

**AGENDA of the
Portfolio Committee : Infrastructure & Planning
20 November 2018
(Also the agenda for the Mayoral Committee Meeting : 28 November 2018)**

**9.
FOUNTAIN HILL AFFORDABLE HOUSING DEVELOPMENT, GANSBAAI:
LAPSING OF MEMORANDUM OF AGREEMENT**

**Erf 210, Gansbaai
A Jacobs
25 October 2018**

(028) 313 5075

Hermanus Administration

1. Executive Summary

The Gansbaai GAP Project, which will be referred to as Fountain Hill development, entailed the development of 155 GAP housing sites on a portion of Erf 210, Gansbaai and was approved by Council during 2012. Project approval was obtained from the Department of Human Settlements (DoHS) during 2013 and installation of civil services was completed during 2015.

Subsequently an agreement was entered into between the Municipality and the Implementing Agent (Suppliers to All (Pty) t/a Motlekar Overstrand) for the development of the affordable housing on the properties. It was agreed that the development would be done in phases and the first phase would include the installation of electricity on 31 erven as well as construction of eleven (11) show houses.

Transfer of these 31 erven was given to the Implementing Agent upon completion of the services and show units. Since the completion of the show units in 2015, only four units have been sold and the remaining seven are leased to tenants. The agreement between the Implementing Agent and Municipality expired / lapsed during September 2017 and the Implementing Agent has now submitted a request for extension of the time period together with some development alternatives as sales are slow and not progressing as expected.

The purpose of this report is therefore to discuss the request for extension of time in terms of the expired contract and present proposed alternatives to Council.

Copies of the Council Report and Resolution regarding the alienation of the property to the Implementing Agent is attached as Annexure A and copies of the Memorandum of Agreement and Deed of Sale between the Implementing Agent and Municipality as Annexures B1 & B2, respectively.

2. Service Delivery and Budget Implementation Plan - IGNITE

Directorate: Infrastructure & Planning

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3. Compliance with Strategic Priorities

Provision of democratic, accountable and ethical governance
Provision and maintenance of municipal services
Creation and maintenance of a safe and healthy environment
The encouragement of structured community participation in the matters of the municipality
Promotion of tourism, economic and social development

4. Delegated Authority

None

5. Legal Requirements

Constitution of the Republic of South Africa, 1996
Housing Act, 1997 (Act 107 of 1997)
National Housing Code, 2009
Local Government: Municipal Finance Management Act (Act 56 of 2003)
Local Government: Municipal Systems Act (Act 32 of 2000)
Administration of Immovable Property Policy of the Overstrand Municipality, as amended

6. Background/Discussion/Evaluation/Conclusion

Background

The Fountain Hill development, entailed the development of 155 GAP housing sites on a portion of Erf 210, Gansbaai and was approved by Council during 2012. Project approval was obtained from the Department of Human Settlements (DoHS) during 2013 and installation of civil services was completed during 2015. After completion of the civil infrastructure, an agreement was entered into between the Municipality and Implementing Agent (Suppliers to All (Pty) t/a Motlekar Overstrand) for the development of the affordable housing on the properties. It was agreed that the development would be done in phases and the first phase would include the installation of electricity on 31 erven as well as construction of eleven (11) show houses.

Transfer of the first 31 erven included in the first phase as per the agreement, was given to the Implementing Agent upon completion of the services and show units. Since the completion of the show units in 2015, only four units have been sold and the remaining seven are being leased to tenants. The agreement between the Implementing Agent and Municipality also expired / lapsed during September 2017 and the Implementing Agent has now submitted a request for extension of the time period together with some

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development alternatives as sales are slow and not progressing as expected. A copy of this letter is attached as Annexure C.

The purpose of this report is therefore to discuss the request for extension of time in terms of the expired contract and present proposed alternatives to Council.

Discussion / Evaluation

Current Status

Electrical infrastructure for 31 erven was installed at the cost of the Implementing Agent. Eleven Show houses were constructed by the Implementing Agent of which only 4 have been sold to date. The remaining 7 units are leased to tenants, while ongoing marketing of the development continues. According to the letter attached as Annexure C, sales are slow and not progressing as anticipated. It is stated in the letter that *“It is clear that the anticipated GAP market in Gansbaai is not there and potential buyers from Hermanus is reluctant to invest due to cost of travelling.”* They are therefore proposing alternative options for further development.

Memorandum of Agreement (MOA) and Deed of Sale (DoS)

The MOA and DoS between the Implementing Agent and Municipality were for 31 erven at a market related price, and were entered into on 10 September 2014 (the two agreements being indivisible from each other) and were valid for a period of 36 months as per Paragraph 14 on Page 7 of the MOA, which reads as follow:

“In the event of any of the transferred units to Suppliers To All not being sold and transferred within 36 (thirty six) months from date of signature hereof, Suppliers To All shall forthwith repay to the Municipality such total subsidy amount as invested by them per erf and shall forthwith pay the Overstrand Municipality the purchase price for any erven not sold, at the rate of R8 968.00 or the applicable escalated amount per erf.”

The contract period therefore lapsed on 10 September 2017.

As quoted above, the land purchase price amounted to R8 968.00 (excluding VAT) per erf and this amount plus the civil services installation amount per erf would be repayable to the Municipality upon transfer of the individual erven to the developer. The service costs amounted to R57 343.74 (excluding VAT) per erf. To date 31 erven, forming part of the first phase of the show village, has been transferred to the Implementing Agent. Payment for the land value of the 31 erven and service costs for only 11 erven were received. A copy of the Tax Invoice and proof of payment is attached as Annexure D. The service installation costs for the 20 erven is therefore still outstanding.

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The Implementing Agent is now requesting an extension of time in terms of the agreement as per the attached Annexure C, to enable them to explore other development alternatives as set out below.

Proposed Alternative Development Options

The Implementing Agent started engagements with the owners of three companies in the Gansbaai area, namely Grootbos, Marine Dynamics and the new Abalone Farm currently under construction close to Dangerpoint. All three companies are interested in obtaining approximately 20 of the properties each, in the Fountain Hill development for their employees. The alternative development options are therefore proposed to accommodate the needs of these prospective buyers.

The agreements currently state that the Implementing Agent has to sell the completed units in the development and repay the total services and land cost to the municipality when transfers are effected. It does not make provision for the Implementing Agent to sell off only vacant serviced erven or in any other manner such as plot-and-plan. In terms of the agreement, the Implementing Agent has to construct the units and sell each property and its house as a whole. As mentioned under the Current Status, sales have proven to be slow with only four units sold over the past 4 years and all indications are there that the prices are not affordable. The Municipality therefore requested that the Implementing Agent come up with alternatives to fast track the sales and make the development more affordable. Their proposals include the request for an extension of time in terms of the MOA and DoS to further engage with the 3 business owners. A set of architectural guidelines have been prepared for these engagements with the business owners, giving them different construction alternatives, yet still keeping the development in line with the initial designs and planning. The guidelines will enable potential buyers to construct their houses in accordance with their own budgets and affordability. A copy of the guidelines is attached as Annexure E.

According to the information received from the Implementing Agent, the target prices for the business owners range between R400 000 – R450 000. The proposal under discussion is therefore to install electricity on the remaining erven and sell the erven as serviced plots to them or their employees. Electricity will be installed after sale agreements have been signed with the business owners / workers. The workers can then construct their houses with assistance from their employers according to their affordability but within the prescribed architectural guidelines.

In order to make the sites available at the most affordable prices, as part of the proposal, it is requested that the bulk services contributions applicable on the development, be waived. Only a 50% contribution was applicable and it is requested that the total amount be waived.

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It is furthermore requested that the land cost of R8 968 per erf, be waived in order to further lower the price per serviced site.

Below is a summary of the estimated cost per erf inclusive of everything as well as a summary of the lower price once the bulk services and land costs are waived.

	Item	Total Current Costs	Total Cost excluding Bulk & Land Costs
1.	Land Cost	R8 968.00	
2.	Civil Infrastructure	R57 344.00	R57 344.00
3.	50% Bulk Contribution	R32 000.00	
4.	Electrical Infrastructure	R18 236.00	R18 236.00
5.	Professional Fees	R10 522.00	R10 522.00
6.	Rates & Taxes	R10 000.00	R10 000.00
	TOTAL	R137 070.00	R96 069.00
7.	10% IA Fee	R13 707.00	R9 607.00
	TOTAL	R150 777.00	R105 676.00
8.	15% VAT	R22 616.00	R15 851.00
	TOTAL	R173 393.00	R121 527.00

The Implementing Agent also proposes that they consider the option of reduced specification container housing with proper finishing which may affect affordability and this would also be explored if the extension of the contract is permitted.

The Implementing Agent now proposes that should they not be able to successfully negotiate with the interested business owners and their employees in the requested extension period, they ring fence the transferred erven and then the rest of the erven reverts back to the municipality.

Evaluation

The request for extension of the contract period is not supported due to the fact that the sales over the past four years have been very slow and there is no indication that it will improve. There is also no guarantee that the interested business owners will definitely purchase the properties for their employees. There has been a lot of pressure from communities to provide them with serviced erven to construct their own housing. From the price breakdown indicated above, the price per erf may still be outside the affordability rating of the workers.

If the Municipality makes the sites available to those potential qualifying beneficiaries under the FLISP programme, the sites would be available at a much lower price.

In light of the above, the following is therefore proposed that:

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- The Implementing Agent pays the outstanding service installation cost on the 20 erven for which transfer was given plus interest on outstanding installation cost calculated at 2% above the Prime Rate from the due date to the date of actual payment as indicated in Paragraph 16.1 on Page 7 of the MOA. Those erven will then remain in their ownership.
- The remaining 124 erven be made available as serviced sites to those qualifying beneficiaries in terms of the FLISP programme. This will entail making the serviced site available at no cost to potential qualifying beneficiaries earning between R3 501 – R7 000 and those between R7 001 – R22 000 can purchase the site at an affordable price.
- In order to make the sites as affordable as possible to those potential beneficiaries, it is proposed that the bulk services contribution and land purchase costs be waived as proposed by the Developer / Implementing Agent on the remaining 124 erven only in relation to the erven made available to beneficiaries earning between R3 501 – R7 000.

