute the sole record of the MOA between the Parties regarding the subject matter thereof.
- 14.5. This MOA shall be governed and construed according to the laws of the Republic of South Africa.

15. FORCE MAJEURE

- 15.1. If and to the extent that either party's failure of performance of any of its obligations pursuant to this MOA from events or circumstances beyond such party's reasonable control (the "force majeure events") and such non-performance could not have been prevented by reasonable precautions, then the non-performing party shall, provided that it promptly notifies the other party in writing of such force majeure event, be excused from any further performance of those obligations to the extent that such non-performance is due to the occurrence of the force majeure event and for as long as such force majeure event continues and such party continues to use every commercially reasonable effort to recommence performance. Either Party may terminate this MOA by written notice to the other should the force majeure event extend for in excess of 30 (thirty) days.
- 15.2. A party affected by force majeure may only rely upon this clause to exclude liability if the affected party could not have avoided the effect of the force majeure by taking precautions that, having regard to all matters known to it before the occurrence of the force majeure, it ought reasonably to have taken (and it took such precautions). Where a force majeure affects either party under this MOA, both parties shall use reasonable endeavours to mitigate the effect of such force majeure, and otherwise to carry out their obligations under this MOA in any other way that is reasonably practicable.



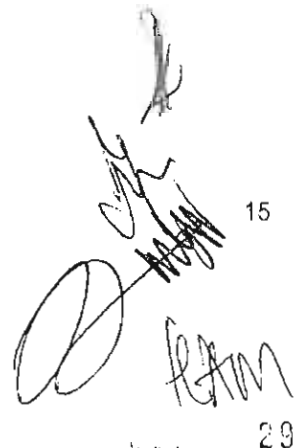
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16. DISPUTE RESOLUTION AND ARBITRATION

- 16.1. Should any dispute, disagreement or claim arise between the parties (hereinafter referred to as "the dispute") concerning this MOA or the interpretation of this MOA or its termination, the parties shall attempt to resolve the dispute by negotiation. In such event and as and when the dispute arises, one party may invite the other party in writing to meet and to attempt to resolve the dispute within 7 (seven) days from date of the written invitation.
- 16.2. Should the procedure as described as in clause 16 above fail and the dispute remains unresolved within 21 (twenty one) days of the date of either party's written invitation to meet in terms of clause 16, then in such event the matter shall be referred to each party's respective managing directors (or other suitable senior executives) and a meeting shall take place between such persons with a view to resolving same. Such meeting must take place within 7 (seven) days after the expiry of the aforementioned 21 (twenty-one) day period.
- 16.3. **Arbitration.** If the Parties or any of them do not accept the recommendations of the Mediator, the Parties or any of them shall refer the dispute or difference to arbitration. Any arbitration in terms of this Agreement shall be conducted in accordance with the Rules of the Arbitration Foundation of Southern Africa, in force from time to time. Nothing in this clause shall preclude any Party from seeking interlocutory relief in any court having jurisdiction pending the institution of appropriate proceedings for the enforcement of any rights under this Agreement. The provisions of this clause are separate and severable from the rest of this Agreement and, accordingly, shall remain in effect despite the termination or invalidity for any reason of this Agreement.
- 16.4. **Obligations during Dispute Settlement.** Pending any attempt at amicable settlement, mediation or arbitration, each Party shall continue to perform its obligations under this Agreement.
- 16.5. Should the procedure as described in clause 16.3 fail and a dispute remains unresolved, either party may submit the dispute to the Free State High Court.

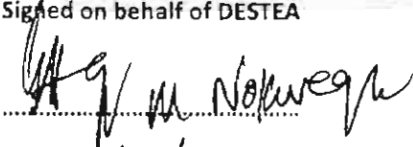
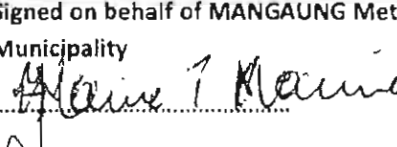

17. VARIATIONS

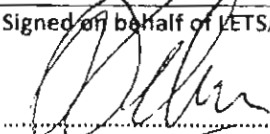
This is the whole Agreement and no alteration of or amendment or addendum to, or omission from this Agreement or waiver of rights, shall have any force to effect unless it is affected in writing and signed by both Parties.



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18. SIGNATURES

Signed on behalf of DESTEA		Signed on behalf of MANGAUNG Metro Municipality	
 Date: 4/7/19		 Date: 2019.07.05	
Print signatory's name	M. Nolasque	Print signatory's name	T. Maine
Position within DESTEA	Head of Department	Position within MANGAUNG	ACTING CITY MANAGER
WITNESSES		WITNESSES	

Signed on behalf of LETSATSU			
 Date: 10/07/2019			
Print signatory's name	T. VELEN		
Position within MANGAUNG LETSATSU	CEO		
WITNESSES			

**Annexure A: PROPOSAL FOR THE DEVELOPMENT OF A TOWNSHIP MICRO-RETAIL
PARK IN MANGAUNG**

***A Micro-Retail Park Concept for the "Retail Center" site in Freedom Square -
Mangaung***



Developed by:



in Partnership with

and

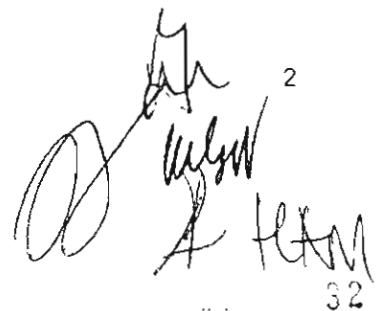


SEPTEMBER 2017

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HAM

CONTENTS

1.	BACKGROUND.....	3
2.	DEFINING THE PROBLEM	4
3.	DEFINING THE SCOPE AND OBJECTIVES OF THE INTERVENTION	5
4.	FORGING STRATEGIC PUBLIC PRIVATE PARTNERSHIPS	5
5.	DESIGNING THE 'FREEDOM SQUARE' MICRO RETAIL PARK	6
5.1.	Freedom Square.....	6
5.2.	The 'Freedom Square Retail Center' Site	7
5.3.	An Artists Impression of The Proposed Development.....	8
6.	THE PROJECTED BUDGET OF THE MICRO-RETAIL PARK.....	9
7.	CRITERIA AND PROCESS FOR SELECTION OF ENTERPRISES	9
8.	WAY FORWARD.....	10



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1. BACKGROUND:



The South African Department of Energy's (DOE) Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) awarded the preferred bidder status to the consortium responsible for the construction of the Letsatsi solar (PV) power plant in the first round of bidding. The project created more than 600 construction jobs and permanent operational and maintenance jobs. The Letsatsi project contributes towards rural development programmes, skills and technology transfer, and education enhancement, creating indirect and induced jobs across the supply chain.

Mission Statement:

Helping power South Africa with renewable energy, while stimulating and sustaining local social economic upliftment and enterprise development.

Letsatsi in partnership with Department of Economic Development, Small Business Development, Tourism and Environmental Affairs (DESTE) in the Free State Province has identified the need of retail space for existing beneficiaries and to extend this offering to additional small/micro enterprises.

The development of such infrastructure is contemplated in the township of Mangaung (Free State). The Freedom Park township is one of the townships earmarked given the demand for SMME trading in small retail centres. The number of enterprises and service offerings to be accommodated at the centre is informed through consultation with various stakeholders, particularly the surrounding communities.



(single/multi-sectoral) and business parks along with roads, water, electricity, waste management and internet access.

The role of public-private partnerships to intervene in the Township economy and strengthen and grow them has become increasingly significant.

3. DEFINING THE SCOPE AND OBJECTIVES OF THE INTERVENTION

To create a sustainable market access platform for 10 – 15 micro/small-enterprises in the Township of Freedom Park in Mangaung by developing containerized infrastructure in the form of a “Micro-Retail Park” and supporting the enterprises with the necessary business development services thus contributing towards the overall township development.

4. FORGING STRATEGIC PARTNERSHIPS

DESTEА

One of the Development Goals of DESTEА is the creation of decent employment opportunities for historically disadvantaged population groups. As such they intend promoting a culture of entrepreneurship among young men and women preparing them to enter into the small business sector given the scarce formal employment opportunities. The Micro-Retail Park Concept serves to deliver on this goal. DESTEА as the lead public sector partner will integrate the services of the Mangaung Municipality.

MANGAUNG MUNICIPALITY

The Mangaung Municipality as the local authority responsible for the land where the Retail Park is proposed to be located is key in determining the success of the initiative and the implementation time frames. The Municipality is responsible for long term leasing agreements and as such will determine the different options of land ownership, lease agreements and property rights.

LETSATSI

As part of the enterprise development programme, Letsatsi has identified the need for retail space for the existing micro-enterprises and intend to extend this offering to additional micro-enterprises. They have budgeted, in the current financial year, to set up the “Container Infrastructure” of the Micro-Retail Park in Freedom Park. LETSATSI will play the role of lead



developer.

The partners will make financial contributions to the development of the infrastructure as well as providing financial and business support services to the SMMEs.

5. DESIGNING THE 'FREEDOM SQUARE' MICRO RETAIL PARK

5.1. Freedom Square



Freedom Square is a suburb of Bloemfontein and is located in the district of Mangaung. Namibia, Kapanong, J.D. Mafora and Freedom Square are the names of the shack-lands that took root in Bloemfontein in the 90s. Most of the residents within these informal settlements migrated from remote corners of the Free State. The name "Freedom Square" originates from a collective belief of the first occupants, that the people liberated themselves by occupying this space.

Freedom square is part of Ward 6 which has a total population of 18 797, with 5695 dwellings. There are approximately 2642 unemployed people in ward 6.

5.2. The 'Freedom Square Retail Center' Site

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The "Freedom Square Retail Centre" site is situated along the **M10, an important intra-city route**, in the robust and vibrant informal settlement of Freedom Square. The site is regarded as a nodal point to the community. This information stems from various interviews that were conducted with community members. The current tenant, Papa G, is a well-respected and highly entrepreneurial member of the community and has a vision of turning the site into one that is productive and an asset to the community.

Papa G currently runs a car wash that is utilised by all spectrums of society in Bloemfontein. The site is ideally located in terms of visibility, accessibility and connectivity.

The opposite side of the site has huge potential for development as well. For example, a Panel Beating and Spray-Painting hub, a filling station etc. could be considered and aligned with the development plans of the Mangaung Municipality.

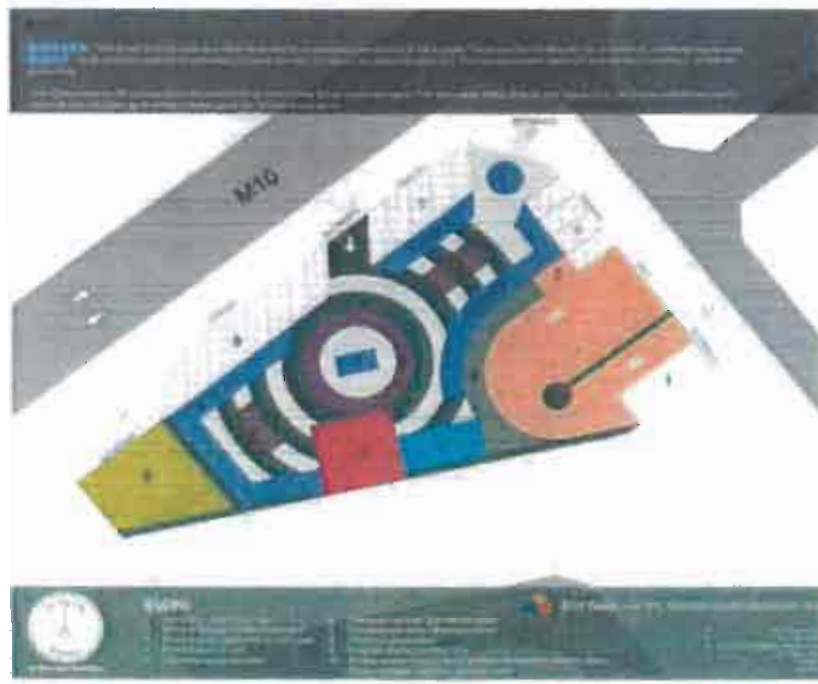
The analysis that was done indicated that the township does not have adequate commercial activities, services such as an Internet café, laundry services etc. These services are not accessible in the area and residents have to travel long distances to get to these services. The current retail services offered in the community such as food outlets, tuckshops, shoe repairs etc. are run informally, largely by foreigners.

The main objective of developing the micro retail park is to address one of the major challenges faced by enterprises, that of poor infrastructure. Poor infrastructure hinders the ability for development and ultimately contributes to the slow growth of enterprises. The infrastructure is intended to boost economic activity in the area and in the longer term to contribute towards job creation.

The micro retail park seeks to address the needs of the community by bringing retail services close to where they live, providing recreational space and an area for social activity. In the long term, the micro retail park is intended to contribute towards poverty alleviation by developing sustainable enterprises who in turn can increase their number of employees and absorb some of the youth from the community. This development is also intended to be the catalyst for further community developments in close proximity along the M10.

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5.3. An Artists Impression of The Proposed Development



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6. THE PROJECTED BUDGET OF THE MICRO-RETAIL PARK

The square meterage of the full site allocated by the Mangaung Municipality is 3,866 sq metres. A Quantity Surveyor did a high-level cost estimate which approximated at R 4 000 000.00 for phase 1.

Pre- Development Costs committed by Letsatsi is as follows. These figures are based on actuals per the development scope completed to date

Expenditure to Date	Actuals to Date
Professional Fees – Includes Project Conceptualization, Architectural Draft, Stakeholder Engagement, Feasibility Study etc.	R 540 865
Procurement of Containers – Includes modification, etc.	R 1 193 617
Civil Works	R 208 000
TOTAL	R 1 942 482

DESTEa has provisionally budgeted R1 500 000.00 (incl. VAT) towards the development through DESTEa supply chain processes.

Budgeted Scope	Cost Estimate
GeoTech	R 1 500 000
Design of Structural Steel	
Structural Steel Fabrication and Installation	
Container Fit Out	

The budget allocated to date by Letsatsi and DESTEa towards the provisional construction costs of phase 1 is R4 million.

7. CRITERIA AND PROCESS FOR SELECTION OF ENTERPRISES

Basic criteria have been determined for the selection of enterprises based on stakeholder interviews and a needs analysis.