Conclusion

It is therefore recommended that:

1. The outstanding civil infrastructure costs on the already transferred 20 erven remaining in Phase 1 of the Fountain Hill development, be paid to the Municipality within 30 days after date of the Council decision;
2. That the request for extension of time not be approved;
3. Council waives all applicable bulk service contributions on the remaining 124 erven not transferred to the Developer;
4. Council waives all applicable land costs on the remaining 124 erven not transferred to the Developer only in relation to the erven made available to beneficiaries earning between R3 501 – R7 000; and
5. Council approves the proposal that the 124 sites, be made available as serviced sites.

7. Financial Implications

Total Bulk Service Contributions waived by Municipality:
124 erven x R25 873 = R3 208 252

Total Land Cost waived by Municipality:
124 erven x R8 968 = R1 112 32

8. Staff Implications

None

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9. Comments from other Departments, Divisions and Administrations

Manager: Property Administration, Ms A Le Roux – (028) 316 3724

Chapter 2 of the Municipal Asset Transfer Regulations, 2008, (Regulations to the Municipal Finance Management Act, no. 56 of 2003) deals with the transfer of permanent disposal of non-exempted capital assets (the latter including land and buildings) and stipulates the processes to be followed. However, regulation 4(3)(b) clearly stipulates that the procedures for the transfer or disposal of non-exempted capital assets as stipulated in the said chapter are “*not applicable to the transfer of housing on municipal land and the transfer of municipal land for the poor to beneficiaries of such housing*”. This means that where Housing legislation and criteria is applicable to the transfer of the property, it is not necessary to follow a competitive process.

As specific criteria for the allocation of the erven will be applicable and as the sole purpose is to provide housing to qualifying beneficiaries, it will not be necessary to follow a competitive bidding process. Note that a purchase price must be determined for those erven sold to qualifying beneficiaries earning between R7 001 – R22 000. It is suggested that once the beneficiary list is finalised, a valuation be done to establish the price of a serviced erf to establish whether it is affordable. It must be noted that the current municipal valuation of these erven is R50 000 per erf.

Senior Town Planner, Mr S van der Merwe – (028) 313 8900

The approval of the Mayoral Committee dated 31 October 2012 specifically referred to a GAP housing project comprising 155 Residential Zone I erven. The conditions of approval also required approval of a Site Development Plan. Municipal Notice 6/2013 in the Gansbaai Courant with regard to the alienation of a portion of Erf 210, Gansbaai to Motlekar Cape makes reference to GAP housing.

The opinion is thus held that due to the proposed change in the development, an application in terms of the Overstrand Municipal Land Use Planning By-Law, 2015 will have to be made to amend the decision of the Executive Mayoral Committee and conditions of approval and that the applications be subjected to a public participation process.

10. Annexures

- Annexure A: Council Report & Resolution regarding Alienation
- Annexure B1: Memorandum of Agreement
- Annexure B2: Deed of Sale
- Annexure C: Letter from Implementing Agent
- Annexure D: Tax Invoice & Proof of Payment
- Annexure E: Proposed Guidelines

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RECOMMENDATION TO THE COUNCIL:

1. that the outstanding civil infrastructure costs due on the already transferred 20 erven remaining in Phase 1 of the Fountain Hill development, plus interest on outstanding civil infrastructure cost calculated at 2% above the Prime Rate from the due date of actual payment, payable to the Municipality within 30 days after date of the Council decision, **be approved**;
2. that the request for extension of time of the Memorandum of Agreement and indivisible Deed of Sale entered into between the Municipality and Implementing Agent for a period of 24 months, **not be approved**;
3. that all applicable bulk service contributions on the remaining 124 erven not transferred to the Implementing Agent be waived, **be approved**;
4. that all applicable land costs on the remaining 124 erven not transferred to the Implementing Agent be waived only in relation to the erven made available to beneficiaries earning between R3 501 – R7 000, **be approved**; and
5. that the proposal to make the remaining 124 erven available as serviced sites to those qualifying beneficiaries in terms of the FLISP programme, **be approved**.

RESPONSIBLE OFFICIAL :	A JACOBS
TARGET DATE FOR IMPLEMENTATION :	28 NOVEMBER 2018
TARGET DATE TO INFORM APPLICANT :	28 NOVEMBER 2018
TARGET DATE TO INFORM OBJECTOR :	N/A

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**9.
FOUNTAIN HILL AFFORDABLE HOUSING DEVELOPMENT, GANSBAAI: LAPSING
OF MEMORANDUM OF AGREEMENT**

**Erf 210, Gansbaai
A Jacobs
25 October 2018**

(028) 313 5075

Hermanus Administration

**THIS MATTER SERVED BEFORE THE JOINT PORTFOLIO COMMITTEE ON
20 NOVEMBER 2018, WHICH COMMITTEE RECOMMENDED AS FOLLOWS:**

RECOMMENDATION TO THE COUNCIL:

1. that the outstanding civil infrastructure costs due on the already transferred 20 erven remaining in Phase 1 of the Fountain Hill development, plus interest on outstanding civil infrastructure cost calculated at 2% above the Prime Rate from the due date of actual payment, payable to the Municipality within 30 days after date of the Council decision, **be approved**;
2. that the request for extension of time of the Memorandum of Agreement and indivisible Deed of Sale entered into between the Municipality and Implementing Agent for a period of 24 months, **not be approved**;
3. that all applicable bulk service contributions on the remaining 124 erven not transferred to the Implementing Agent be waived, **be approved**;
4. that all applicable land costs on the remaining 124 erven not transferred to the Implementing Agent be waived only in relation to the erven made available to beneficiaries earning between R3 501 – R7 000, **be approved**; and
5. that the proposal to make the remaining 124 erven available as serviced sites to those qualifying beneficiaries in terms of the FLISP programme, **be approved**.

RESPONSIBLE OFFICIAL :

A JACOBS

TARGET DATE FOR IMPLEMENTATION :

28 NOVEMBER 2018

TARGET DATE TO INFORM APPLICANT :

28 NOVEMBER 2018

TARGET DATE TO INFORM OBJECTOR :

N/A

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5. GANSBAAI : TRANSFER OF A PORTION OF ERF 210 GANSBAAI, TO SUPPLIERS TO ALL (PTY) LTD, T/A MOTLEKAR OVERSTRAND

Erf 210, Gansbaai
R Kuchar
28 May 2013

(028) 313 8900

Hermanus Administration

1. Executive Summary

To obtain approval for the out of hand transfer of a portion of Erf 210, Gansbaai, measuring ±3,78325ha in extent, to Suppliers To All (Pty) Ltd, (t/a Motlekar Overstrand) for the development of a GAP housing project.

A Locality Plan is attached per Annexure A.

2. Service Delivery and Budget Implementation Plan - IGNITE

Infrastructure and Town Planning
Town Planning and Property Administration

3. Compliance with Strategic Priorities

Provision of democratic and accountable governance

4. Delegated Authority

None

5. Legal Requirements

- Administration of Immovable Property Policy of the Overstrand Municipality of 2009
- Local Government: Municipal Finance Management Act, 2003 Municipal Asset Transfer Regulations, 2008 (No R. 878 of 2008)
- Local Government: Municipal Finance Management Act (Act 56 of 2003)

6. Background/Discussion/Evaluation/Conclusion**Background**

An in principle decision was taken by Council at a meeting dated 23 September 2009 (minutes is attached as Annexure B) to dispose of a portion of Erf 210, Gansbaai for a GAP housing project at market value (Council item is attached as Annexure C).

The fair market valued had been determined by a professional valuer who valued the property at R1,390,000.00 (evaluation attached as Annexure D).

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The purpose of this item is to obtain approval for the out of hand transfer of a portion of Erf 210, Gansbaai, measuring $\pm 3,78325$ ha in extent, to Suppliers To All (Pty) Ltd, (t/a Motlekar Overstrand) for the development of a GAP housing project.

Discussion

The subject property has been rezoned to single residential purposes with a departure from the normal single residential development parameters pertaining to building lines for a GAP housing development consisting of 155 erven. The Department of Human Settlements (DOHS) approved the GAP Housing Project as part of a bigger IRDP (Integrated Residential Development Project) project. DOHS supported the roll out of the project on the following basis:

The land will be sold to Suppliers to All (Pty) Ltd at market value which amounts to a land cost of R8,968.00 per erf ($R1,390,000.00 \div 155$ erven). It should be noted that the services cost per erf received as a subsidy from DOHS does not cover the services cost per GAP erf as calculated by the appointed engineers as a result of additional earthworks and various other factors. Council does not have funding available to install electricity to the units hence the reluctance of previous development institutions to roll out a GAP project. The solution that was agreed with DOHS is thus the following:

- The Municipality, together with its implementing agent, Motlekar Overstrand, proposed a partnership approach with DOHS to implement the project. It was agreed with DOHS to unlock the project by utilising the total subsidy funding available to service the 155 GAP units in a practical phased approach. Motlekar Overstrand committed to invest in the project and take the risk of installing internal electrical reticulation per phase.
- They further committed to fund other professional fees such as architects, etc as well as marketing costs.
- The Municipality wishes to sell the land, at market related value, to end users in the GAP market to deliver a successful project.
- There is a common understanding that external investment in infrastructure and top structure units will only be possible if the land is transferred.
- To achieve fully serviced erven, the implementing agent agreed to invest in electrical infrastructure as mentioned above if the erven are transferred to Motlekar Overstrand at market related value. It is important to note that the Municipality needs to allow transfer of and receive payment for pockets of individual erven, after civil services have

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been completed. Motlekar Overstrand will be bound by a separate agreement (currently in process) to sell the units within guideline price brackets to end users in the GAP market. The fall back position for the Municipality, through the said agreement, is that in the unlikely event of the market not taking up these opportunities within a three year period Motlekar Overstrand will be liable to repay the total subsidy amount invested per erf as received from DOHS.

- Motlekar Overstrand will then finance building of top structure units through a financial institution.
- Income from sales of Phase 1 will then be utilised to repay the Municipality for DOHS funding invested to service these erven. The Municipality will utilise these funds to complete the services in the next phase until the project is completed.
- Upon completion of the project the funding from DOHS will be repaid to the Municipality.
- The Municipality agreed with DOHS to use this funding and reinstate bulk services to its original state before the development.

From the above it is clear that the development will be implemented in a phased approach consisting of three phases (refer to Annexure E) and will be subject to the signing of a Land Availability Agreement. The development will not require any financial contribution from the Municipality, but will actually generate an income from the land sale at market value. Since transfer of the land will occur over a three year period, the Director: Finance recommended that "time value principle of money" should be considered and thus the future transfer of the land cannot occur on the basis of the current market value. Provision should therefore be made for an escalation clause in the conditions of approval. It is however important to note that the income that will be generated from the sale of the erven will be per pocket and the land be transferred to Suppliers To All (Pty) Ltd as such.

Further, having had regard to the comment from the Senior Manger, Gansbaai Administration it should be noted that the developer would not be permitted to sell the land at a profit to the beneficiaries. They may however recover costs. These conditions will be incorporated within the Land Availability Agreement.

6.1 Application process in terms of the Administration of Immovable Property Policy of the Overstrand Municipality

6.1.1 Compliance

The following conditions of the Administration of Immovable Property Policy of the Overstrand Municipality implemented on 1 May 2009 apply:

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- (1) Paragraph 6(1)(b): "The Municipality may transfer ownership or otherwise dispose of immovable property only after the municipal Council has, in terms of Sections 14(2)(a) and (b) of the MFMA:
- (i) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services;*
 - (ii) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset in accordance with Section 14(2) of the MFMA."*

Council already determined that the property is not required for basic municipal services, whilst the fair market value of the property was determined by Boland Valuers at R1,390,000.00.

- (2) Paragraph 20: All costs pertaining to a transaction shall be borne by the buyer, e.g. survey, advertisements, valuation, rezoning, relocation or provision of services where necessary, etc. The Municipality may, however, waive its right to claim the costs should it be to its advantage to bear the costs. Where necessary, a deposit to cover the costs may be required.

The opinion is held that since the planning process had been conducted in house and the land will be developed for a GAP housing development, the applicant be exempted from the payment of the town planning application, advertisement and valuation fees incurred to date, but that all costs pertaining to the survey and transfer of the land be for the developers account.

- (3) Paragraph 23: Where immovable property is sold for development, a condition must be included in the Deed of Sale stipulating that such development must be completed within two years from date of registration. Likewise a condition must be included in the agreement to provide for forfeiture in the event that the development has not been completed within the required time period, unless an extension has been granted by the Municipality.

A condition in terms of the above will be included in the Deed of Sale. It should however be noted that Overstrand Municipality will enter into a separate land availability agreement with the developer in terms of which the developer has three years to implement the development, failing which Motlekar Overstrand will be required to repay the total subsidy amount invested per erf as received from DOHS. It is therefore recommended that the developer be granted a period of three years from the date of transfer in stead of the usual two years.

Paragraph 43: Whenever a number of comparable immovable properties are offered for sale or lease by public competition and there being any remaining immovable property unsold or not being leased after such public competition such remaining properties may be sold, subject to the provisions of paragraph 6.1(b), or leased out of hand by the Municipality at the average realised price obtained for properties sold or leased in accordance with the public competition process. Such price shall be valid for a maximum period of twelve months calculated from the date of the adjudication of the relevant public competition process.

Compliance with this paragraph will have the effect that a new valuation must be obtained every year as well as the public participation process for the duration of the project will have to be followed. This requirement creates an unpractical and unpredictable situation in the financial model because of the possible variation in market value over time which cannot be determined beforehand. It is an important requirement that the viability of the project be determined with known variables. A more practical way to determine future value and to assure no loss to the Municipality in this particular case is to escalate the value of the land at a fixed rate per year. It is proposed that this fixed rate is in accordance with the Consumer Price Index (CPIX), calculated as an average of the Index of the previous twelve months. This constitutes a departure from current policy.

It is recommended that Council approves this departure from the Immovable Property Policy.

Paragraph 48: Immovable property may be sold/leased out of hand in exceptional cases where the Municipality is of the opinion that public competition would not serve a useful purpose or that it is in the interest of the community and the Municipality, and where none of the conditions as set out in this policy document provides for such exception is permitted, and where they are not in conflict with any provision of this policy document. In such cases the full reasons for the Municipality preferring such out-of-hand sales or leases shall be recorded in the minutes of the Council meeting concerned.

In this case the opinion is held that public competition would not serve any useful purpose with the out of hand sale to Motiekar Overstrand, but that it would indeed be in the interest of the community and the Municipality for the following reasons:

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- (i) At the initiation of the project the idea was that the Municipality would service the development that initially comprised of one hundred and forty GAP housing units and forty industrial erven. This option was discounted due to the huge costs to service the development.
- (ii) Subsequently the Municipality engaged with potential implementing agents such as Cape Town Community Housing since 2010 in order to get the GAP housing development off the ground. Due to the huge financial costs involved a development partner could not be procured.
- (iii) Suppliers to All (Pty) Ltd t/a Motlekar Overstrand has already been appointed on a multiyear contract as implementing agent for affordable housing projects within the municipal area with a mandate to implement up to a total of three thousand housing units.

Having had regard to the aforementioned, the opinion is held that it would not serve any useful purpose for the community or the general public to dispose of the land by means of a public tender.

6.1.2 Advertisement/Notification

The out of hand sale of a portion of Erf 210, Gansbaai to Suppliers to All (Pty) Ltd, t/a Motlekar Overstrand was advertised on 15 March 2013 in the Gansbaai Courant for a period of thirty days. No objections were received.

7. Financial Implications

The following financial implications were identified:

- The Municipality stands to gain R1,390,000.00 from this transaction. As has been discussed previously, payment will be effected over an extended time period of up to three years and an appropriate clause will have to be inserted into the sale agreement to counter for the dilution in market value of the property over time. It is therefore proposed that the purchase price be escalated on a yearly basis by a percentage fixed in accordance with the Consumer Price Index (CPIX) calculated as an average of the Index of the previous 12 months.
- The bulk services levy for GAP projects is based on 50% of the normal tariff. As has been agreed with the Provincial Department : Human Settlements, the cost of bulk services will be funded by utilising the proceeds of the services portion of the erven. The amount to be paid for the bulk services levy is R4,273,256.00, while the financial model provides for an equivalent amount to be gained from the sale of erven

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(provisional figures). This will enable the Municipality to reinstate bulk services to its original state before this development took place.

- As has been stated in the discussion, transfer of erven will take place in pockets according to the demand that exists. This places a risk on the Municipality in that payment for the services will only be received once the transfer of an erf to the end user takes place. It is therefore recommended that the transfer of pockets of erven to Motlekar Overstrand only takes place after an irrevocable bank guarantee in favour of the Municipality and acceptable to the Municipality, representing the amount outstanding on services, has been obtained.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

**Senior Manager : Gansbaai Administration, Mr F Myburgh –
Tel (028) 3848300**

The recommendation contained in the report is supported on condition that the developer not be allowed to make a profit on the selling of land to the selected beneficiaries participating in the project. Actual costs must however be recovered.

Director Finance : Hermanus, Me S Reyneke - Naude – Tel (028) 313 8040

The concerns raised during discussions held with the officials from the Town Planning department has now been addressed in this report and provisos recommended for the sale of the land have been incorporated in the recommendation to Council.

**Town Planning and Housing Project Management, Mr B Louw –
Tel (028) 313 8988**

I agree with the phased approach of the development as it is the only way of having a sustainable financial model. This implies that the transfer of and payment for municipal land will be phased as well. Although the model has been discussed with the Provincial Department : Human Settlements, and has been accepted by the department, as stated in this item to Council, the department subsequently requested a final submission to them. The financial model is unique and has not been used before; therefore the department wants to make sure that all financial regulations are being adhered to regarding the spending of housing subsidy funds. If the financial model needs to be adjusted due to further requirements from the Department, Council will be advised accordingly.

AGENDA OF THE MAYORAL COMMITTEE MEETING**26 JUNE 2013****10. Annexures**

- Annexure A: Locality Plan
- Annexure B: Minutes of Council Meeting dated 23 September 2009
- Annexure C: Portfolio Committee Item dated 15 September 2009
- Annexure D: Valuation from Boland Valuers
- Annexure E: Project roll out and phasing plan

Conclusion

That the out of hand sale to Suppliers to All Pty Ltd t/a Motlekar Overstrand be approved.