- Papa G to be the anchor tenant based on his initiative of establishing the site
- The additional enterprises to be set up as follows during phase 1 of the development:
 - A Convenience Store
 - An Internet Café



- A ChesenYama
- A Tyre Fitment Centre
- The micro-enterprises should be South African owned and be a resident of Freedom Square or the surrounding area
- Must be registered and in possession of a valid tax clearance certificate and BEE Certificate;
- Must be in possession of all compliance permits and licenses where required
- Generating revenue and ideally have been in operations for a minimum of 6 months
- Must be committed to paying rent, rates and services
- Must demonstrate the potential for job creation
- Must have the necessary operational equipment

The following supporting documentation needs to be provided by interested SMMEs

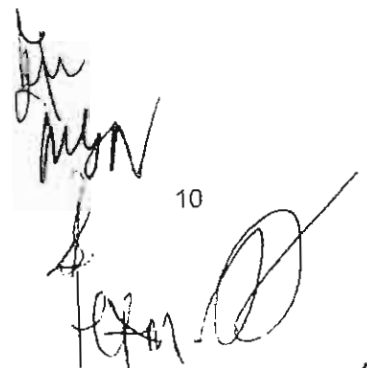
- Record of financial performance / financial statements must be available / have bank statement records
- Certified copies of business owner's/shareholders' identity documents
- Six-months bank statement of the business
- Company profile / proposal / business plan

Selection process:

- Car Wash and Tyre Fitment Centre to be automatically accommodated – due to the current occupation of the site and leasing arrangements with the Municipality
- Additional micro-enterprises to be nominated using existing databases of strategic partners to create a pool of approximately 25 representing the different tenant mix/business types
- Formal application process – application forms and supporting documents – desk top assessment and telephonic interviews
- Short listed companies to present to a representative panel of strategic partners for final selection

8. WAY FORWARD

- 8.1. All parties to sign the MOA and Commitment and Undertaking agreement.
- 8.2. Finalisation of SMMEs intended to occupy the site



- 8.3. Finalisation of the Site Layout Plan including municipal services
- 8.4. Finalisation of Designs
- 8.5. Construction of the Retail Park
- 8.6. Alignment with further developments considered along the M10
- 8.7. Mangaung to issue 20-year lease on the property for the development of the retail centre.

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41

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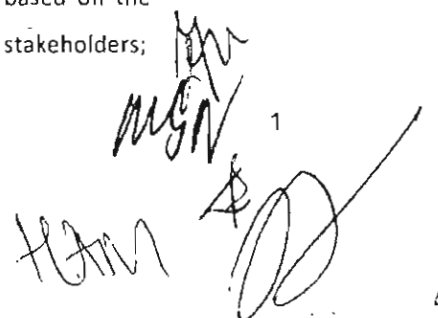
Annexure B: COMMITMENT AND UNDERTAKINGS OF EACH PARTY

1. LETSATSI shall:

- 1.1. Participate in the determination of strategic partnerships;
- 1.2. Participate in the working groups and the steering committee;
- 1.3. Determine the layout and configuration of the retail space for the existing micro-enterprises that are part of their Enterprise Development Programme, together with new beneficiaries;
- 1.4. Determine the operating structures, systems and the necessary budget to set up the "Container Infrastructure" of the Micro-Retail Park in Freedom square in Mangaung.
- 1.5. Appoint an SMME as the Property Management Company to manage the Micro Retail Centre
- 1.6. Be part of the process to identify the beneficiaries of the project
- 1.7. Commit R2 500 000.00 to the project as per the scope indicated in the concept document.

2. DESTEA shall:

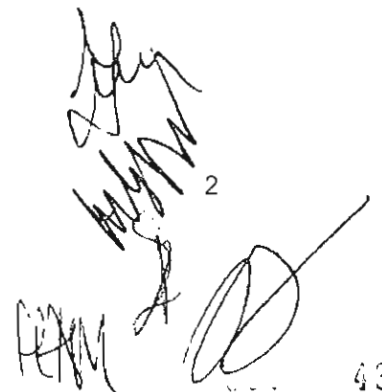
- 2.1 Lead in the determination of strategic partnerships;
- 2.2. Provide leadership for the establishment of working groups and or steering committee;
- 2.3. Provide input to the high-level concept for the Micro Retail Park and the type of enterprises to be targeted and the service to be offered;
- 2.4. Review phases of the project;
- 2.5. Present the final concept and recommended solutions based on the project objectives and cost benefit analysis for sign off by stakeholders;

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- 2.6. Be part of the process to identify the beneficiaries of the project
- 2.7. Commit R1 500 000.00 (incl. VAT) to the project in procuring the relevant scope as indicated in the concept document through its supply chain process.

3. **MANGAUNG** shall:

- 3.1. Participate in the working groups and the steering committee
- 3.2. Provide land and commit the Land, being identified as Erf 7878, Freedom Square, Mangaung, measuring 3866 m² for the development and operation of the micro-retail park.
- 3.3. Cooperate and collaborate with the Parties in identifying and facilitating the granting of permits to develop the project.
- 3.4. Determine different options of land ownership, lease agreements and property rights; and ensure the security of the land to the Micro-Retail Park over the intended and agreed 20-year operations of the park.
- 3.5. Provide the necessary bulk water, electricity and sanitation services which shall be paid for in accordance with the Council Policy by the relevant Parties;
- 3.6. Subject to all applicable legislation commit the identified land parcel (in Freedom Square) for the establishment of the micro-retail park;
- 3.7. Be part of the process to identify the beneficiaries of the project.

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EXECUTIVE
OFFICE OF THE
CITY MANAGER

PO Box 3704, Bloemfontein, 9300
2nd Floor, Bram Fischer Building, De Valiers Street, Bloemfontein
Tel: +27(0)51 405 8621, Fax: +27(0)51 405 8108

Your Ref:
Room 201, Bram Fischer Building

Our Ref:
Date: 03 July 2019

Mr. T Maine
HOD Economic and Rural Development

Sir

APPOINTMENT OF T MAINE AS ACTING MANAGER

You are hereby appointed as acting City Manager for the period of **04-05 July 2019**. You will be expected to carry out all duties and functions as per the delegation of powers of the position.

Please indicate your acceptance of this acting appointment herein below.

Yours faithfully

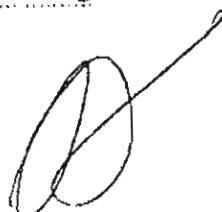

Adv. Tankiso Mea
City Manager

ACCEPTANCE OF ACTING APPOINTMENT

I, T EBOEN MAINE, Hereby accept the acting appointment for the period stated above

Signature: 

Date: 2019-07-03



Our Ref: 0022/2019/L/Rakaki

Enquiries: Mr. M. Rakaki
Tel No. (051) 400-4712

Dr M. Nokwequ
HOD
DESTEa

Attention: Dr. Nokwequ

**COLLABORATION MOA: BETWEEN DESTEa, MANGAUNG METROPOLITAN MUNICIPALITY
AND LETSATSI POWER PROJECT**

1. We refer to the above mentioned matter.
2. Pursuant to the advice from State law advisers on the 1st July 2019 and our consultation thereafter, the HOD may proceed to sign the MOA accordingly.
3. Hope you find this to be in order.

Regards



MOHAU RAKAKI
LEGAL ADMIN OFFICER
LEGAL SERVICES

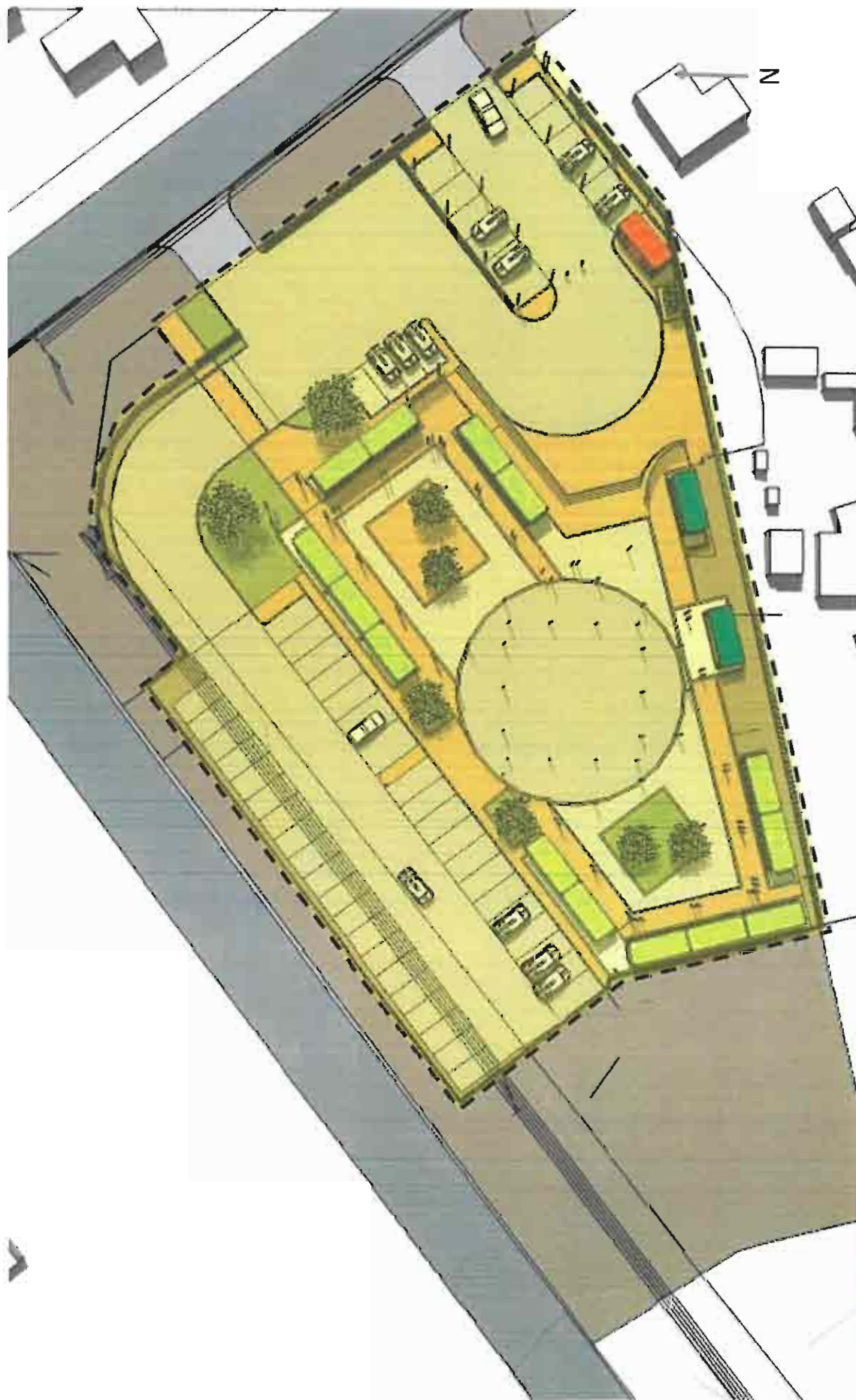
DATE: 04/07/2019

LEGAL SERVICES

Private Bag X 20801
Bloemfontein
9300

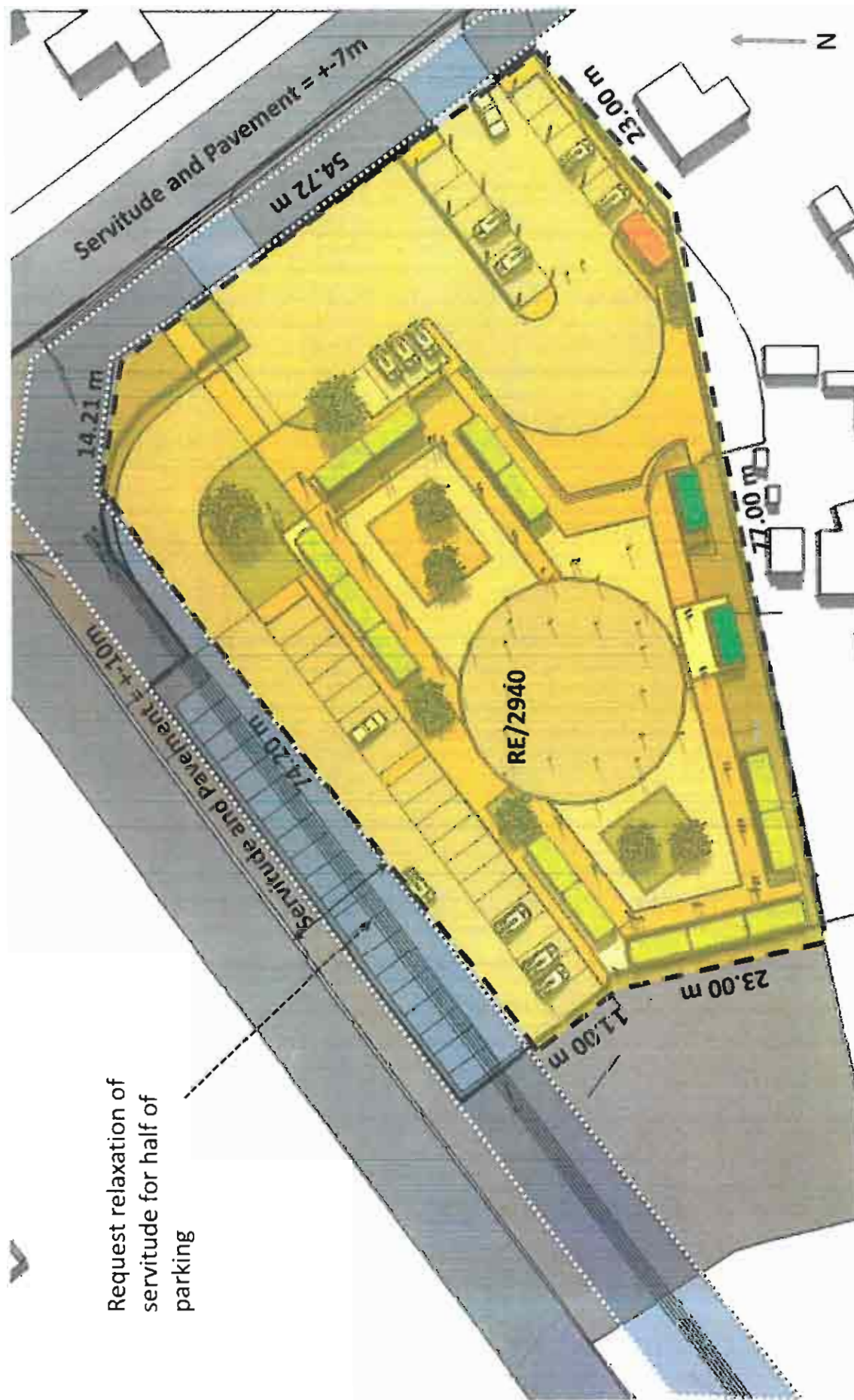
Tel +27 (0)51 400 9402
Fax +27 (0)51 400 9432
E-mail: moloin@destea.gov.za