RECOMMENDATION TO THE COUNCIL

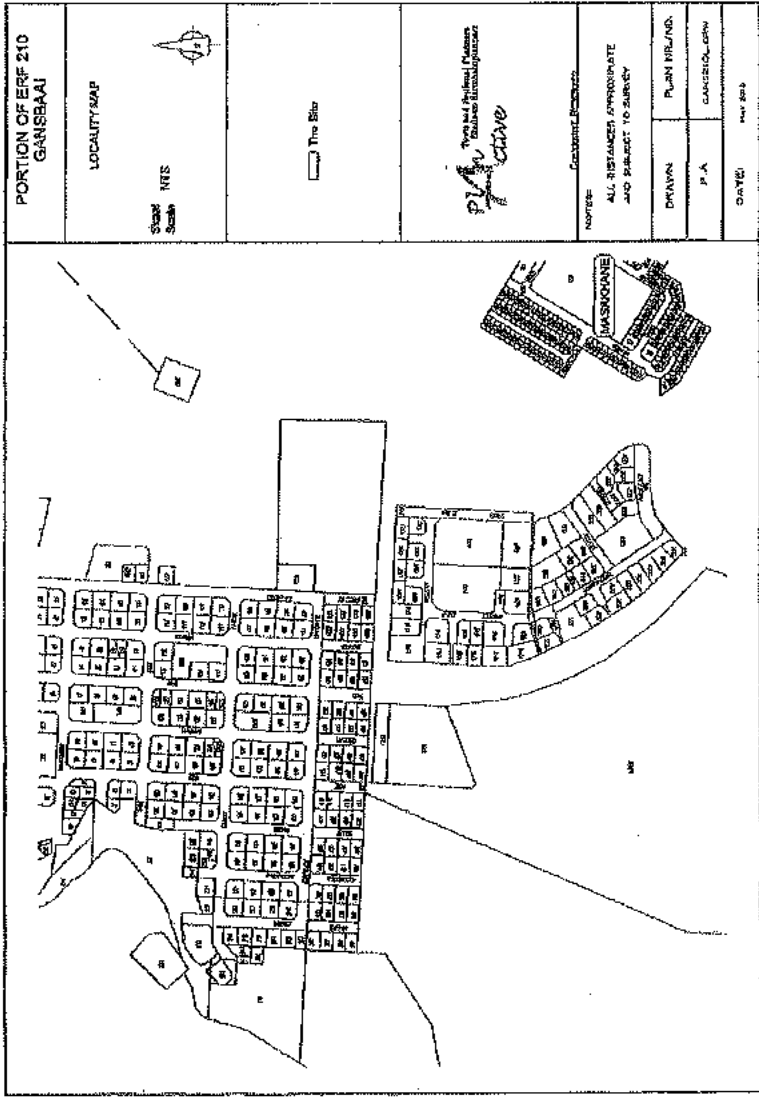
1. that the transfer of a portion of Erf 210, Gansbaai, measuring 3,78325ha in extent, for the amount of R 1 390 000,00 (vat excluded) to Suppliers to All (Pty) Ltd t/a Motlekar Overstrand, **be approved**, in terms of Council's Administration of Immovable Property Policy;
2. that **cognisance be taken** of the fact that the subject municipal property is not required for the provision of basic municipal services in terms of the provisions of paragraph 6(4) of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);
3. that **cognisance be taken** of the fact that should the roll out model of the project change due to further requirements of the Department : Human Settlements, Council be advised accordingly. The sale of a Portion of Erf 210, Gansbaai is conditional to the final acceptance of the model by the said department;
4. that the **transfer** of the land be subject to the signing of a Sale Agreement and Land Availability Agreement acceptable to both parties;
5. that a departure of paragraph 23 of the Administration of Immovable Property Policy, **be approved**, in order to allow a period of three years from transfer for the completion of the project, unless approval for an extension has been granted by Council;
6. that a departure of paragraph 43 of the Administration of Immovable Property policy, **be approved**, in order to use a fixed escalation of market value instead of a yearly valuation process;
7. that the purchase price shall escalate on a yearly basis by a percentage fixed in accordance with the Consumer Price Index (CPIX) calculated as an average of the Index of the previous twelve months;

AGENDA OF THE MAYORAL COMMITTEE MEETING**26 JUNE 2013**

8. that the cost of bulk services will be funded by utilising the proceeds of the services portion of the erven in order to enable the Municipality to reinstate bulk services to its original state before this development took place, and
9. that the transfer of pockets of erven to Motlekar Overstrand only takes place **after an irrevocable bank guarantee** in favour of the Municipality and acceptable to the Municipality, representing the amount outstanding on services has been obtained by Motlekar Overstrand.

RESPONSIBLE OFFICIAL :	S VAN DER MERWE
TARGET DATE FOR IMPLEMENTATION :	12 JULY 2013
TARGET DATE TO INFORM APPLICANT :	N/A
TARGET DATE TO INFORM OBJECTOR :	N/A

Annexure A 1/1



PORTION OF ERF 210
GANSBAAI

LOCALITY MAP



Stand N/S

— The Elm

PLANNING
The old National Museum
Building
Gansbaai

NOTES:
1. CONSULT ENGINEER

ALL DISTANCES APPROXIMATE
AND SUBJECT TO SURVEY

DRAWN BY: P. J. N. N. N.

P. A. G. G. G. G.

DATE: 14/1/2010

Annexure B 1/2

7

MINUTES : ORDINARY MEETING OF THE COUNCIL 23 SEPTEMBER 2009

5.6

OVERSTRAND : MUNICIPAL LAND IDENTIFIED FOR SALE : PRINCIPLE APPROVAL**(ITEM 10 PAGE 206 : INFRASTRUCTURE, PLANNING & ECONOMIC DEVELOPMENT PORTFOLIO ~ MAYORAL COMMITTEE MEETING : 23 SEPTEMBER 2009)****RESOLVED (UNANIMOUSLY)**

1. that the sale of the following erven by a public participation process, be approved in principle, subject to the final approval of council and only after the provisions of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003), the conditions of the Asset Transfer Regulations dated 1 September 2008, the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality, the Land Use Planning Ordinance No. 15 of 1985 the Municipal Ordinance, 1974 (Ordinance No. 20 of 1974) and any other applicable legislation have been complied with:
 - (a) Erf 210, Gansbaai (primary school Masakhane) at the values to be determined and which will be tabled at the meeting
 - (b) Erf 210, Gansbaai (aqua culture near harbour)
 - (c) Erf 210, Gansbaai (affordable housing)
 - (d) Erf 210, Gansbaai (extension of industrial area)
 - (e) Erf 328, Gansbaai (residential development)
 - (f) Erf 611, Gansbaai (medical centre and possible hotel)
 - (g) Erf 966, Gansbaai (residential development)
 - (h) Erf 109, Van Dyksbaai (Kleinbaai) (residential or other appropriate use)
 - (i) Erf 456, Franskraal (single residential)
 - (j) Erf 1070, De Kelders (low density nature conservation development)
 - (k) Erven 1245 to 1249 and 1298, De Kelders (residential development)
 - (l) Erven 1286, 1290, and 1291, De Kelders (residential development)
 - (m) Erf 6408, Kleinmond (Municipal Stores)

Annexure B 2/2

8

MINUTES : ORDINARY MEETING OF THE COUNCIL. 23 SEPTEMBER 2009

- (n) Erf 243, Hermanus (Swartdam Road) (Provincial CHC & Clinic)
 - (o) Erf 1253, Hermanus (Tennis Courts to be moved)
 - (p) Portion of Remainder of Farm Onrust River No. 581 (Onrus Dump Site)
 - (q) Erf 915, Vermont (single residential use)
2. that cognisance be taken of the fact that the erven mentioned in 1. above are not required for the provision of basic municipal services in terms of the provisions of paragraph (6)(4) of the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality and Section 14 of the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003);
 3. that notwithstanding the decisions taken herein, it should not be accepted that any rights are vested until the matter has been reconsidered by Council;
 4. that the public participation process and the procedures of other appropriate legislation be proceeded with, and
 6. that, subject to the fulfilment of the legal requirements, the selling of the erven listed in the memorandum of the Area Manager : Gansbaai dated 18 September 2009 viz. erven 3045 and 310, Blompark and 3397, 3398, 3399 and 3400, Gansbaai also be approved in principle.

RESPONSIBLE OFFICIAL : M LE ROUX
TARGET DATE FOR IMPLEMENTATION : 23 SEPTEMBER 2009

Annexure C 1/11

AGENDA of the
Portfolio Committee : Infrastructure, Planning & Economic Development
15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)

10.
OVERSTRAND : MUNICIPAL LAND IDENTIFIED FOR SALE : PRINCIPLE APPROVAL

OVERSTRAND : MUNISIPALE GROND GEIDENTIFISEER VIR VERKOOP : BEGINSSEL GOEDKEURING

File 7/2/3/2
M le Roux (026) 3848323 **Gansbaai Administration**
7 July 2009

1. Executive Summary/Beatuursopsomming

The Executive Management Team (EMT) has at several meetings discussed the possible sale of municipal land in the Overstrand Municipal Area. The alienation of the land is under consideration not only for development reasons and the advantages this will have for the community as such, but also to generate much needed capital for the ever increasing demand to supply and upgrade the municipal infrastructure.

This submission is therefore to obtain Council's in principle approval in terms of the National Municipal Asset Transfer Regulations, dated 1 September 2008 and the Council's Administration of Immovable Property Policy dated 27 May 2009 in order to initiate the procedures to sell the land.

Die Uitvoerende Bestuurspan het by verskeie vergaderings die moontlike verkoop van sekere munisipale grond in die Overstrand Munisipale-gebied bespreek. Die afstanddoening van die grond is onder oorweging nie alleenlik vir ontwikkelingsredes nie en die voordele wat dit vir die gemeenskap as sulke inhou nie, maar ook om nodige kapitaal te genereer vir die voortdurende aanvraag in die voorsiening en opgradering van infrastruktuur.

Hierdie voorlegging is dus om die beginsel goedkeuring van die Raad ingevolge die Nasionale Munisipale Bate Oordrageregulasies, gedateer 1 September 2008 en die Administrasie op Onroerende Eiendomsbeleid van die Raad gedateer 27 Mei 2009 te verkry, ten einde die prosedures vir die verkoop van die grond te insleer.

2. Service Delivery and Budget Implementation Plan Reference

Infrastructure and Planning; Plan no 30; Page no 185
 Town Planning

Annexure C 2/11

**AGENDA of the
Portfolio Committee : Infrastructure, Planning & Economic Development
15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

3. Compliance with Strategic Priorities

Provision of democratic and accountable governance
Provision and maintenance of municipal services

4. Delegated Authority

Council

5. Legal Requirements

- Administration of Immovable Property Policy dated 27 May 2009
- Municipal Asset Transfer Regulations, 2008 (1 September 2008)
- Local Government Municipal Finance Management Act, 2003 (No. 56 of 2003)

6. Background/Discussion/Evaluation/Conclusion

Background

The Executive Management Team (EMT) has at several meetings discussed the possible sale of certain municipal land in the Overstrand Municipal Area. The alienation of the land is under consideration not only for development reasons and the advantages this will have for the community as such, but also to generate much needed capital for the ever increasing demand to supply and upgrade the municipal infrastructure.

This submission is therefore to obtain Council's principle approval in terms of the National Municipal Asset Transfer Regulations, dated 1 September 2008 and the Council's Administration of Immovable Property Policy dated 27 May 2009 in order to initiate the procedures to sell the land.

Discussion

The Municipality needs additional capital resources to be able to finance the continuous demand to improve and upgrade the municipal infrastructure throughout the entire Overstrand jurisdictional area. The Municipality will have difficulty to comply with the demand if resources other than rates and taxes are not being sourced. In order to assist with these huge expenses, the EMT has considered the sale of municipal land to raise additional capital. The alienation of land will also ensure investments and improvements in the municipal area which will be beneficial to the community. The Municipality

Annexure C 3/11

**AGENDA of the
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15 September 2009
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possesses adequate land to satisfy the aforementioned needs and to also preserve land for future municipal purposes.

The sale of municipal assets is regulated in terms of the mentioned legislation as referred to in Section 5 above. In order to proceed with the sales, Council must first give approval. The land eventually approved for sale by Council, will not be transferred simultaneously since some of the land will be subject to a public participation processes, town planning legislation, environmental impact assessments, removal of title deed restrictions etc. These procedures and the calling for tenders will be done over the following months.

To comply with the pre-approval (principle decision) in regard to the sale of municipal land, the following two definitions in terms of the Asset Transfer Regulations should be noted (the regulations were made in terms of Section 168 of the Act):

- exempted capital assets, i.e. which are exempted by Sections 14(6) or 90(6) of the Act, or
- non-exempted capital assets, i.e. which are not exempted by the two Sections of the Act.

Sections 14(6) and 90(6) of the Act, both indicate that Section 14 does not apply to the transfer of a capital asset to another municipality or to a municipal entity or to a national organ of state subject to certain circumstances. Section 14(2) of the Act refers to the disposal of capital assets and the procedures to be followed i.e. that the municipality may transfer or dispose of a capital asset but only after the Council at a meeting open to the public has decided that the asset is not needed to provide the minimum level of basic municipal services and that Council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

Of the land now proposed for alienation, Annexures A1, A13 and A14 can be regarded as exempted by sections 14(6) and 90(6) of the Act. For the rest Sections 14(2) and 90 (2) of the Act must be complied with as well as Chapter 2 of the Regulations. Chapter 2 of the Regulations can be regarded as additional requirements that must be complied with. Important to note is that Chapter 2 does not apply to the transfer of non-exempted capital assets in terms of public private partnership agreements, the Municipal Public Private Partnership Regulations as well as the transfers of housing on

Annexure C 4/11

**AGENDA of the
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municipal land and the transfer of that municipal land for the poor to beneficiaries of such housing.

In terms of Section 5(3)(b)(i), (ii), (iii), (iv), (v) of the Regulations only the municipal council may authorise the public participation process and such request must be accompanied by:

- the valuation of the capital asset and the method of valuation;
- the reasons for the disposal of the capital asset;
- any expected benefits to the municipality;
- any expected proceeds to be received;
- any expected gain or loss that will be realised or incurred.

In determining the value of the assets, Section 5 (b) of the Regulations should, according to the Treasury Department, be the criteria, namely "the fair market value of the asset".

The requirements of the Act and Regulations have been included into the Administration of Immovable Property Policy. The policy however elaborates in more detail in so far as the public participation process is concerned and the conditions of sale. These requirements will be adhered to at all times and will, where applicable, be included in the deed of sale.

The sale of the following erven excluding those included as Annexure A1, A13 and A14 proposed by the EMT for alienation should therefore comply with Section 14 (2) and 90 (2) of the Act and chapter 2 of the National Municipal Asset Transfer Regulations. The value of these properties will be determined by a professional valuer in terms of paragraph 12 of the Administration of Immovable Property Policy and/or the municipal valuations:

Annexure	Suburb	Erf No	Proposed Utilisation
A1	Gansbaai	210	Masakhane Primary School
A2	Gansbaai	210	Aqua Culture Development
A3	Gansbaai	210	Affordable Housing and Extension of Industrial Area
A4	Gansbaai	328	Residential Development
A5	Gansbaai	611	Medical Centre and Hotel
A6	Gansbaai (Blompark)	966	Single Residential Use
A7	Van Dyke-	109	Single Residential or Other Appropriate

Annexure C 5/11

**AGENDA of the
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	baai (Kleinbaai)		Use
A8	Franskraal	456	Single Residential Use
A9	De Kelders	1070	Low Density use similar to that of the Grootbos Development
A10	De Kelders	1245 - 1249 + 1298	Single Residential Use (Town Houses)
A11	De Kelders	1286, 1290, 1291	Single Residential Use
A12	Hermanus	2366	Businesses
A13	Hermanus	243	Provincial CHC & Zwelihte Clinic
A14	Hermanus	1253	Magistrate Offices
A15	Onrusi Rivier	Ptn of Rem of 581	Single Residential, Group housing and Sport
A16	Vermont	915	Single Residential Use

Evaluation

The requirements in terms of item 5(3)(a) and (b) of Chapter 2 of the Asset Transfer Regulations are quoted in view of the importance of these procedures that will have to be complied with:

- 3(a) "only the municipal council may authorise the public participation process referred to in Sub-Regulation (1)(a)"
- 3(b) "a request to the municipal council for authorisation of a public participation process must be accompanied by an information statement stating –
- (i) the valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;
 - (ii) the reason for the proposal to transfer or dispose of the capital asset;
 - (iii) any expected benefits to the Municipality that may result from the transfer or disposal;
 - (iv) any expected proceeds to be received by the Municipality from the transfer or disposal; and
 - (v) any expected gain or loss that will be realised or incurred by the Municipality arising from the transfer or disposal."

Annexure C 6/11

**AGENDA of the
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The Council will therefore have to authorise the public participation process in order to proceed with the property under consideration in principle with a view that the legal requirements and advertising procedures can be effected, after which the sale of the capital assets can be officially submitted to council.

Some of these requirements entail detail which would only become available and apparent after proposals/tenders have been called for.

The reason being that the scope of the tender/proposal will determine the income to Council, community benefit, proceeds and gains.

This detail will be submitted to Council after the tender/proposals are received and a recommendation will be made to Council before transfer can take place. Transfer can only take place after Council has considered the fair market value, community value, etc.

For the above reason the list provided hereafter contains only a fair assumption on what the benefits, proceed, gains and losses would be. However, these assumptions are conservative and it serves to authorize the public participation processes to progress.

Suburb	Erf No	Valuation and Method	Reason for Disposal	Benefits	Proceeds	Gain or Loss
Gansbaal	210	R1 515 000	Request from school	Expansion of Institutional capacity	Monetary income, increase rates base	Gain
Gansbaal	210	R5 235 000	Economic Development	Job Creation	Monetary income, increase rates base	Gain
Gansbaal	210	R1 435 000 + R1 725 000 (R3 160 000)	Address housing needs economic housing units	Job Creation	Monetary income, increase rates base	Gain
Gansbaal	328	R1 695 000	Address institutional capacity	Expansion of Institutional Capacity	Monetary income, increase rates base	Gain
Gansbaal	611	R17 480 000	Address housing needs	Reduce housing backlog	Monetary income, increase rates base	Gain

Annexure C 7/11

**AGENDA of the
Portfolio Committee : Infrastructure, Planning & Economic Development
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(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

Ganebaai (Blompark)	908	R20 500	Economic Development	Job Creation	Monetary income, increase rates base	Gain
Van Dykbaai (Kleinbaai)	109	R1 650 000	Address Housing Needs	Reduce housing backlog	Monetary income, increase rates base	Gain
Frankreel	456	R4 750 000	Economic Development	Reduce Housing Backlog	Monetary income, increase rates base	Gain
De Kelders	1070	R23 465 000	Economic Development	Job Creation	Monetary income, increase rates base	Gain
De Kelders	1245 -- 1248, 1298	R320 000 x 6 (R1 920 000)	Address Housing needs	Reducing Housing Backlog	Monetary income, increase rates base	Gain
De Kelders	1286, 1290, 1291	R300 000 x 3 (R900 000)	Address Housing Needs	Reducing Housing Backlog	Monetary income, increase rates base	Gain
Hermanus	2386	R4 100 000	Economic Development	Job Creation	Monetary income, increase rates base	Gain
Hermanus (Zwulthle)	243 GGS + Clinic	R2 180 000	Service Delivery	Expansion of Institutional capacity	Monetary income, increase rates base	Gain
Hermanus	1253	R1 529 500	Economic Development and relocation of tennis facilities	Expansion of Institutional capacity	Monetary income, increase rates base	Gain
Onrust River (Dump Site)	Ptn of Rem of 581	R5 862 000	Economic Development	Job Creation and provision sport facilities	Monetary income, increase rates base	Gain
Vermon	915	R345 000 x 8 (R2 780 000)	Economic Development	Reducing Housing Backlog	Monetary income, increase rates base	Gain

Conclusion

A fair assumption listed in the aforementioned table is that council and the community stand to benefit financially, institutionally and what/which opportunities for housing, institutional amenities and economic participation will be created.

Annexure C 8/11

**AGENDA of the
Portfolio Committee : Infrastructure, Planning & Economic Development
15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

7. Financial Implications

The financial obligations to be complied with by the municipality are the usual administration and advertising procedures. Also the municipality will be liable for the expenditures to finalise the correct land uses before tenders and development proposals can be called for in the press.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

Operational Manager : Gansbaai, Mr D Crafford

"The listed properties are not needed to provide basic services."

Area Manager : Hermanus, Mr Dion van Vuuren

"The listed properties are not needed to provide basic services."