www.destea.fs.gov.za

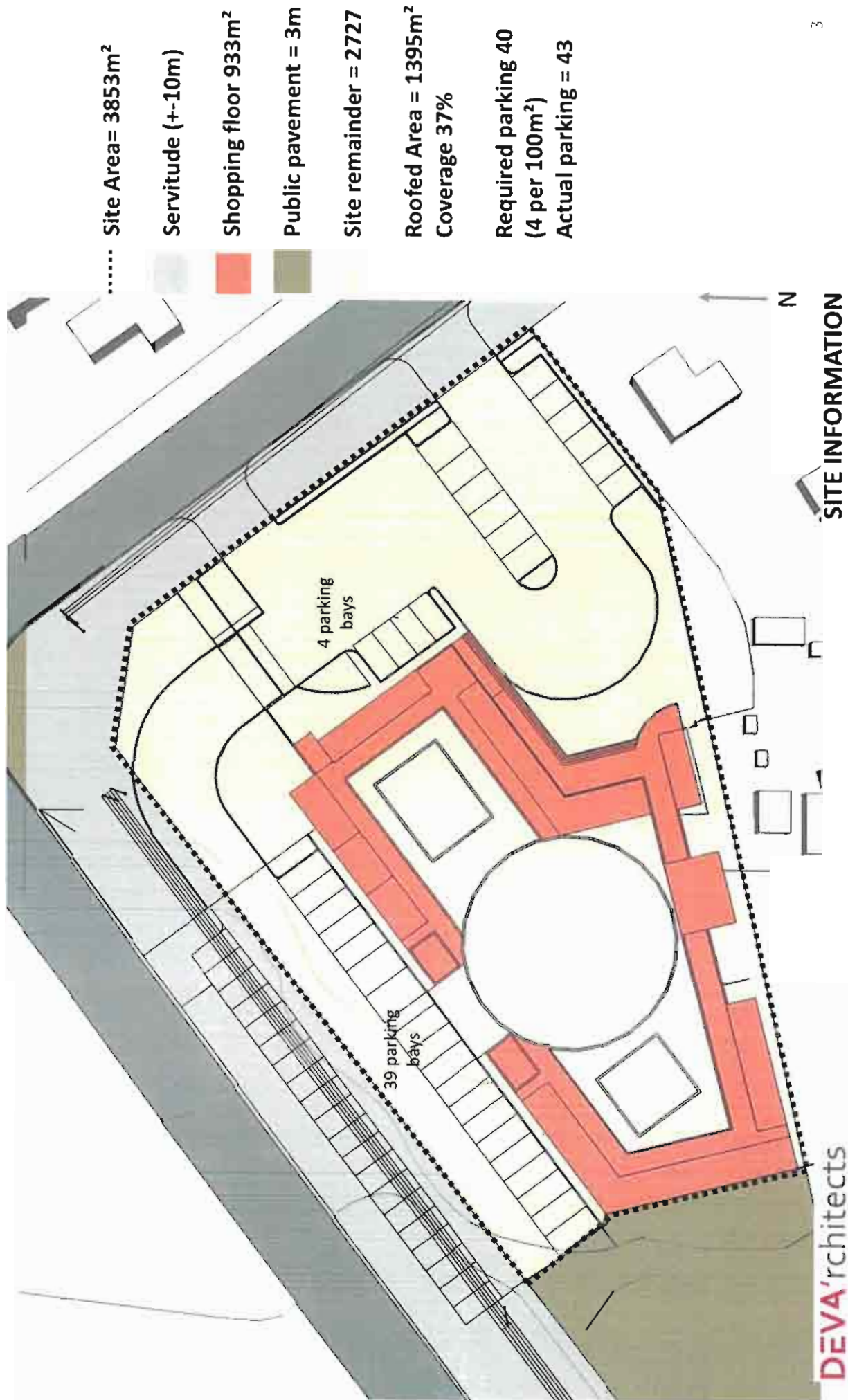


DEVELOPMENT AREA

DEVA'rchitects

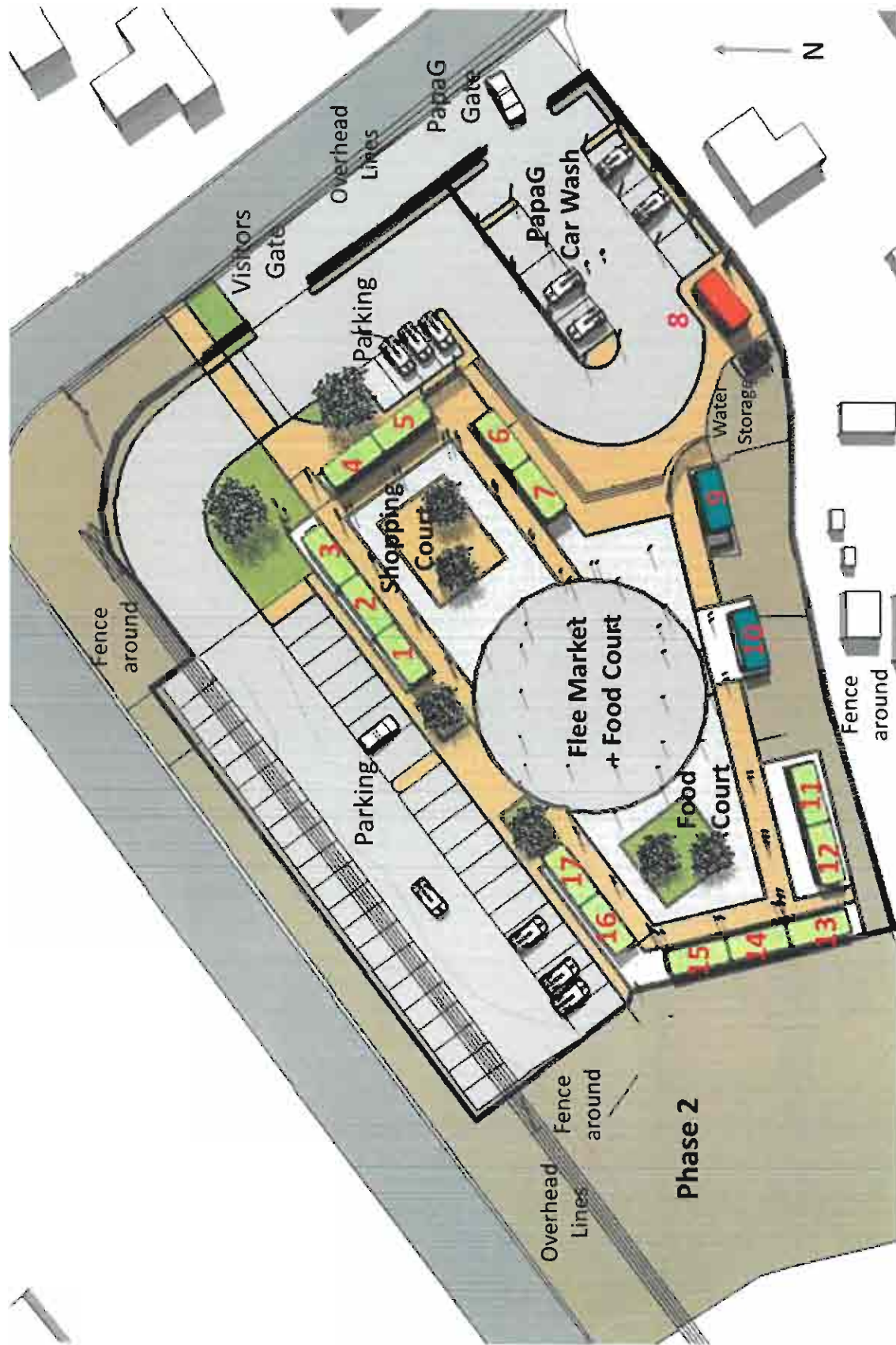


Request relaxation of
servitude for half of
parking

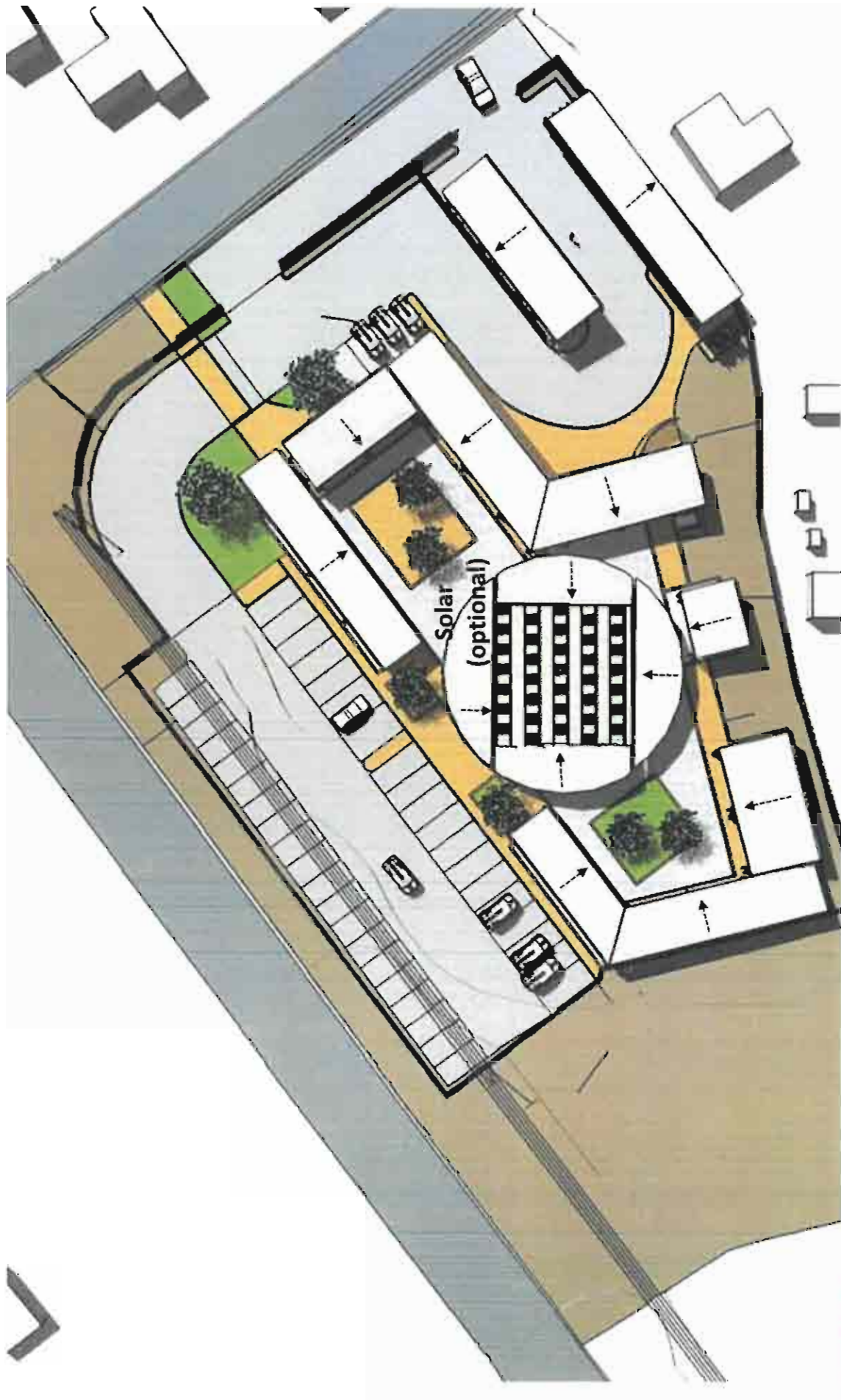


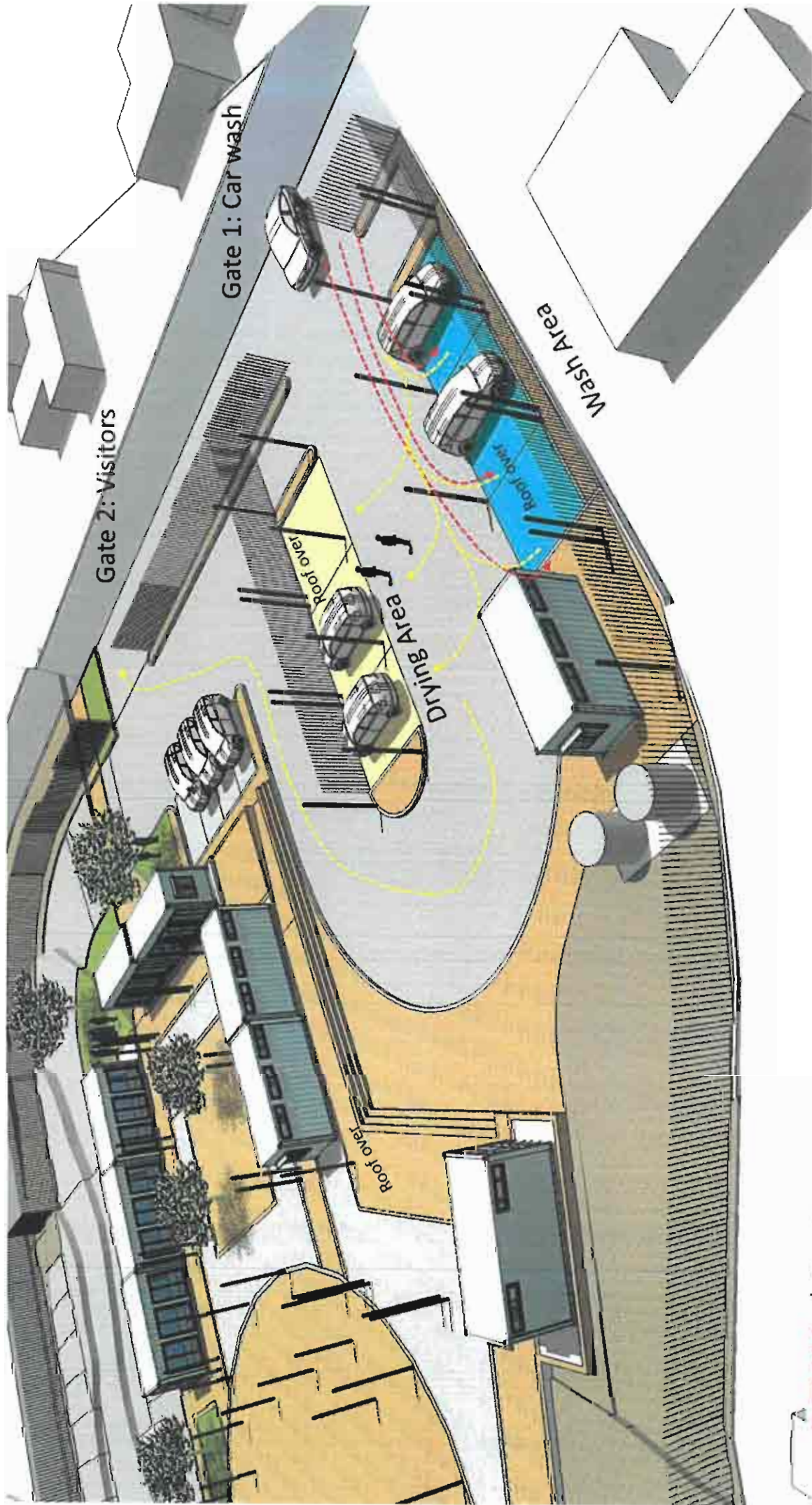




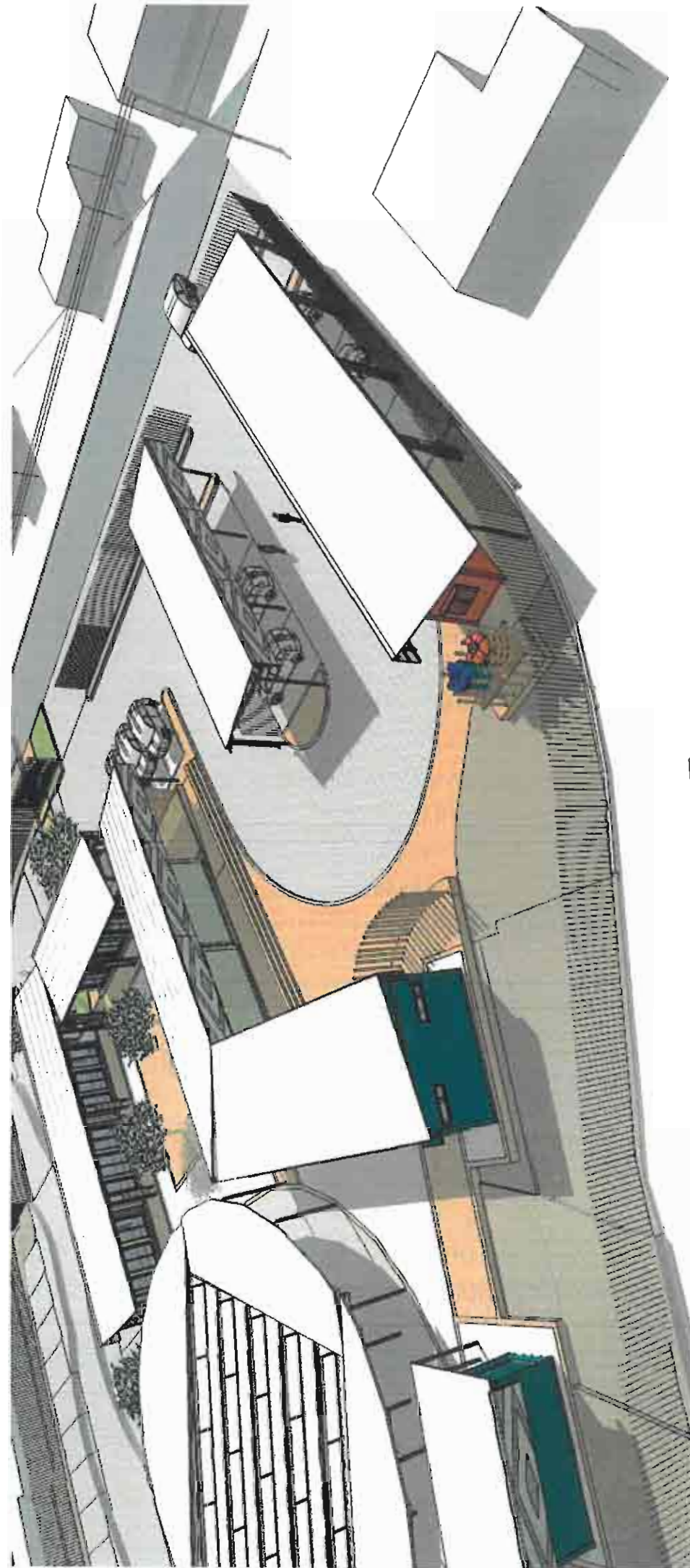


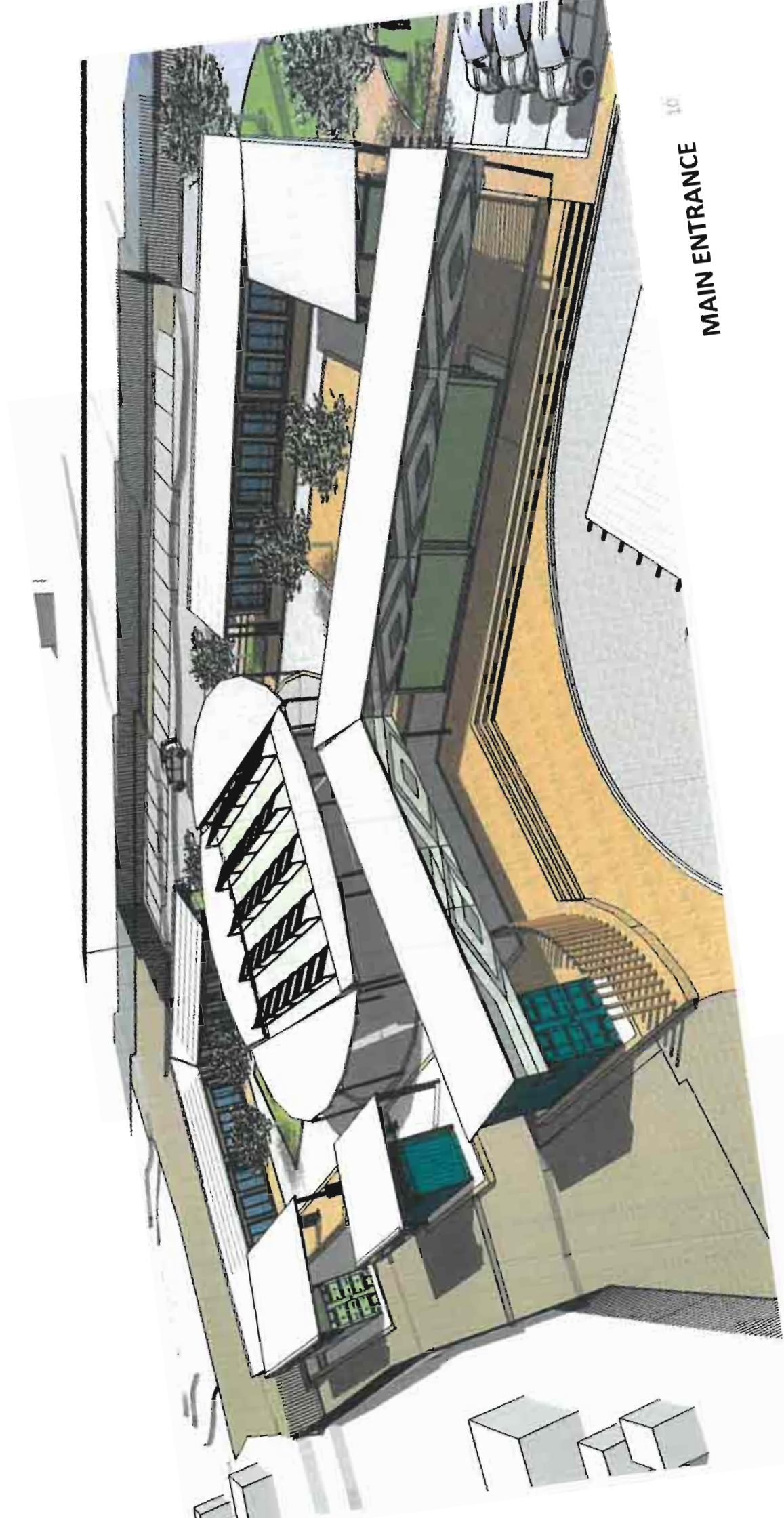
- 1-7 Shopping containers
- 8 Car wash/Dry area
- 9 Toilets
- 10 Stage
- 11 Centre Management
- 12-17 Food containers