10. Annexures

Annexure A: Locality plans

RECOMMENDATION TO THE COUNCIL/AANBEVELING AAN DIE RAAD:

- 1 that the sale of the following erven by a public participation process, be approved in principle, subject to the final approval of council and only after the provisions of the Local Government : Municipal Finance Management Act, 2003 (Act 56 of 2003), the conditions of the Asset Transfer Regulations dated 1 September 2008, the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality, the Land Use Planning Ordinance No. 15 of 1985 the Municipal Ordinance, 1974 (Ordinance No. 20 of 1974) and any other applicable legislation have been complied with:
 - (a) Erf 210, Gansbaai (primary school Masakhane) at the values to be determined and which will be tabled at the meeting
 - (b) Erf 210, Gansbaai (aqua culture near harbour)

Annexure C 9/11

**AGENDA of the
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15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

- (c) Erf 210, Gansbaai (affordable housing)
 - (d) Erf 210, Gansbaai (extension of industrial area)
 - (e) Erf 328, Gansbaai (residential development)
 - (f) Erf 611, Gansbaai (medical centre and possible hotel)
 - (g) Erf 966, Gansbaai (residential development)
 - (h) Erf 109, Van Dyksbaai (Kleinbaai) (residential or other appropriate use)
 - (i) Erf 456, Franskraal (single residential)
 - (j) Erf 1070, De Kelders (low density nature conservation development)
 - (k) Erven 1245 to 1249 and 1298, De Kelders (residential development)
 - (l) Erven 1286, 1290, and 1291, De Kelders (residential development)
 - (m) Erf 6406, Kleinmond (Municipal Stores)
 - (n) Erf 243, Hermanus (Swartdam Road) (Provincial CHC & Clinic)
 - (o) Erf 1253, Hermanus (Tennis Courts to be moved)
 - (p) Portion of Remainder of Farm Onrust River No. 581 (Onrust Dump Site)
 - (q) Erf 915, Vermont (single residential use)
2. That cognisance be taken of the fact that the erven mentioned in 1. above are not required for the provision of basic municipal services in terms of the provisions of paragraph (6)(4) of the Administration of Immovable Property Policy dated 27 May 2009 of the Overstrand Municipality and Section 14 of the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003);

Annexure C 10/11

**AGENDA of the
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15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

3. that notwithstanding the decisions taken herein, it should not be accepted that any rights are vested until the matter has been reconsidered by Council, and
4. that the public participation process and the procedures of other appropriate legislation be proceeded with.
1. *dat die verkoop van die volgende erwe, deur middel van 'n publieke deelname proses, in beginsel goedgekeur word, onderworpe aan die finale goedkeuring van die raad en slegs nadat die bepalinge van die Wet op Plaaslike Regering : Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003), die voorwaardes van die Bate Oordrageregulasies gedateer 1 September 2008, die voorwaardes van die Administrasie van Onroerende Eiendomsbesid gedateer 27 Mei 2009 van die Munisipaliteit Overstrand, die Ordonnansie op Grondgebruikbeplanning Nr. 15 van 1985, die Munisipale Ordonnansie, 1974 (Ordonnansie 20 van 1974 en daer aan alle relevante wetgewing voldoen is:*
 - (a) Erf 210, Gansbaai (Masakhane Laerskool)
 - (b) Erf 210, Gansbaai (akwe-kultuur by hawe)
 - (c) Erf 210, Gansbaai (belastingbare behuising)
 - (d) Erf 210, Gansbaai (industriële uitbreiding)
 - (e) Erf 328, Gansbaai (residensiële ontwikkeling)
 - (f) Erf 611, Gansbaai (mediese sentrum en maatskappij hotel)
 - (g) Erf 968, Gansbaai (residensiële ontwikkeling)
 - (h) Erf 109, Kleinbaai (residensiële of enige ander loopaslike gebruik)
 - (i) Erf 456, Franskraal (enkel residensiële)
 - (j) Erf 1070, De Kelders (lae impak natuurbehoud ontwikkeling)
 - (k) Erwe 1245 tot 1249 en 1298, De Kelders (residensiële ontwikkeling)
 - (l) Erwe 1288, 1290, en 1291, De Kelders (residensiële ontwikkeling)

Annexure C 11/11

**AGENDA of the
Portfolio Committee : Infrastructure, Planning & Economic Development
15 September 2009
(Also the agenda for the Mayoral Committee Meeting : 23 September 2009)**

- (m) Erf 2366, Hermanus (slrkusgrond) (besigheid)
 - (n) Erf 243, Hermanus (Swartdamweg) (Provinsiale GGS en Kliniek)
 - (o) Erf 1253, Hermanus (Tennisbane moet geskuif word)
 - (p) Gedeelte van Restant van die plaas Onrust River No. 581 (Onrus Stortingsterrein)
 - (q) Erf 915, Vermont (Pikkewynstraat) (enkel residensieel)
2. dat kennis geneem word van die feit dat die erwe soos genoem in 1. hierbo nie vir die voorsiening van basiese munisipale dienste Ingevolge paragraaf (6)(4) van die Administrasie van Onroerende Eiendomsbeleid gedateer 27 Mei 2009 van die Munisipaliteit Overstrand en, Artikel 14 van die Wet op Plaaslike Regering : Munisipale Finansiële Bestuur, 2003 (Wet 56 van 2003) benodig word nie;
 3. dat nieaenstaande die besluite hierin geneem, dit nie aanvaar moet word dat enige regte gevestig is totdat die aangeleentheid weer deur die Raad oorweeg is nie, en
 4. dat met die publike deelnameproses en die prosedures van ander toepaslike wetgewing voortgegaan word.

RESPONSIBLE OFFICIAL : M LE ROUX
TARGET DATE FOR IMPLEMENTATION : 23 SEPTEMBER 2009

Annexure D-1/3

BOLAND VALUERS Bk

Reg. Nr. 2001/084225/23

Btw. Nr. 490020Z708

Möreligstraat 16
WELLINGTON
7655Tel: 021 - 873 4875
Faks: 021 - 873 4875
Sel: 082 - 4610394
E-pos: handri@bvaluations.co.za**MARKWAARDEBEPALING - GANSBAAI GAP / SUBSIDIE BEHUISING****EIENDOM**

Gedeelte van Meent - Gansbaai ERF 210

LIGGING

Langs Erf 1730 en grens aan Buitekant str in Gansbaai.

GROOTTE

3.7832 Ha soos gespesifiseer in verslag.

HUIDIGE SONERING

Onbepaald

EIENAAR

Overstrand Munisipaliteit

OPDRAGGEWER

S. van der Merwe

DATUM VAN WAARDASIE

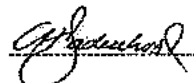
30 November 2012

OPDRAG

Markwaardebepaling vir 'n bekostigbare behuising projek.

WAARDASIESERTIFIKAAT

Ek, CASPARUS HENDRIK BADENHORST, in my hoedanigheid as waardeerder, geregistreer by die S.A. Raad vir die Waardeerders (Reg. Nr. 2708) sertifiseer hiermee dat ek die perseel vir GAP en subsidie behuising (Ged. Erf 210 Meent) gewaardeer het en dat ek die markwaarde op **EEN MILJOEN DRIEHONDERD EN NEGENTIG DUISEND RAND (R 1 390 000.00)** BTW uitgesluit stel.



CH BADENHORST
(Waardeerder)

(Vir die waardes toegeken aan die verskillende komponente sien laaste blad van verslag)

Annexure D.2/3

BOLAND VALUERS Bk

Reg. Nr. 2001/084225/23

Btw. Nr. 4900202708

Môreligstraat 16
WELLINGTON
7656Tel: 021 - 873 4875
Faks: 021 - 873 4875
Set: 082 - 4610394
E-pos: hendri@bvaluations.co.za**FIGIESE BESKRYWING VAN TERREIN**

Die onderwerpperseel is onverbeter en is tans oorgroei met Rooikrans en natuurlike fynbos. Die grond is sandrig en redelik gelykliggend.

ALGEMEEN

Aangesien die onderwerpeïendom ge-oormerk is vir bekostigbare behuising kan die waarde van die onverbeterde grond nie vergelyk word met 'n eiendom wat vir 'n potensieële residensieële ontwikkeling gesoneer is nie soos byvoorbeeld Perlemoenbaai.

Die grootte van die verskillende komponente van die voorgestelde ontwikkeling is as volg:

1. 155 bekostigbare woonhuis erwe = 21375m²
2. Publieke oopruimte = 2432m²
3. Straat = 14025m²

WAARDASIEBENADERING

Na konsultering met verskeie waardeerders is ek van mening dat komponente 2 en 3 van die ontwikkeling geen potensieële waardetoevoeging tot die onderwerppontwikkeling voeg nie. Ek waardeer dus hierdie komponente teen 'n natuurlike strandveld weldings waarde.

Aangesien daar huldiglik nog 'n tendens bestaan dat die waarde van natuurlike veld nog groei stel ek die waarde van komponente 2 en 3 op R9 000 per Hektar.

Die waarde van die erwe in komponent 1 (GAP behuising) van die voorgestelde ontwikkeling kan vergelyk word met die waarde van die privaat verbeterde eiendomme in Melkhoupark.

'n Direkte vergelyking in grondwaarde per vierkante meter kan ook met Buitekant en Barnard straat gemaak word.

Die volgende verkoop word dus as vertrekpunt gebruik om die waarde van die GAP erwe te bepaal.

Verkoop 1

Eiendom: Erf 2283 Gansbaai
Ligging: Melkhoustraat
Grootte: 226m²
Koopprys: R 500 000
Koopdatum: 19.1.2012
Beskrywing: Die eiendom is verbeter met 'n woonhuis van 115m²

Verkoop 2

Eiendom: Erf 97 Gansbaai
Ligging: Barnardstraat

Annexure D 3/3

BOLAND VALUERS Bk

Reg. Nr. 2601/084225/23

Btw. Nr. 4900202708

Môreligstraat 16
WELLINGTON
7655Tel: 021 - 873 4875
Faks: 021 - 873 4875
Sef: 082 - 4610394
E-pos: hendri@bvaluations.co.zaGrootte: 495m²
Koopprys: R 500 000
Koopdatum: 30.3.2011
Beskrywing: Die eiendom het 'n woonhuis van 99m²**Verkoopling 3**Eiendom: Erf 2265 Gansbaai
Ligging: Buitekantstraat
Grootte: 551m²
Koopprys: R 420 000
Koopdatum: 20.7.2011
Beskrywing: Die eiendom het 'n woonhuis van 106m²Aangesien die verbeteringe op die verkope nie hoë gehalte is nie maar ekonomiese behuising is word die waarde van die verbetering teen R3000/m² waardeer. DusErf 2283 - woonhuis 115m² x R3 000 = R345 000Erf 97 - woonhuis 99m² x R3 000 = R297 000Erf 2265 - woonhuis 106m² x R3 000 = R318 000

Die grond waarde van die verkope is dus

Erf 2283 @ R500 000 - R345 000 = R155 000 + 226 = R686/m²Erf 97 @ R500 000 - R297 000 = R203 000 + 495 = R410/m²Erf 2265 @ R420 000 - R318 000 = R102 000 + 551 = R185/m²Die gemiddelde terreinwaarde is dus R427m²**TOEPASSING**Die waarde van die GAP erwe kan dus op R437/m² gestel word.Dus 21375m² @ R427 = R9 127 125 + 155 erwe = R58 885 per erf

Daar kan aanvaar word dat die ontwikkelingskoste alles insluitend ± R50 000 sal beloop.

Ek stel dus die onontwikkelde GAP erwe op R8885/erf

OPSOMMING

Die onverbeterde waarde van die grond wat vir die ontwikkeling beskikbaar gestel word waardeer ek op

1. 155 Bekostigbare woonhuis erwe @ R8885/erf = R1 377 185.00
 2. Publieke oopruimte en strate 1.6457m² x R9 000 = R 14 811.30
- R1 391 996.30

Annexure E 1/3

Schalk van der Merwe - RE: GANSBAAI GAP

From: Pieter Prinsloo <Pieter@mcapc.co.za>
To: Briand Louw <blouw@overstrand.gov.za>, Schalk van der Merwe <svdmerwe@ov...>
Date: 29/05/2013 11:57
Subject: RE: GANSBAAI GAP
CC: Rieger van Rooyen <Rieger@mcapc.co.za>, Dennis Hendriks <dhendriks@overs...>
Attachments: Gansbaai fasering.pdf

Hi

I agree with Briand that we should not complicate the matter at this stage and should explain the model as below.

The implementation of the GAP model were explained to the Department of Human Settlements Western Cape (DOHS) at a meeting in Cape Town, DOHS approved and supported the roll out of the project on the proposed basis as part of a bigger IRDP project.

Challenge

- To implement the 155 unit GAP project
- The service cost per erf received as a subsidy from DOHS does not cover the services cost per GAP erf as calculated by the appointed engineers as a result of additional earthworks and various other factors.
- Council does not have funding available to install electricity to the units hence the reluctance of previous development institutions to roll out a GAP project.

Solution

- The Municipality, together with its implementing agent Motlekar Overstrand proposed a partnership approach with DOHS to implement the project. It was agreed with DOHS to unlock the project by utilising the total subsidy funding available to service the 155 GAP units in a practical phased approach.
- Motlekar Overstrand committed to invest in the project and take the risk of installing internal electrical reticulation per phase.
- They further committed to fund other professional fees such as Architects etc, marketing cost, and associated risk and finance top structure units.
- The Municipality wish to sell the land, at market related value, to end users in the GAP market to deliver a successful project.
- There is a common understanding that external investment in infrastructure and top structure units will only be possible if the land is transferred.
- To achieve fully serviced erven the implementing agent agreed to invest in electrical infrastructure as mentioned above if the erven are transferred to Motlekar at market related value. It is important

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Annexure E 2/3

to note that the municipality need to allow transfer of pockets of individual erven after civil services have been completed. Motlekar will be bound by a separate agreement (Currently in process) to sell the units within guideline price brackets to end users in the GAP market. The fall back position for the municipality, through the said agreement, is that in the unlikely event of the market not taking up these opportunities within a three year period Motlekar will be liable to repay the total subsidy amount invested per erf as received from DOHS.

- Motlekar will then finance building of top structure units through a financial institution.
- Income from sales of Phase 1 will then be utilised to repay the municipality for the DOHS funding invested to service these erven. The Municipality will utilise these funds to complete the services in the next phase until the project is completed.
- Upon completion of the project the funding from DOHS will be repaid to the municipality.
- The municipality agreed with DOHS to use this funding and reinstate bulk services to its original state before the development.

IMPLEMENTATION - The phased strategy will be implemented in three phases guided by the available funding as follows:

Phase 1 (-45 erven) - The approved DOHS funding will be utilised to do

- Most of the earthworks for the project will be completed
- Roads will be completed to final levels and designs only for Phase 1
- Sewer will be completed to final levels and designs only for Phase 1
- Water will be completed to final levels and designs only for Phase 1
- Stormwater will be completed to final levels and designs only for Phase 1
- Telkom/Electrical Roadcrossings only for Phase 1
- Bulk electrical supply necessary for Phase 1

Motlekar funding

- Municipality to allow transfer of pockets individual erven upon which Motlekar pay for land at market related prices.
- Motlekar to invest in electrical reticulation
- Motlekar to finance top structures
- Motlekar to pay other professionals and marketing cost and assume marketing
- Repayment of services to reinvest in phase 2

Annexure E 3/3

Phase 2 (+49 erven)

- Total earthworks for entire project
- Roads only for Phase 2
- Sewer only for Phase 2
- Water only for Phase 2
- Stormwater only for Phase 2
- Telkom/Electrical Roadcrossings only for Phase 2

Phase 3 (+60 erven)

Rest of services - only for Phase 3

Regards



Pieter Prinsloo
DIRECTOR
083 449 1266
pieter@mccape.co.za

Motlekar Cape (Pty) Ltd
1 Beland Whv, Durbanville, 7550
P.O. Box 4697, Durbanville, 7551
Tel: 0861 44 44 89
Fax: 088 021 976 0984
Web: www.motlekar.co.za

From: Brand Louw [mailto:blouw@overstrand.gov.za]
Sent: 29 May 2013 10:02 AM
To: Pieter Prinsloo; Schalk van der Merwe
Cc: Rieger van Rooyen; Dennis Hendriks; Ingrid Jones; Riaan Kuchar
Subject: Re: GANSBAAI GAP

Pieter, Schalk,

Net om aan te sluit by Schalk: Ons gaan Vrydag saam met Julie (Jy, Dennis en ek - Rieger sou dit met jou gereel het) die finansiële model finaliseer, insoverre dit nog nodig is. Vir die doeleindes van Schalk se item, dink ek nie dis nodig om die volle finansiële staat by die Item In te trek nie, want dit kompliseer die storie heeltemal te veel. Wat egter nodig

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5.8**GANSBAAI : TRANSFER OF A PORTION OF ERF 210 GANSBAAI, TO SUPPLIERS TO ALL (PTY) LTD, T/A MOTLEKAR OVERSTRAND****(ITEM 5, PAGE 1 : MAYORAL COMMITTEE MEETING : 26 JUNE 2013)****RESOLVED (UNANIMOUSLY)**

1. that the transfer of a portion of Erf 210, Gansbaai, measuring 3,78325ha in extent, for the amount of R 1 390 000,00 (vat excluded) to Suppliers to All (Pty) Ltd t/a Motlekar Overstrand, **be approved**, in terms of Council's Administration of Immovable Property Policy;
2. that cognisance be taken of the fact that the subject municipal property is **not required** for the provision of basic municipal services in terms of the provisions of paragraph 6(4) of Council's Administration of Immovable Property Policy and Section 14 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);
3. that cognisance be taken of the fact that should the roll out model of the project change due to further requirements of the Department : Human Settlements, **Council be advised** accordingly. The sale of a Portion of Erf 210, Gansbaai is conditional to the final acceptance of the model by the said department;
4. that the transfer of the land **be subject** to the signing of a Sale Agreement and Land Availability Agreement acceptable to both parties;
5. that a departure of paragraph 23 of the Administration of Immovable Property Policy, **be approved**, in order to allow a period of three years from transfer for the completion of the project, unless approval for an extension has been granted by Council;
6. that a departure of paragraph 43 of the Administration of Immovable Property policy, **be approved**, in order to use a fixed escalation of market value instead of a yearly valuation process;
7. that the purchase price shall **escalate** on a yearly basis by a percentage fixed in accordance with the Consumer Price Index (CPIX) calculated as an average of the Index of the previous twelve months;
8. that the cost of bulk services will be funded by utilising the proceeds of the services portion of the erven in order to enable the Municipality to reinstate bulk services to its original state before this development took place, and

MINUTES : ORDINARY MEETING OF THE COUNCIL**26 JUNE 2013**

9. that the transfer of pockets of erven to Motlekar Overstrand only takes place **after an irrevocable bank guarantee** in favour of the Municipality and acceptable to the Municipality, representing the amount outstanding on services has been obtained by Motlekar Overstrand.

SPONSIBLE OFFICIAL :	S VAN DER MERWE
TARGET DATE FOR IMPLEMENTATION :	12 JULY 2013
TARGET DATE TO INFORM APPLICANT :	N/A
TARGET DATE TO INFORM OBJECTOR :	N/A

MEMORANDUM OF AGREEMENT

between

OVERSTRAND MUNICIPALITY

and

SUPPLIERS TO ALL PROPRIETARY LIMITED
Registration Number : 2009/023199/07

Handwritten signature and initials in the bottom right corner of the page.