CAR WASH LAYOUT

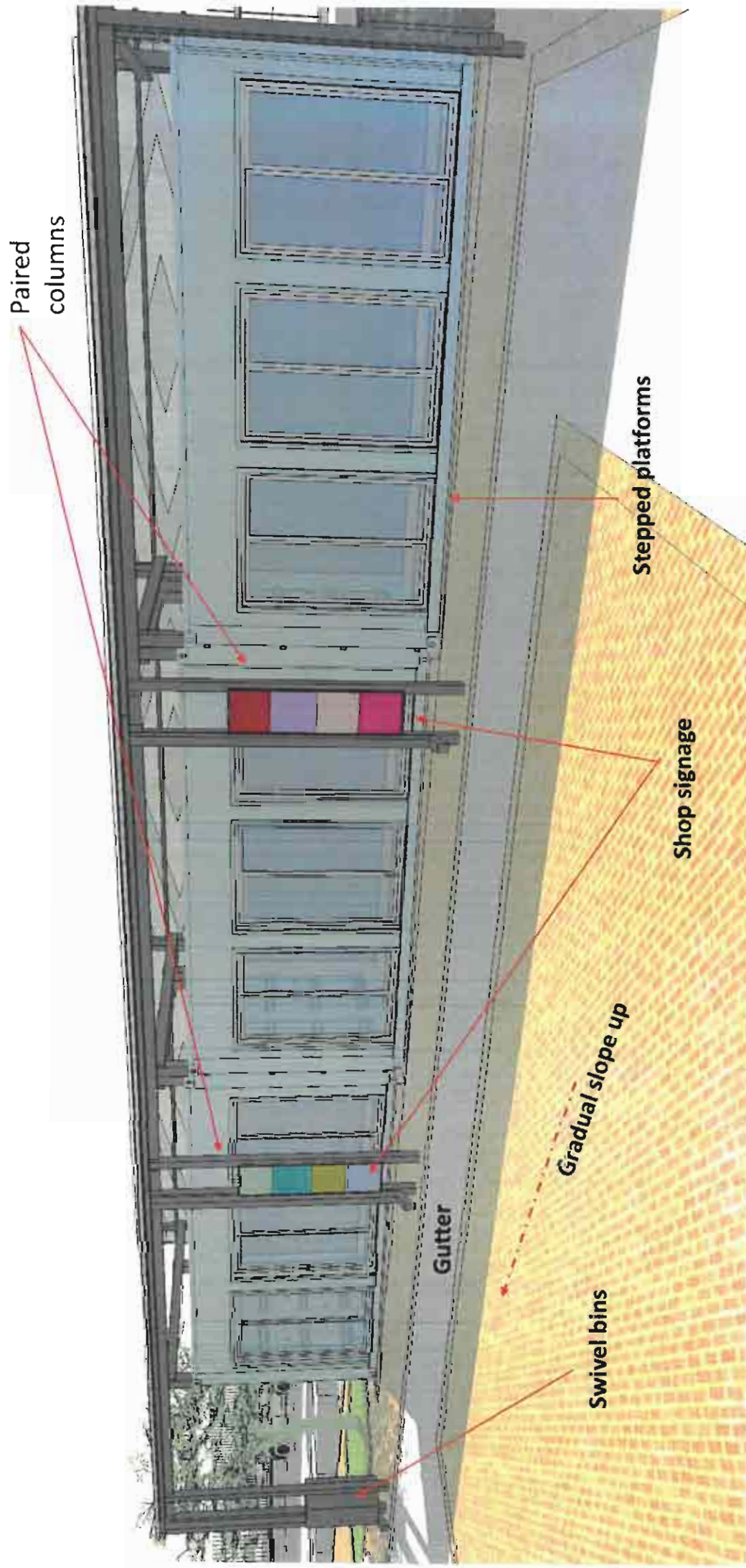




10

MAIN ENTRANCE

DEVA'rchitects

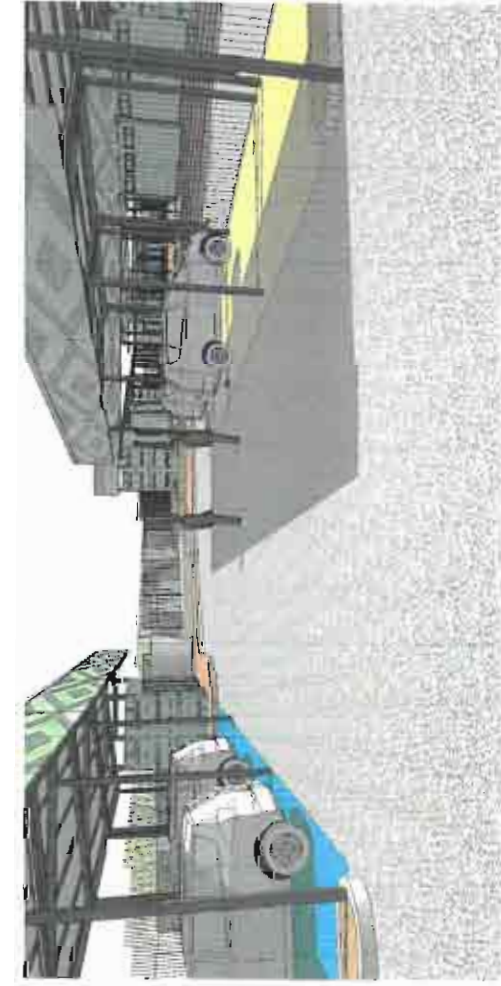




Flee Market + Food Court 12



DEVA'rchitects



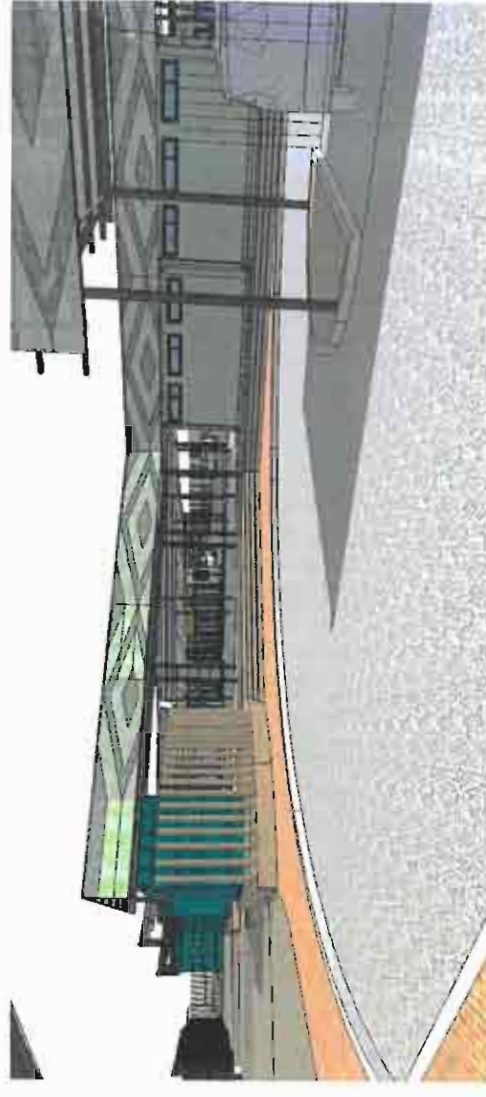
PapaG Car Wash



Corner Entrance



Parking Entrance



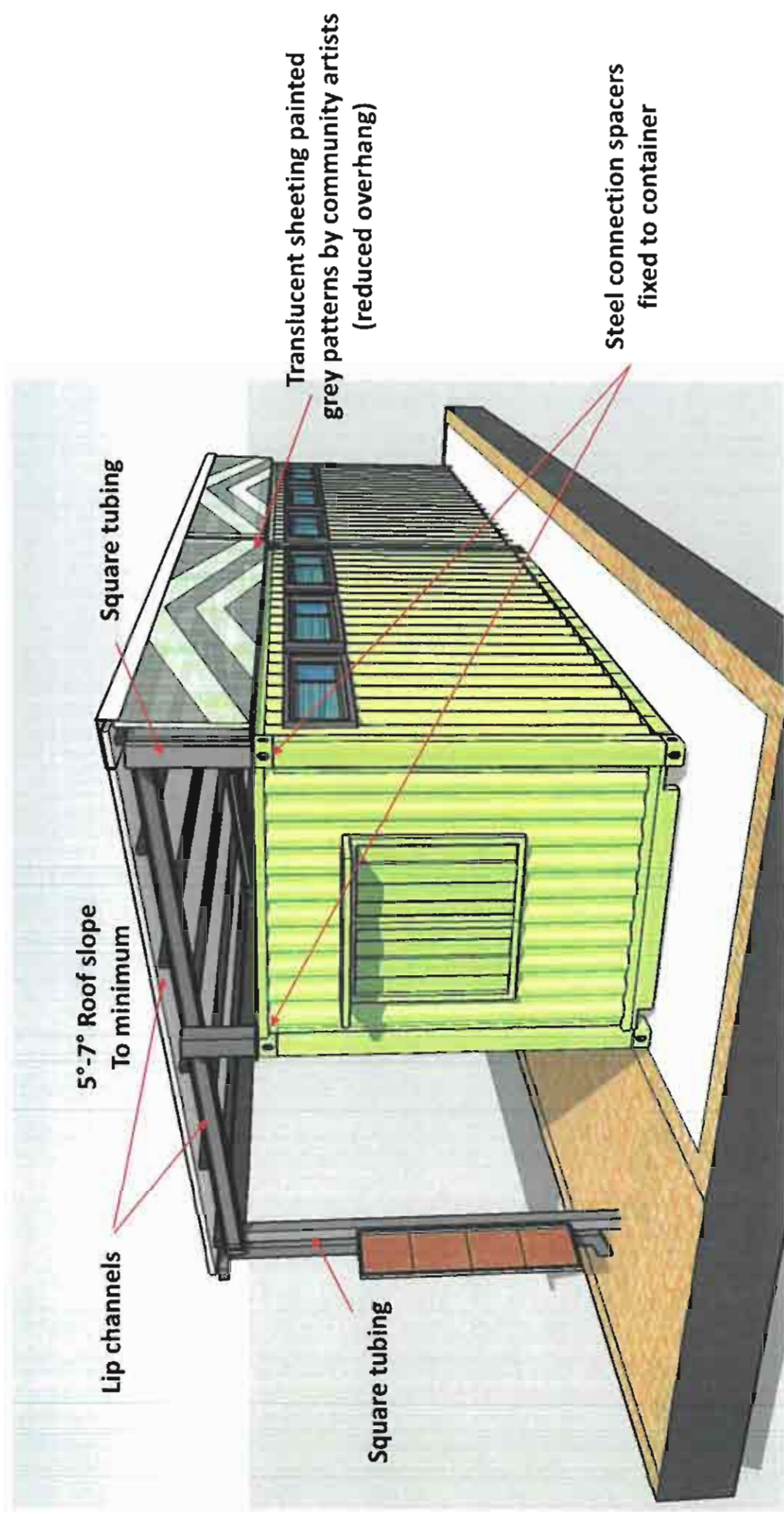
Main Entrance

DEVA'rchitects

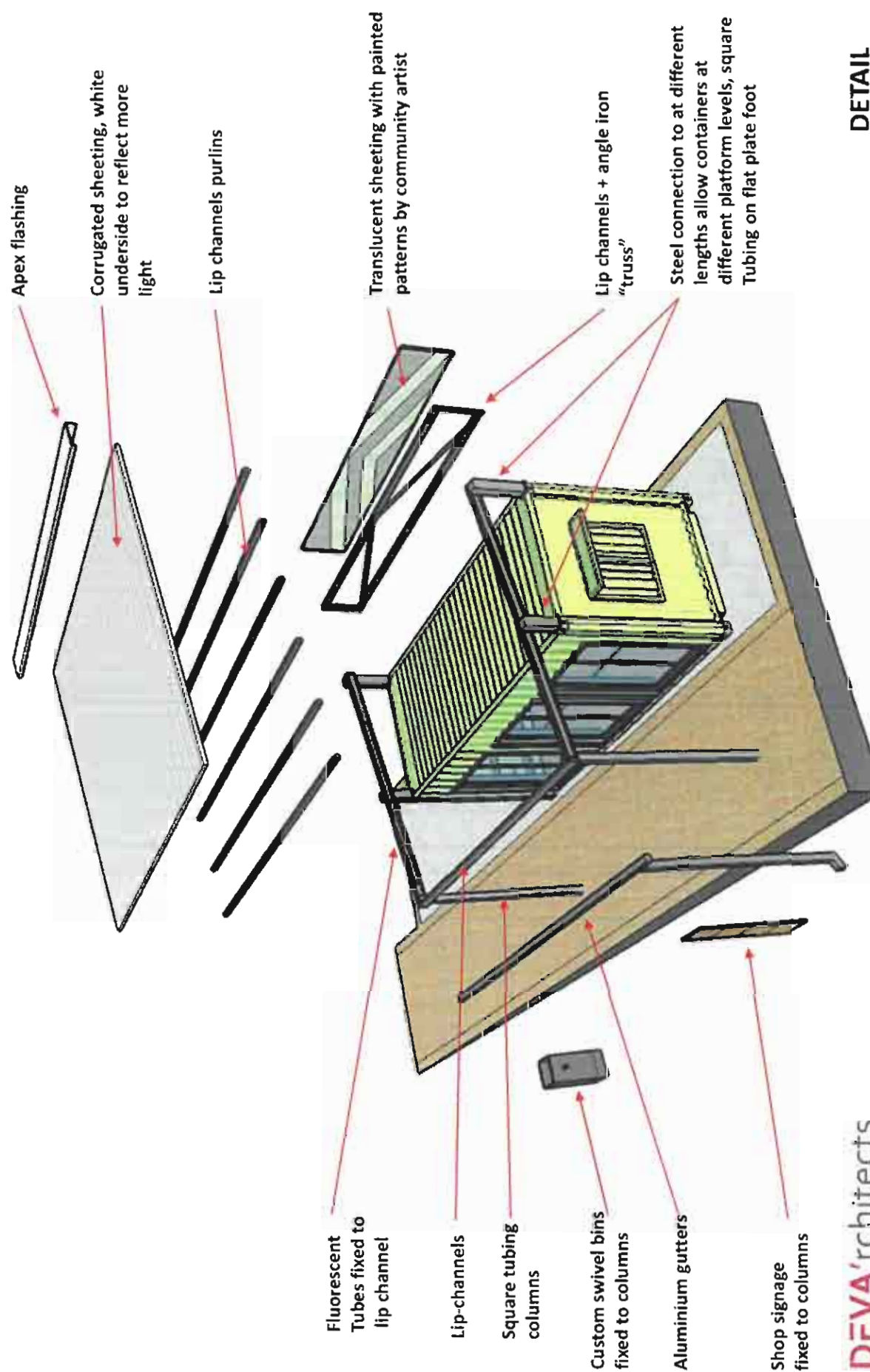


Underside of
sheeting white
to reflect more
light

Fluorescent tubes
fixed to lip channel
to bounce light off
ceiling







CONTAINERISED RETAIL PARK DEVELOPMENT

ERF 7878
Freedom Square, Mangaung
9328

PROJECT COST ESTIMATE

18-May-17

Compiled By
Pime Horizons Business Management



CONTAINERISED RETAIL PARK DEVELOPMENT

PROJECT COST ESTIMATE

Rev 01

18-May-17

item no.	Description	Unit	Qty	Rate	Amount	% Ratio
A	BUILDING WORKS				R 926 500.00	16.51%
A1	Wash bay area	m ²	110.00	R 950.00	R 104 500.00	
A2	Building containers	m ²	278.00	R 2 000.00	R 556 000.00	
A3	Toilets	m ²	50.00	R 3 800.00	R 190 000.00	
A4	Pergolas	m ²	80.00	R 950.00	R 76 000.00	
B	SITE WORKS				R 493 300.00	8.79%
B1	Landscaping	m ²	453.00	R 250.00	R 113 250.00	
B2	Paving	m ²	691.00	R 550.00	R 380 050.00	
B3	Fencing [1.8m high steel Palisade fencing]	m	187.00	R 950.00	R 177 650.00	
B3	Parking	m ²	525.00	R 550.00	R 288 750.00	
C	ROOF STRUCTURE				R 254 040.00	4.53%
C1	Roof Structure (i.e. incl steel trusses Zinc)	m ²	438.00	R 580.00	R 254 040.00	
D	PROVISIONAL SUMS				R 1 712 500.00	30.51%
D1	Bulk earthworks	m ²	2185.00	R 420.00	R 917 700.00	
D2	Signage to specifications	m ²	2185.00	R 75.00	R 163 875.00	
D3	Bulk services [Water,sewer,Stormwater etc]	m ²	2185.00	R 250.00	R 546 250.00	
D4	Security equipment & CCTV	m ²	2185.00	R 115.00	R 251 275.00	
D5	Fire protection	m ²	518.00	R 350.00	R 181 300.00	
D6	Electrical works	m ²	518.00	R 650.00	R 336 700.00	
D7	Mechanical works	m ²	518.00	R 450.00	R 233 100.00	
	SUB-TOTAL 1				R 3 386 340.00	
	Preliminaries @ 12%				R 406 360.80	7.24%
	SUB-TOTAL 2				R 3 792 700.80	
	Professional Fees @ 15%				R 568 905.12	10.14%
	SUB-TOTAL 3				R 4 361 605.92	
	Contingencies @ 5%				R 218 080.30	3.89%
	SUB-TOTAL 4				R 4 579 686.22	
	Escalation @ 7.5%				R 343 476.47	6.12%
	SUB-TOTAL 5				R 4 923 162.68	
	ADD VAT @ 14%				R 689 242.78	12.28%
	TOTAL ESTIMATED PROJECT COSTS				R 5 612 405.46	100%

CONTAINERISED RETAIL PARK DEVELOPMENT

PROJECT COST ESTIMATE

Rev 01

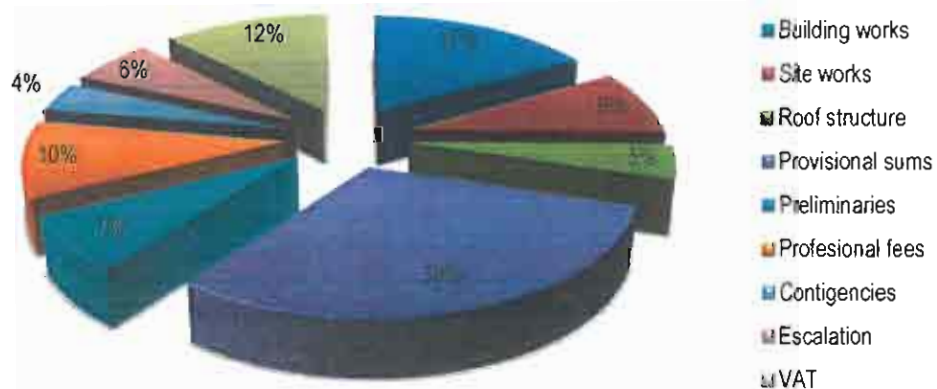
18-May-17

COST APPORTIONEMENT ANALYSIS

The cost apportionment analysis shows the percentage ratio of each cost item weighted on the total estimated budget

Item #	Cost items	% ratio
1	Building works	16.51%
2	Site works	8.79%
3	Roof structure	4.53%
4	Provisional sums	30.51%
5	Preliminaries	7.24%
6	Profesional fees	10.14%
7	Contigencies	3.89%
8	Escalation	6.12%
9	VAT	12.28%
		<u>100.0%</u>

COST APPORTIONMENT ANALYSIS



ERF 7878 FREEDOM SQUARE

PROVISION OF BULK AND LINK CIVIL SERVICES

SUMMARY OF SCHEDULE

SCHEDULE	
SECTION A PRELIMINARY AND GENERAL	R 55,550.00
SECTION B WATER: MEDIUM PRESSURE PIPELINES	R 63,864.20
SECTION C GRAVITY SEWER PIPELINES	R 111,218.30
TOTAL OF SCHEDULE OF QUANTITIES	R 230,632.50
ADD CONTINGENCIES (10%)	R 23,063.25
TOTAL	R 253,695.75
ADD V.A.T (15%)	R 38,054.36
TOTAL (TENDER AMOUNT CARRIED TO FRONT PAGE)	R 291,750.11

Erf 7878 Freedom Square
PROVISION OF BULK AND LINK CIVIL SERVICES:
SECTION A: PRELIMINARY AND GENERAL

Item	Payment	Description	Unit	Quantity	Rate	Amount
	SABS 1200 A	SECTION A: GENERAL				
	8.3	FIXED-CHARGE AND VALUE-RELATED ITEMS				
1.1	PSA8.3.1	Contractual Requirements	Sum	1	5000	R 5,000.00
1.2	PSA8.3.1(a)	Contractors all risk insurance provided by Contractor (if not by Council as stated in SCC 38)	Sum	1	1500	R 1,500.00
	8.3.2	Establishment of Facilities on the Site				
	8.3.2.2	Facilities for Contractor as listed below				
1.6		e) Ablution and latrine facilities	Sum	1	750	R 750.00
1.7		f) Tools and equipment	Sum	1	750	R 750.00
1.8		g) Water supplies, electric power and communications	Sum	1	750	R 750.00
1.10		i) Access (Subclause 5.8)	Sum	1	750	R 750.00
1.11	8.3.3	Other fixed-charge obligations	Sum	1	750	R 750.00
1.12	8.3.4	Removal of Site Establishment	Sum	1	750	R 750.00
	8.4	TIME-RELATED ITEMS				
1.13	8.4.1	Contractual Requirements	Weeks	1	250	R 250.00
	8.4.2	Operation and Maintenance of Facilities on Site, for Duration of Construction, except where otherwise stated				
	PSA8.4.2.2	Facilities for Contractor				
1.17		e) Ablution and latrine facilities	Weeks	1	250	R 250.00
1.18		f) Tools and equipment	Weeks	1	250	R 250.00
1.19		g) Water supplies, electric power and communications	Weeks	1	250	R 250.00
1.21		i) Access (Subclause 5.8)	Weeks	1	250	R 250.00
1.22	8.4.3	Supervision for Duration of Construction	Weeks	1	8500	R 8,500.00
1.23	8.4.4	Company and Head Office Overhead Costs for the Duration of the Contract	Weeks	1	6000	R 6,000.00
	PSA 8.5	SUMS STATED PROVISIONALLY BY ENGINEER				
1.25	PSA 8.5	c) Provision for dayworks	PC Sum	1	2500	R 5,000.00
1.26	PSA 8.5	d) Provision for expenses controlled by the Engineer	PC Sum	1	2500	R 2,500.00
	PSA8.8	TEMPORARY WORKS				
1.30	PSA8.8.2	Accommodation of traffic	Sum	1	1500	R 1,500.00
	PSA8.8.4	Existing Services				
1.31		d) Temporary protection, as required in terms of the project specification, of exposed services	Sum	1	1500	R 1,500.00
1.34	PSA8.9	c) As instructed by Engineer (provisional sum)	PC Sum	1	5000	R 5,000.00
1.35		d) Contractor's superintendence and administration of items a, b and c above	%	15.00%	R 5,000	R 750.00
		HEALTH AND SAFETY				
		Compliance with OHS Act and regulations (incl. the construction regulations, 2003)				
1.36		Allow for the cost compiling a Safety Plan as required in the specifications for the Principal Contractor / Contractor (All appointed sub - contractors to provide safety plans)	Sum	1	R 2,800	R 2,800.00
1.37		Allow for the cost of the Notification of Construction Work by the Principal Contractor / Contractor	Sum	1	R 1,500	R 1,500.00
1.38		Allow for the cost of a copy of OHS Act 85 of 1993 (Book or poster form. To be displayed in the site office)	Sum	1	R 1,500	R 1,500.00
		HEALTH AND SAFETY TRAINING				
1.42		General Safety Induction Training of all employees on site	Sum	1	R 500	R 500.00
1.45		Weekly Toolbox Talks (to be conducted by Health and Safety Representative).	Sum	1	R 500	R 500.00
		CONTRACTED SERVICE PROVIDE				
1.47		Allow for the cost of a Safety Consultant to control OHS of Principal Contractor / Contractor on a monthly basis	Weeks	1	R 750	R 750.00
		SAFETY EQUIPMENT REQUIRED ON SITE				
1.48		All required	Sum	1	R 5,000	R 5,000.00
TOTAL SECTION A CARRIED TO SUMMARY						R 55,550.00

Erf 7878 Freedom Square

PROVISION OF BULK AND LINK CIVIL SERVICES:

SECTION B: WATER: MEDIUM PRESSURE PIPELINES:

Item	Payment	Description	Unit	Quantity	Rate	Amount
2.1	SABS 1200 C 8.2 8.2.1	SECTION B: WATER: MEDIUM PRESSURE PIPELINES WATER: SITE CLEARANCE SCHEDULED ITEMS Clear and grub 1m wide	m	5	3.5	R 17.50
2.2	SABS 1200 DB 8.3.2	WATER: EARTHWORKS (PIPE TRENCHES) EXCAVATION a) Machine Excavation in all materials for trenches, backfill, compact, and dispose of surplus material, for: (See PSDB 3.1 for classification of excavation) single pipe up to 140mm diameter (Trench Width to be 1.5m) for total trench depth i) Exceeding 0,0m but not exceeding 1,2m Excavation only @ 70% Backfill, com. & finish @30%	m	5	168	R 840.00
2.7	PSDB3.1 PS DB 5.5	b) Extra-over items (a) above for: ii) Hard rock excavation	m³	5	850	R 4,250.00
2.8		c) Excavate and dispose of unsuitable material from trench bottom (provisional and on instruction of Engineer only)	m³	1	232.3	Rate only
2.9		d) Hand excavation to expose existing services in a careful manner	m³	5	348.5	R 1,742.50
2.10		Make up deficiency in				
2.11		a) backfill material (provisional)	m³	1	125.1	R 125.10
2.12	8.3.3.3	Compaction in road reserves to 93% MOD AASHTO for: a) Trenches crossing the road	m³	1	44.3	Rate only
	8.22	Supply only of Bedding by Importation				
2.32	8.2.2.3 PSLB8 1.6	From Commercial sources (Provisional) a) Selected granular Bedding material (See LB-2a & LB-3d for Flexible Pipes)	m³	3	184.4	R 553.20
2.33		b) Selected fill material (See LB-2a & LB- 3d for Flexible Pipes)	m³	1	184.4	R 184.40
	SABS 1200L	WATER: MEDIUM-PRESSURE PIPELINES SCHEDULED ITEMS				
	PSL 8.2.1	Supply, Lay, and Bed Complete with Couplings				
2.34	PSL 8.2.1	a) uPVC Pressure pipe iii) 110 mm dia class 9	m	5	110	R 550.00
	8.2.2	Extra over item 8.2.1 for the Supplying , Laying and Bedding of Specials Complete with Couplings a) Bends (uPVC) class 9				
2.37		iii) 110mm dia	No	1	301.4	Rate only
2.38		1) 11,25°	No	1	301.4	Rate only
2.39		2) 22,25°	No	1	317.3	Rate only
2.40		3) 45°	No	1	317.3	Rate only
		4) 90°	No	1	317.3	Rate only
2.49		b) Equal Tees (Cast Iron) iii) 400mm dia	No	1	1950	R 1,950.00
2.52		d) Reducers (Cast Iron) v) 400mm x 110mm dia	No	1	850	R 850.00
2.55		e) End Caps (Cast Iron) for uPVC Class 9 pipes i) 110mm dia.	No	1	233.8	R 233.80
2.57		g) CI Repair Couplings i) 400mm dia	No	1	1250	R 1,250.00
	PSL 8.2.3	Extra over item 8.2.1 for supply, fixing and bedding of valves				
2.59	PSL3.10.1	a) Gate valves (RSV) class 16 with socket ends for uPVC pipes of diameter: iii) 110mm dia.	No	2	2753.2	R 5,506.40
2.65	PSL 8.2.11	ANCILLARIES Anchor/Thrust Blocks and Pedestals: a) Anchor blocks using concrete Class 25MPa/19mm	m³	1.5	1772.6	R 2,658.90
TOTAL CARRIED FORWARD						R 20,711.80

Erf 7878 Freedom Square
PROVISION OF BULK AND LINK CIVIL SERVICES:
SECTION B: WATER: MEDIUM PRESSURE PIPELINES:

Item	Payment	Description	Unit	Quantity	Rate	Amount
TOTAL BROUGHT FORWARD						R 20,711.80
2.69	PSL8.2.12 PSL8.2.12	Encasing of pipes in: b) Soilcrete 1) Soilcrete Encasing of pipes for: i) 110mm dia uPVC	m³	1	369.6	Rate only
2.72	8.2.13	Valve chamber a) Valve chamber for gate valves complete	No	2	3326.2	R 6,652.40
2.74	PSL 8.216	Cut into and Connect to Existing Mains a) Cut and Connect to Existing Mains i) 200mm Upvc pipe	No	1	8500	R 8,500.00
	PSLF8.2.1	PROVIDE ERF CONNECTIONS				
2.83	PSLF8.2.4 PSLF8.2.4	Water meters: 1. Bulk water meters complete as on drawing and as directed by the Engineer for General residential and Business. Price to include all steel pipe specials, Elster Kent H 5000 meter, Strainer etc. a) 80mm Dia	No.	1	28000	R 28,000.00
TOTAL SECTION C CARRIED TO SUMMARY						R 63,864.20

Erf 7878 Freedom Square

PROVISION OF BULK AND LINK CIVIL SERVICES:

SECTION C: GRAVITY SEWER PIPELINES:

Item	Payment	Description	Unit	Quantity	Rate	Amount
		GRAVITY SEWER PIPELINES:				
		STREET SEWER: SITE CLEARANCE				
		SCHEDULED ITEMS				
3.1	SABS 1200 C 8.2 8.2.1	Clear and grub 1m wide	m	50	3.5	R 175.00
		SEWER: EARTHWORKS (PIPE TRENCHES)				
		EXCAVATION				
		900mm wide for single pipe up to 300mm nominal diameter for total trench depth:				
3.2	SABS 1200 DB 8.3.2	i) Exceeding 0,0m but not exceeding 1,5m Excavation only @ 70% Backfill, com. & finish @30%	m	5	215	R 1,075.00
3.3		ii) Exceeding 1,5m but not exceeding 2,0m Excavation only @ 70% Backfill, com. & finish @30%	m	35	295	R 10,325.00
3.4		iii) Exceeding 2,0m but not exceeding 3,0m Excavation only @ 70% Backfill, com. & finish @30%	m	10	515	R 5,150.00
3.8	PSDB3.1	b) Extra-over items a) above for ii) Hard rock excavation	m³	55	850	R 46,750.00
3.9	PSDB8.3.2	c) Excavate and dispose of unsuitable material from trench bottom (provisional)	m³	5	232.3	R 1,161.50
3.10	8.3.3.1	Make up deficiency in backfill material (provisional)				
		b) From Commercial sources	m³	65	125.1	R 8,131.50
	8.3.3.3	Compaction in road reserves to 93% Mod AASHTO for :				
3.11		a) Trenches crossing the road	m³	20	44.3	R 886.00
		SEWER: BEDDING				
		SCHEDULED ITEMS				
		Supply only of Bedding by Importation				
	8.2.2	From Commercial sources (Provisional)				
	8.2.2.3	a) Selected granular Bedding material (See LB-2a & LB-3d for Flexible Pipes)	m³	10	184.4	R 1,844.00
3.31		b) Selected fill material (See LB-2a & LB-3d for Flexible pipes)	m³	25	184.4	R 4,610.00
		SEWER: SEWER PIPES				
		Supply, Lay, Joint, Bed and Test Pipeline uPVC Structured Wall Class 400kPa stiffness				
3.38	8.2.1	a) 110mm dia.	m	5	172.7	R 863.50
3.39		b) 160mm dia.	m	45	215.6	R 9,702.00
		Extra-over 8.2.1 for the supplying, laying, and bedding of specials complete with couplings:				
		<u>a) Rodding eye using:</u>				
3.42		ii) uPVC "Ultracor" or similar approved Solid wall HD class 400	No	1	43.3	R43.30
		<u>b) 160ø 45 deg junction using:</u>				
3.44		ii) uPVC "Ultracor" or similar approved Solid wall HD class 400	No	1	80.7	R80.70
		<u>c) 110ø 45 deg junction using:</u>				
3.46		ii) uPVC "Ultracor" or similar approved multi-layer, HD class 400	No	1	62.6	R62.60
		MANHOLES				
	8.2.3 PS�D3.5.2	1000 dia. Complete as per drawing for depth between:				
	PSLD3.5.8	b) 1,01m and 1,50m	No	1	4451.9	R 4,451.90
		d) 2,0m and 2,5m	No	1	6259	R 6,259.00
		e) 2,51m and 3,00m	No	1	7026.9	Rate only
		SUNDRIES:				
		Encasing of Pipes in:				
	PSLD8.2.7	b) Soilcrete				
3.61	PSLD 8.2.7	i) 160mm Dia. uPVC Structured Wall Class 400 kPa	m³	5	329.8	R 1,649.00
		End caps to:				
3.63	8.2.10	i) 160mm Dia. uPVC Structured Wall Class 400 kPa future extension	No.	1	49.4	R 49.40
3.64		ii) 110mm Dia. uPVC Structured Wall Class 400 kPa future extension	No.	1	46.1	R 46.10
		PSL 8.216				
		Cut into and Connect to Existing Mains				
3.65		a) Cut and Connect to Existing Mains				
		Connect to existing 250mm dia outfall sewer	No	1	7902.8	R 7,902.80
TOTAL SECTION F CARRIED TO SUMMARY						R 111,218.30



Valuation Report

PROPOSED PORTION OF ERF 7878,
NAMIBIA EXTENTION 24,
MANGAUNG
MANGAUNG METROPOLITAN
MUNICIPALITY,
FREE STATE.

Reference number: DDP_BFT_2795

Table of Contents

1. CONTACT DETAILS.....	3
2. SUMMARY OF KEY FACTS	4
3. INTRODUCTION	5
4. TITLE DEED INFORMATION	6
5. ZONING INFORMATION	8
6. LOCAL AUTHORITY VALUATION.....	9
7. LOCATION AND SITUATION	9
8. HIGHEST AND BEST USE	10
9. DESCRIPTION OF SUBJECT PROPERTY	11
10. MARKET COMMENTARY	11
11. COMPARABLE SALES APPROACH (VACANT LAND SALES).....	13
12. RECOMMENDATION.....	21
13. CONDITIONS AND RECOMMENDATIONS.....	21
DECLARATION	21
APPENDIX A: BRIEF/ INSTRUCTION.....	22
APPENDIX B: TITLE DEED SUMMARY	23
APPENDIX C: PROPOSED SUBDIVISION	25
APPENDIX D: SUPPORTING DOCUMENTS	26
APPENDIX E: PHOTOGRAPHS	27
CAVEATS	29

1. CONTACT DETAILS

Client / Instructing Party	Mangaung Municipality
Name	Mrs. Ditshwanelo Ntekama
Title	Directorate Economic & Rural Development
Organisation	Mangaung Municipality
Address	Bram Fischer Building Corner of Nelson Mandela & Markgraaf Streets Bloemfontein 9300
Phone	+27(51) 405 8233
Fax	+27(51) 405 8738
Mobile	Not available
Email	Ditshwanelo.Ntekama@mangaung.co.za
Website	www.mangaung.co.za

Valuer / Company	DDP Valuations & Advisory Services (Pty) Ltd
Name	Banie du Toit
Title	Professional Valuer
Organisation	DDP Valuers (Pty) Ltd
Address	Hydro Park Suite 16 135 President Reitz Avenue Westdene, Bloemfontein 9324
Phone	+27 (10) 786 0291
Fax	Not available
Mobile	+27 (84) 554 0902
Email	banie.dutoit@ddp.co.za
Website	www.ddp.co.za

2. SUMMARY OF KEY FACTS

Subject Property	Proposed Portion of Erf 7878, Namibia Ext 24, Mangaung
Physical Address	Erf 7878, Namibia, Mangaung
Registered Owner	Mangaung Metropolitan Municipality
Date of Inspection	05 October 2018
Effective Date of Valuation	11 October 2018
Method of Valuation	Comparable sales approach
Zoning	Business
Property Type	Vacant land
Gross Leasable Area	Not applicable
Net Rentable Area	Not applicable
Quality of Accommodation Offered	Not applicable
Net Operating Income (NOI)	Not applicable
Capitalisation Rate	Not applicable
Income Capitalisation Value	Not applicable
Value	R775 000.00

3. INTRODUCTION

3.1. INSTRUCTION

Mangaung Metropolitan Municipality represented by Mrs. Ditshwanelo Ntekama, instructed DDP Valuation and Advisory Services (Pty) Ltd to determine the fair market value of the property as described in this report.

3.2. PURPOSE OF VALUATION

The purpose of this valuation report is to determine the market value of the subject property as at the date of valuation.

3.3. METHOD OF VALUATION

Comparable Sales Approach

By using the *Comparable Sales Approach*, the value indicated is established by comparing the subject properties with similar properties, called comparable sales. Comparable sales are recent property transactions of property that sold in accordance with the definition of market value. These comparable sales are judged as being the most comparable to the subject property to indicate a range of value in which the subject property's value could be determined. The subject properties are then measured against the comparable sales, in various elements of comparison that might influence and ultimately determine the value of the subject property.

3.4. DEFINITION OF OPEN MARKET VALUE

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

3.5. DATE OF INSPECTION

05 October 2018

3.6. EFFECTIVE DATE OF VALUATION

11 October 2018

3.7. INFORMATION SOURCES

- Mangaung Metropolitan Municipality;
- Deeds Office;
- Surveyor General;
- www.Lightstone.co.za;
- Own Records; and
- Various property professional active in the area.

4. TITLE DEED INFORMATION

4.1. DEED DESCRIPTION OF SUBJECT PROPERTY

Proposed Portion of Erf 7878, Namibia Extension 24, Mangaung, Mangaung Metropolitan Municipality, Free State Province.

***Valuers note:** Please note due to the urgency of the request all information utilized in this report was based on correspondence from the client and is subject to the accuracy thereof – APPENDIX A

4.2. LPI CODE

F00300090000787800000

4.3. REGISTERED OWNER

Mangaung Metropolitan Municipality

4.4. EXTENT OF SUBJECT PROPERTY

3866.58m² (PROPOSED EXTENT)

4.5. HISTORICAL PURCHASE PRICE

Not recorded in Deed Registry

4.6. DATE OF PURCHASE

Not recorded in Deed Registry

4.7. TITLE DEED NUMBER

T11496/2014 (ERF 7878)

4.8. DATE OF TRANSFER

Not recorded in Deed Registry

4.9. ENDORSEMENTS

Not recorded in Deed Registry

4.10. SERVITUDES

A Title Deed is a legal instrument as documentary proof of ownership in terms of the Deeds Registries Act 47 of 1937. Each property has its own separate Title Deed. It is a document containing all the details pertaining to a particular property and includes, amongst others, conditions applicable to the zoning, use, and sale of the land as well as all real rights registered in respect of the property.

We have requested a copy of the Title Deed either directly from the owner or from the relevant Deeds Office, unfortunately as on the date of valuation the Title Deed



was not yet made available for our perusal and DDP reserves the right to review this valuation in the existence of any restrictive or onerous conditions that may have an adverse effect on this valuation.

Refer to APPENDIX B, for a copy of the Deeds Office Enquiry

The Surveyor General Diagram is the fundamental registerable document prepared by the land surveyor. The essential information shown on a diagram is, amongst others, a) The unique designation of the property, b) An illustration depicting the property, c) The boundary description listing the corner beacons and the details of any curvilinear boundary, d) Descriptions of the corner beacons, e) A table listing the numerical data of the boundaries and f) The area of the property

On scrutiny of the Surveyor General Diagram, we found that no individual SG diagrammes exists for the subject property.

It should be noted however, that according to the documents received from Mangaung Municipality, a 7m wide servitude/building line applies to the development of any permanent structure.

Refer to APPENDIX D, for a copy of supporting document, Annexure A.

5. ZONING INFORMATION

5.1. NAME OF LOCAL AUTHORITY

Mangaung Metropolitan Municipality

5.2. ZONING

PERMISSIBLE	ACTUAL
Business	Business

5.3. COVERAGE

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.4. HEIGHT

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.5. FAR, BULK, FSR

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.6. SETBACK

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.7. BUILDING LINE

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.8. PARKING RATIO

PERMISSIBLE	ACTUAL
Not applicable	Not applicable

5.9. COMMENTS

We were instructed to determine the market value of the subject property assuming a Business zoning. We, therefore, did not confirm the zoning over the subject property, due to time restraints and the nature of the request. DDP reserves the right to amend the report if the above-assumed information is proven to be incorrect.

Refer Appendix E

6. LOCAL AUTHORITY VALUATION

TOTAL VALUE R200 000.00

VALUATION DATE 1 October 2016

COMMENT The valuation above is based on a municipal use.

7. LOCATION AND SITUATION

7.1. LOCATION

The subject property is located in Namibia, one of the central suburbs of Mangaung. The suburb offers predominantly gravel roads with RDP type housing noted in the immediate area. The area is considered to be a low-income area, without any infrastructure. No sewerage installations were noted and basic water drainage systems were noted in the area.

The subject property subject property is located next to the M10 (George Lubbe Street), a main arterial road through the area. The M10 (George Lubbe Street) links with Moshoeshe Street a main roadway linking Mangaung. The location is considered to be average to good and enjoys good exposure to passing trade due to the high traffic volume on the M10 (George Lubbe Street).

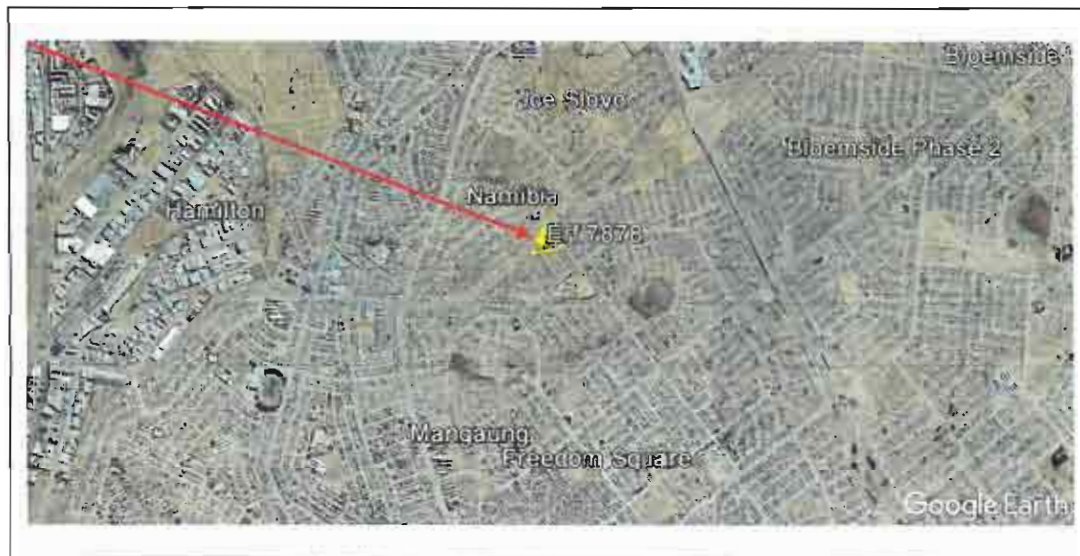


Figure 1 - Location of the subject property in relation to other important nodes.

7.2. SITUATION

As per our instruction, we were instructed to do a valuation of the land only of the subject property. On inspection, it was noted that a carwash was constructed on the subject property. Papa G's carwash currently occupies the land and built the carwash structures. These buildings were not valued due to our instruction and therefore, we will not mention these structures further in our report.



Figure 2 - Aerial view of the subject property.

8. HIGHEST AND BEST USE¹

(¹A term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of valuation).

The highest and best use of the subject property is as land zoned for Business purposes because:

- Current zoning over the property, and;
- The current use of the property.

¹ A term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of valuation

9. DESCRIPTION OF SUBJECT PROPERTY

The subject property offers a triangular shaped land portion located in Namibia, a suburb located in the central part of Mangaung. The topography of the site is relatively level sloping from west to east. A substantial amount of rock and building rubble were note on the site, on inspection. A negative adjustment will be made to the rate applied to account for the shape of the land parcel, possible hard rock formations and clearing of building rubble on the site.

The surrounding area seems to have no sewerage system installed as "pit" toilets were noted in the area. The area has access to power and municipal water. We have taken no improvements into account as per our instruction.

10. MARKET COMMENTARY

10.1. MACRO

JLL SA has released its Q4 2017 market reports for key markets across the country, including the office markets in Johannesburg, Durban and Cape Town; the industrial markets in Johannesburg and Durban; and an outline of the South African retail market.

The analysis, amid evolving political sentiment and returning optimism in the local economy, lends perspective to the current commercial property landscape. The announcement of Cyril Ramaphosa as president of the ANC in December 2017 and his subsequent appointment as the country's new president, as well as an improving GDP, has much to do with the positive outlook for the industry.

Office sector

Facts and figures for the office sector have revealed markedly different environments across the three metros:

The Johannesburg office market continues to record the highest vacancy rate compared to other major metros in South Africa, with the Q4 vacancy rate sitting at 12.6%. Office development activity is still concentrated in Johannesburg, accounting for more than 67% of the ongoing office developments nationwide, despite oversupply concerns. While no short-term improvement is expected, it is clear that the city remains an attractive corporate address for many blue-chip and smaller businesses. And while the Johannesburg vacancy rate may currently be stagnant, there has been an improvement on a nodal level. It is surmised that nodes like Sandton, Rosebank and the CBD have contributed positively to the decrease in the national vacancy rate.

Quarter-on-quarter volatility in the Durban office sector has made it a very difficult market to predict in the past year. In JLL's Q3 report, the question of a possible oversupply developing in the market was raised. Despite an increase in the vacancy rate to 12.4% in Q4 2017 from 11.7% in Q3 2017, the market has seen a 1.5% decline in the y/y vacancy rate. This, regardless of the notable increase in overall accommodation in the market, with an 11.0% increase of office stock in the past year.

This anecdotal evidence suggests that developers in the Durban market have been timeous in adding accommodation to what seems to be a growing market. Net absorption is estimated at just over 158,000m², proportional to the 178,000m²

10.2. MICRO

The market in the area seems to be stable with large volumes of transactions noted between R100 000.00 to R300 000.00. The area is considered to offer residential accommodation to lower income households. The location is considered to be average to poor when comparing with other suburbs in Bloemfontein.

11. COMPARABLE SALES APPROACH (VACANT LAND SALES)

The market demand for vacant land suffered during the worldwide recession, but renewed interest can now be seen. Vacant land in prominent locations with an attractive ("green") development profile will attract potential investors. Various property specialists project that vacant land will perform well in future, therefore it needs to be viewed as a long-term investment.

It must be noted for the purpose of this valuation report there is a limited amount of market information available relative to vacant developable site within the greater area. This limited market information is exacerbated by a general scarcity of suitable developable vacant land across the residential and commercial spectrum throughout the Bloemfontein area.

After analysing various sales, it was established that the majority of registered sales, in the Bloemfontein area, are dated and furthermore located in inferior areas.

Research has been undertaken to establish what developers are prepared to pay for comparable vacant sites. The comparison was made on the basis of proximity to amenities, facilities, accessibility and other relevant factors.

Other factors considered important in determining the value of vacant land:

- Shape/form of land parcel;
- Servitudes restricting use of property;
- Onerous soil conditions;
- The presence of hard rock formations; and
- Availability of municipal services.

For this valuation, the following comparable transactions of vacant land were identified and compared with the vacant land of the subject property. Some of the transactions are only included to illustrate market trends in terms of value escalation and location.

growth in accommodation in the past year. It also suggests that the development pipeline may be insufficient for future growth in the market. Current projects indicate that office stock will have increased by a further 134,500m² into 2019, a 9.0% increase over two years.

It was a positive close to 2017 for a resilient Cape Town office market. There are indications of vacancy improvements across all sub-sectors, most notably in Grade P and Grade A accommodation. While a trend to convert office buildings to residential use has contributed to the decline in vacancies, office stock still increased by 4.0% in 2017.

Industrial sector

Compared to other real estate sub-sectors, the country's industrial sector was a key performer in 2017 with some encouraging statistics to note:

The year ended on a positive note for the Durban industrial property market. Analysis reports to rental growth across all grades. Average rentals witnessed growth on a yearly basis, attributable to annual escalations, with Grade A accommodation recording the highest growth of 9.0% y/y. The market has seen much developer interest in logistics and distribution facilities, including the Clairwood Logistics Park, one of the major ongoing developments located 10km from the Port of Durban, which is planned to span over 80,000m².

The Johannesburg industrial market ended 2017 with a relatively low vacancy rate and a substantial development pipeline. The push towards high-end modern facilities is driving rental rates up, contributing to positive investor sentiments. To date, the Johannesburg industrial market has in excess of 884,000m² in the development pipeline, mostly concentrated in the northern and eastern parts of the city.

Industry players should take care not to overstate the buoyancy and confidence in the sector. Beneath the surface, there seems to be a segmented market developing: on the one side Grade P accommodation continues to be landlord-driven while on the flipside, an occupier market is developing in the Grade A and Grade B space, with landlords incentivising occupiers with lower rental rates. This will play a significant role in the deals of 2018.

Retail sector

Lastly in the South African retail space, vacancy rates went up in Q4 2017 across the board compared to the same period in the previous year. Neighbourhood and community shopping centres continued a positive trajectory, performing better than bigger centres. The poor trading density growth reflects the consumer's short-to medium-term concern for economic growth. Vacancy rates ended the quarter at an average of 4.0%. Super-regional shopping centres witnessed a further increase from 4.1% in the previous quarter to 4.7% in Q4, while small regional centres recorded a 1.0% vacancy rate decline on a yearly basis.

The Consumer Confidence indicator is expected to improve as we head deeper into 2018 with other indicators such as household credit extension already showing signs of improvement. This, coupled with the recent hopeful political changes and a strengthening Rand, bodes well for a positive turn in property investment decisions.

(Adapted from: Markets & Investment News 27 February 2018)

Comparable Sale One



Deed Description	Erf 27910, Mangaung.
Address	Monapi Street.
Sale Price	R150 000.00
Sale Date	26 June 2016
Extent	701.00m ²
Unit rate/m²	R213.98/m ²
Land Use	Vacant Business
Additional Comments	
Comparable Sale One offers a dated, smaller in extent, vacant business zoned land. This comparable sale offers a less desirable location in relation to exposure to passing trade, however is located in close proximity to the subject property (approximately 600m west of subject property). We are of the opinion the subject property should yield a higher rate per m ² compared to this comparable sale, due to it's superior location. A positive adjustment can be made to account for the date of sale, as the purchase date is considered to be slightly dated.	

Comparable Sale Two



Deed Description	Erf 26583, Phahameng, Mangaung.
Address	Maphisa Street.
Sale Price	R321 000.00
Sale Date	19 February 2015
Extent	1 284.00m ²
Unit rate/m²	R250.00/m ²
Land Use	Vacant Business
Additional Comments	
Comparable Sale Two offers a dated, smaller in extent vacant business land. This comparable is located in Phahameng, approximately 2km north west of the subject property. This comparable sale offers a slightly less desirable location in relation to main arterial roads and passing trade, compared to the subject property. We are of the opinion the subject property should yield a higher rate per m ² compared to this comparable sale, due to it's superior location. A positive adjustment can be made to account for the date of sale, as the purchase date is considered to be slightly dated.	

Comparable Sale Three



Deed Description	Erf 395, Ashbury, Heidedal.
Address	Wilberforce Street.
Sale Price	R550 000.00
Sale Date	26 July 2015
Extent	1 735.00m ²
Unit rate/m²	R317.00/m ²
Land Use	Vacant Business/Religious
Additional Comments	
Comparable Sale Three offers a dated, smaller in extent vacant business/religious vacant land. This comparable is located in Asbury (Heidedal) approximately 4km north of the subject property. The area considered to be superior in terms of location and exposure to passing trade. We are of the opinion the subject property should yield a slightly lower rate per m ² compared to this comparable sale, due to it's inferior location. A positive adjustment can be made to account for the date of sale, as the purchase date is considered to be slightly dated.	

Comparable Sale Four



Deed Description	Erf 1462, Rocklands, Mangaung.
Address	Tsuene Street.
Sale Price	R250 000.00
Sale Date	01 March 2017
Extent	899.00m ²
Unit rate/m²	R278.09/m ²
Land Use	Vacant Business
Additional Comments	
Comparable Sale Four offers a smaller in extent vacant business land, located approximately 2km south of the subject property, in Rocklands. This comparable sale offers a slightly less desirable location in relation to exposure and passing trade compared to the subject property. This comparable sale is the most recent transaction of business zoned land traced in the wider area. We are of the opinion the subject property should yield a slightly higher rate per m ² compared to this comparable sale, due to it's superior location.	

Comparable Sale Five



Deed Description	Erf 395, Rocklands, Mangaung.
Address	Moshoeshoe Street.
Sale Price	R1 750 000.00
Sale Date	10 April 2015
Extent	3 065.00m ²
Unit rate/m²	R570.96/m ²
Land Use	Vacant Business
Additional Comments	Comparable Sale Five offers a very similar in extent vacant business land, located approximately 2km south of the subject property. This comparable is considered to be located superior in terms of conglomeration advantages, exposure and passing trade as it is located next to the Rocklands Shopping Centre and has subsequently been developed to form part of the Rocklands Shopping Centre. We are of the opinion the subject property should yield a lower rate per m ² compared to this comparable sale, due to it's inferior location. A postive adjustment can be made to account for the date of sale, as the purchase date is considered to be slightly dated.

Comparable Sale Six



Deed Description	Erf 1362, Ashbury Ext 2, Mangaung
Address	Da Vinci Crescent.
Sale Price	R750 000.00
Sale Date	31 August 2016
Extent	3 430.00m ²
Unit rate/m²	R218.65/m ²
Land Use	Vacant Business

Additional Comments

Comparable Sale Six offers a very similar in extent vacant business land, located approximately 2.5km north of the subject property in Asbury (Heidedal). The macro area considered to be superior in terms of location and exposure to passing trade, however this comparable is considered to offer a inferior micro location. We are of the opinion the subject property should yield a higher rate per m² compared to this comparable sale, due to it's superior location. A postive adjustment can be made to account for the date of sale, as the purchase date is considered to be slightly dated.

Conclusion

Comparables 1 to 4 illustrates the value of small vacant business erven in the wider Mangaung area. Rates per m² of around R213.98 – R317.00 per m² is achievable for erven between 701 m² to 1735 m².

Comparable 5 & 6 illustrates the value of large business land between 3065 m² to 3430 m² in extent, located in prime nodes around Mangaung. A rate per m² of R218.65 and R570.96 per m² were respectively, achievable under current market conditions.

It is a known fact that land is becoming scarcer and land near established nodes is more popular for reasons such as easier access to municipal services and established infrastructures.

Cognizance of the current economy under pressure and onerous rezoning processes must also be taken into consideration. In addition to the above, we have taken the following into account in determining the rate applied:

- Physical form (Triangular shape, not functional for full development);
- Topography & slope;
- Possible hard rock formations on the western elevation of the land parcel;
- Proposed 7m wide servitude/building line noted in Annexure A (ii); and
- Physical surface (rocks and building rubble).

As the current zoning is assumed as business (as per instruction) and is located on a main route, with good exposure to passing trade, we are of opinion that it should yield a rate in-line with the lower end of land transactions noted above.

It must be mentioned that very few vacant land portions similarly located and similar in size are available in the market. As the subject property offers a large land portion, it should be noted that generally large land portions achieve lower rates per m². Therefore, we are of opinion that land with a similar location, shape, topography, potential and extent should yield a rate of between R200.00 – R220.00 per m² depending on the extent, size, physical attributes and location.

Therefore, for purpose of this valuation report, a rate of R200.00/m² will be applied to the gross area of the subject property.

Value of land= R200.00 x 3866.58m² = R773 316.00 say **R775 000.00**.

After due consideration of all relevant factors mentioned in this report, a market value of **R775 000.00 (Seven Hundred and Seventy Five Thousand Rand)** is considered a fair market value as on the date of valuation. Excluding 14% Value Added Tax.

CURRENT MARKET VALUE OF SUBJECT PROPERTY:
R775 000.00 (Seven Hundred and Seventy Five Thousand Rand)
Excluding 14% Value Added Tax

Page 90

Property Valuation Experts

12. RECOMMENDATION

After due consideration of the information presented, a valuation of **R775 000.00 (Seven Hundred and Seventy Five Thousand Rand)** is considered a fair market value of the subject property.

13. CONDITIONS AND RECOMMENDATIONS

This valuation is subject to the following conditions and recommendations

1. This valuation is based on the assumed Business zoning. A different zoning could constitute a different market value.
2. This valuation is based on the information as provided by Mangaung Municipality. If any information provided is proven to be invalid, we reserve the right to amend the report accordingly.

DECLARATION

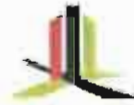
Having inspected the above-mentioned subject property and after taking due consideration of all the relevant factors, I, **Banie du Toit** in my capacity as a Professional Valuer, consider the above valuation to be a true reflection and a fair assessment of the subject property's market rental value, as at the date of valuation.

A handwritten signature in black ink, appearing to read 'Bdt', is positioned above a horizontal line.

BANIE DU TOIT
PROFESSIONAL VALUER
(B.L.P.M, M.L.P.M (M. PROP) UOFS)
SACPVP Reg. No: 7419/1

DATE: 11 October 2018

APPENDIX A: BRIEF/ INSTRUCTION



MANGAUNG

METRO MUNICIPALITY
METRO MUNISIPALITEIT
LEKGOTLA LA MOISE

DIRECTORATE ECONOMIC
& RURAL DEVELOPMENT

Our Ref: Maureen Makume/Ditshwanelo Ntshama

Date: 03 Oct 2015

TO: DDP

Attention: R. Van Niekerk

VALUATION INSTRUCTION

Valuation is hereby requested for market value of Erf 7678 Namibia, Bloemfontein.

The subject property is earmarked for Micro Retail Container Park under our SMME Support Division.

Aerial photograph attached.

Regards,

HOD: Economic and Rural Development
Mr Teboho Malne

PO Box 3704, Bloemfontein 9300, Room 821, 8th floor, Bram Fischer Building, Corr Nelson Mandela & Markgraff Street
Tel: +27 51 406 8253 E-Mail: Ditshwanelo.Ntshama@mangaung.co.za Website: www.mangaung.co.za

APPENDIX A

Property Valuation Experts

APPENDIX B: TITLE DEED SUMMARY

Property detail:

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	MANGAUNG EXT 24
Erf number	7878
Portion	0
Province	FREESTATE
Registration division/Administrative district	BLOEMFONTEIN RD
Local authority	MANGAUNG METROPOLITAN MUNICIPALITY
Previous description	-
Diagram deed number	DU1000/800
Extent	2.0023 H
LPI Code	F00300090000787800000

Title Deeds detail:

Document	Registration date	Purchase date	Amount	Image Scanned reference	Document copy?
T24491/2000	20000629	-	SECT 14	20180313 14:03:11	Yes

Owners detail:

Document	Full name	Identity Number	Share	Person Enquiry?
T24491/2000	MANGAUNG METROPOLITAN MUNICIPALITY	-	-	Yes
T14496/2014	MANGAUNG METROPOLITAN MUNICIPALITY	-	-	Yes

Endorsements / Encumbrances:

Endorsement / Encumbrance	Holder	Amount	Image Scanned reference	Document copy?
VA2404/2014	MANGAUNG LOCAL MUNICIPALITY	-	20150121 10:56:54	Yes
VA330/2018	MANGAUNG METROPOLITAN MUNICIPALITY	-	20180313 12:54:04	Yes

History:

Document	Holder	Amount	Image Scanned reference	Document copy?
T24491/2000	MANGAUNG LOCAL MUNICIPALITY	T/T	20180313 14:03:11	Yes

APPENDIX C: PROPOSED SUBDIVISION



APPENDIX D: SUPPORTING DOCUMENTS



ANNEXURE A

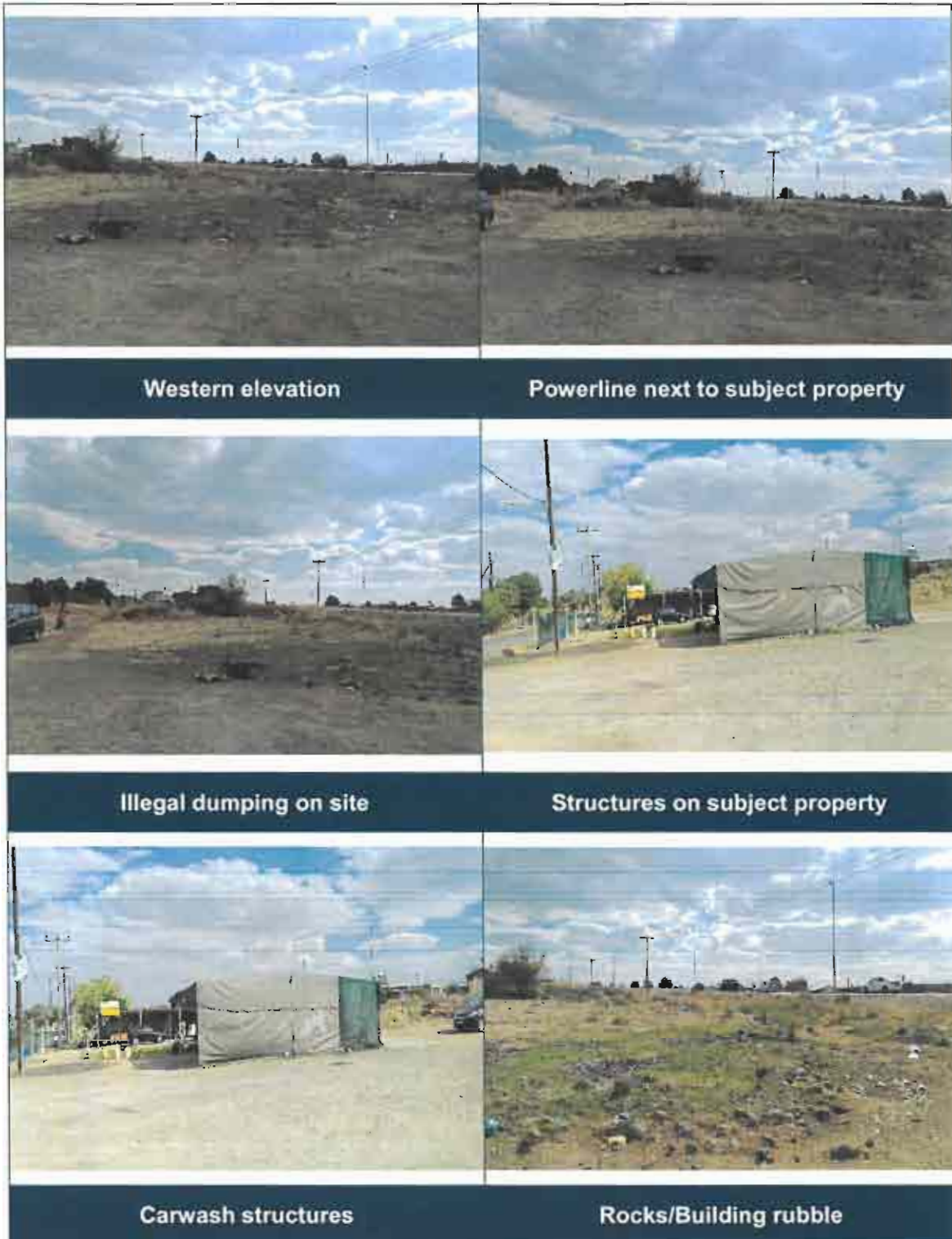
- Amendment of the General Plan (SG 1645/2998) by means of the closure of a portion of erf 7878 Mangaung erf 24 (Freedom Square) as a public open space as indicated on Annexure "A" in terms of the Section 16 (2)(a)(vi) of Mangaung Land Use Planning By-laws (2015) **is approved.**
- Subdivision of the closed portion into two portions in terms of Section 16(2)(a)(v) of the Mangaung Land Use Planning By-laws (2015) **is approved**
- Rezoning of the closed portion of erf 7878 Freedom Square from "Public Open Space" to "Business" in terms of Section 16(2)(a)(ii) of the Mangaung Land Use Planning By-laws (2015) **is approved**, subject to the following conditions:
 - (i) that civil and electrical municipal services be provided to the proposed subdivision by the Mangaung Metropolitan Municipality; and
 - (ii) that a 7 meter building line applies to the development of any permanent structure



B. S. MTHEMBU
HOD: PLANNING

25/04/2018
DATE

APPENDIX E: PHOTOGRAPHS





CAVEATS

1. FULL DISCLOSURE

This valuation has been prepared on the basis that full disclosure of all information and factors that could affect the valuation ('all relevant factors') have been made to us. We accept no liability or responsibility whatsoever for the valuation if it should transpire that a full disclosure of all relevant factors was not made.

2. THIRD PARTY INVOLVEMENT

Where reliance was placed on information supplied by third parties in undertaking the evaluation, we have assumed such information to be substantially correct. We accept no liability or responsibility whatsoever for the valuation if it should transpire that the information supplied was substantially incorrect.

3. VALUATION STANDARD

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements as adopted by the South African Council for the Property Valuers Profession and the South African Institute of Valuers.

4. FREEHOLD PROPERTY

In the case of freehold properties we have inspected the relevant Title Deed documents when available. Whenever perusal of the Title Deed caused concern, we made specific reference to this in the Valuation Report. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. MORTGAGE BONDS, LOANS OR OTHER CHARGES

The property has been valued as if wholly owned with no allowance made for any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such as legal or transfer fees, or the costs involved in the disposal of the assets.

6. CALCULATION OF AREAS

Where the client (or his/her representative) has provided all surface areas quoted within the Valuation Report, we assume such surface areas have been calculated in accordance with the SAPOA standard method of measurement. Where a valuer on site measures the surface areas, the SAPOA standard method of measurement shall be employed.

7. PLANS

All plans included in the Valuation Report are supplied for the purpose of identification and orientation only and are not necessarily to scale.

8. PROPERTY BOUNDARIES

The farm or property boundaries, as indicated to the Valuer by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements because of this or these variations, cannot therefore be regarded as the responsibility of the Valuer. We accept no liability or responsibility whatsoever for the valuation should it transpire that any boundaries were incorrectly pointed out.

9. OUTGOINGS

It is assumed, except where otherwise stated, that the property is subject to the normal property owner's outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation, we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by the client or a representative thereof.

10. STRUCTURAL CONDITION

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to report that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. CONTAMINATION

Our valuation assumes that a formal environmental assessment is not provided and further that the property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12. VACANT LAND

No soil or substratum tests on the property have been undertaken and it is assumed that the property is suitable for the intended purpose, without having to provide excessive reinforcement to any structure built thereon.

13. STATUTORY NOTICE AND UNLAWFUL USE

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. INDIVIDUAL PROPERTIES

The values reported are for the individual properties. No allowance is made for any premium, which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market, which might exist if all, or a majority of the properties were offered for sale simultaneously.

15. CONFIDENTIALITY

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.

16. NON-PUBLICATION

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of the Valuer, as to the form or context in which it may appear and acknowledgement that the Valuer are professional valuers.

17. INDEPENDENT VALUERS CLAUSE

Neither the Valuer, nor any employee, have any present or contemplated interest in this or any other properties or any other interests, which could affect the statements or values, contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by a valuer employed the Valuer, a company which specializes in valuation and which does not trade in these assets.

18. VALUE ADDED TAX

All figures quoted are exclusive of Value Added Tax.