AGREEMENT

made and entered into by and between

OVERSTRAND MUNICIPALITY

herein represented by COENRAAD CORNELIUS GROENEWALD in his capacity as
MUNICIPAL MANAGER
(hereinafter called the "Municipality")

and

SUPPLIERS TO ALL PROPRIETARY LIMITED

t/a Motlekar Overstrand

herein represented by PIETER WILLEM PRINSLOO in his capacity as
DIRECTOR
(hereinafter called "Suppliers To All")

1. INTERPRETATION

1.1. In this Agreement:

- 1.1.1. clause headings shall not be used in its interpretation unless the context clearly indicates a contrary intention;
- 1.1.2. an expression which denotes:
 - 1.1.2.1. any gender includes the other gender;
 - 1.1.2.2. a natural person includes a body corporate, an artificial person and vice versa;
 - 1.1.2.3. the singular includes the plural and vice versa;
- 1.1.3. the following expressions shall bear the following meanings and related expressions bear corresponding meanings:
 - 1.1.3.1. "Agreement" means the Agreement as set out in this document, including the annexes and schedules thereto;

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- 1.1.3.2. **"Business Day"** means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;
- 1.1.3.3. **"Conveyancer"** means the attorneys appointed by the Seller
- 1.1.3.4. **"Council"** means the Overstrand Municipality;
- 1.1.3.5. **"Parties"** means the Parties to this Agreement and "Party" shall mean any one of them as the context may indicate;
- 1.1.3.6. **"Property"** erven 3908 to 4062 (subdivision of erf 3902), approximately 3,4095 ha in extent, as indicated on Annexure "A" attached hereto;
- 1.1.3.7. **"Suppliers To All"** means Suppliers To All (Pty) Ltd Va Molekar Overstrand, Reg. No. 2009/023199/07, a company duly incorporated in accordance with the applicable laws of the Republic of South Africa;
- 1.1.3.8. **"Total land value of property"** means the sum of R1,390,000 (one million three hundred and ninety thousand rand) VAT excluded;
- 1.1.3.9. **"Relevant Authorities"** means the Relevant Authority/ies already established or to be established to succeed the aforementioned in respect of the exercise of authority in respect of those matters referred to in this Agreement and shall include the Council;
- 1.1.3.10. **"Municipality"** means Overstrand Municipality, a local authority duly constituted in terms of applicable legislation, of Magnolia Street, Hermanus;
- 1.1.3.11. **"Signature Date"** means the date of signature of this Agreement by the party signing last;

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- 1.1.3.12. "Transfer Date" means the date upon which the pockets of erven in the property are transferred into the name of the Purchaser;
- 1.1.3.13. "VAT" means value added tax payable in terms of the VAT Act;
- 1.1.3.14. "VAT Act" means Value Added Tax Act 89 of 1991, as amended.
- 1.2. Any word or phrase defined in the body of this Agreement shall have the meaning assigned to it in such definition throughout this Agreement.
- 1.3. If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any Party, then notwithstanding that it is only in the interpretation clause, effect shall be given to it as if it were a substantive provision in this Agreement.
- 1.4. When any number of days is prescribed such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or public holiday in the Republic of South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday in the Republic of South Africa.
- 1.5. The rule of interpretation that the contract shall be interpreted against the Party responsible for the drafting or preparation of the Agreement, shall not apply.

WHEREAS

- (a) The Municipality is the registered owner of the property;
- (b) Suppliers To All, trading as Motlekar Overstrand is the Municipality's implementing agent;
- (c) The Municipality wishes to make the property measuring 3,4095 ha available for the development of a GAP Housing Project, at market related value to end users;

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- (d) The property has been rezoned to single residential purposes with a departure from the normal single residential development parameters pertaining to building lines for a GAP Housing Project consisting of 155 individual erven;
- (e) The Department of Human Settlements ("DOHS") approved the GAP Housing Project as part of a bigger IRDP (Integrated Residential Development Project) project;
- (f) A partnership approach was agreed upon between the Municipality and Suppliers To All with DOHS to implement the project;
- (g) DOHS agreed to unlock the project by making the total subsidy funding available to service the 155 GAP units in a practical phased approach;
- (h) Suppliers To All committed to invest in the project and take the risk of installing internal electrical reticulation per phase;
- (i) The Municipality has agreed to finance bulk services via the Separate Operating Count.

NOW THEREFORE the parties agree that the following terms and conditions shall be applicable

1. The Department of Human Settlements (DHOS) shall make the total subsidy and grant funding available to the Municipality, and which will then be made available to Suppliers To All as bridging finance to service the 155 GAP units as per the Site Availability Agreement signed respectively on 11 and 12 December 2013
2. The GAP Housing Project shall be implemented by Suppliers To All in pockets according to market take up. The minimum pocket size will be 15 units.
3. Suppliers To All shall invest in the project by installing at their own cost internal electrical reticulation in respect of the first phase of the development.
4. Suppliers To All shall furthermore be liable to fund all other professional fees, inclusive but not limited to architectural and marketing costs, land surveying costs and transfer costs.
5. The relevant property consisting of 155 erven shall be transferred by the conveyancers to Suppliers To All in accordance with the Deed of Sale.



6. **Suppliers To All** shall market and sell the units pertaining to each pocket of erven of the development to end users, at own cost and risk.
7. **Suppliers To All** shall only sell the units within guideline price brackets as agreed with the **Municipality** to end users in the GAP market, to ensure affordability for the target market. Approved sales prices will increase annually in line with inflation (CPIX).
8. The property shall be sold to **Suppliers To All** per separate sale agreement at the rate of R8968 (VAT excluded) per erf calculated by dividing the total land value of R1 390,000 (Vat excluded) by 155 separate erven, provided however that the development is to be implemented in pockets. Provision is to be made for an escalation clause in respect of the purchase price.
9. **Suppliers To All** shall on request thereto by the **Municipality** deliver to the **Municipality** either an acceptable guarantee by a recognized financial institution, or a payment guarantee, to be decided upon by the **Municipality** in its sole discretion, for the repayment of all / any monies due to the **Municipality** in respect of subsidies, grants and funds invested by the **Municipality** from the Separate Operating Account and the cost of the pockets of erven in the property, which guarantee shall be payable on expiry of the period as referred to in clause 15 below. The guarantee shall be payable to the **Municipality** when the pockets of erven are transferred to **Suppliers To All** in terms of the separate Sale Agreement.
10. **Suppliers To All** will be responsible and liable to fund all costs by a Land Surveyor to measure diagrams, Surveyor General Approval of Subdivision Plans and any other costs pertaining to the individual subdivisions required for transferring pockets subdivided land.
11. On the successful sale of the individual erven, **Suppliers To All's** conveyancers shall transfer to the end users the individual erven sold.
12. On registration of transfer of individual units to end users the conveyancers shall:
 - 12.1. repay to the **Municipality** all funding made available in respect of civil services; this will be calculated based on the total services contract value divided by 155 erven to determine a value repayable per erf;
 - 12.2. pay to the **Municipality** the cost of the land as per individual erf at the rate of R8,968 or the applicable escalated amount per erf;

Handwritten signatures and initials in black ink, located at the bottom right of the page. There are two distinct signatures and a set of initials below them.

13. The Municipality will utilize the land and service funds repaid to fund the bulk services levy payable in respect of the individual units.
14. In the event of any of the transferred units to **Suppliers To All** not being sold and transferred within 36 (thirty six) months from date of signature hereof, **Suppliers To All** shall forthwith repay to the Municipality such total subsidy amount as invested by them per erf and shall forthwith pay the Overstrand Municipality the purchase price for any erven not sold, at the rate of R8,968 or the applicable escalated amount per erf.
- 15.1 In the event of any of the Parties ("the defaulting party") committing a breach of any of the terms of this Agreement and failing to remedy such breach within a period of 14 (fourteen) days after receipt of a written notice from the other Party ("the aggrieved party") calling upon the defaulting party so to remedy, then the aggrieved party shall be entitled, at its sole discretion and without prejudice to any of its other rights in law, either to claim specific performance of the terms of this Agreement or to cancel this Agreement forthwith without further notice, in either event with the right of claiming and recovering damages from the defaulting party.
- 15.2 Should either Party instruct attorneys to take any steps to enforce any of such Party's rights in terms of this Agreement arising from a breach by the other Party, then the defaulting Party shall be liable for all legal and incidental costs including legal fees and tracing charges.
- 16.1 If a Party ("the defaulting party") fails to pay any amount which is owing by it to the other Party ("the innocent party") on the due date, including any amount which may be payable as damages, without prejudice to other rights which the innocent party may have, the innocent party shall thereupon be entitled to claim and recover from the defaulting party an additional amount in respect of interest on such unpaid amount calculated at 2% (two per centum) above the Prime Rate from the due date to the date of actual payment, or in the case of an amount payable by way of damages, with effect from the date upon which those damages are sustained until the date of payment in respect of those damages.
- 16.2 The interest referred to in clause 16.1 shall be compounded monthly in arrears from the end of the month during which the interest is first calculated.
17. Each Party will:

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- 17.1 sign and/or execute all documents;
- 17.2 do and procure the doing by other persons, and refrain and procure that other persons refrain from doing, all acts; and
- 17.3 pass and procure the passing of all resolutions of directors or shareholders and/or trustees of any company,

to the extent that it may lie within the Party's powers and may be required to give effect to the import or intent of this Agreement, or any contract concluded pursuant to the provisions of this Agreement.

- 18.1 Should any dispute arise between the Parties in the widest sense concerning any matter relating to this Agreement, the dispute will be referred to the managing directors (or their delegates) of the Parties who will endeavour to reach agreement on the issue.
- 18.2 Should the Parties fail to successfully resolve the dispute after following the aforementioned procedure within a period of fourteen (14) days after such process has been requested by either of the Parties, the matter will be referred to arbitration as set out in clause 19 below.
- 19. Should any dispute arise between the Parties in regard to:
 - 19.1.1 the interpretation of; or
 - 19.1.2 the carrying into effect of; or
 - 19.1.3 any of the Parties' rights and obligations arising from; or
 - 19.1.4 the termination of or arising from the termination of; or
 - 19.1.5 the rectification of; or
 - 19.1.6 any document delivered by any of the Parties arising from the terms of this Agreement,

and that dispute is not resolved in terms of the provisions of clause 18 above then that dispute shall be submitted to and decided by arbitration.



- 19.2 The Parties may require a dispute to be referred to arbitration in terms of this clause by way of written notice to the other Party.
- 19.3 The Parties may, notwithstanding the provisions of this clause, claim interim relief on an urgent basis from a Court with competent jurisdiction, in anticipation of the award of the arbitrator.
- 19.4 The arbitration shall be held:
- 19.4.1 at Cape Town; and
 - 19.4.2 otherwise in terms of the rules of the Arbitration Foundation of South Africa ("AFSA"),
 - 19.4.3 it being the intention that the arbitration shall, where possible, be held and concluded in 21 (twenty one) working days after it has been demanded.
- 19.5 The arbitrator shall be, if the matter in dispute is principally:
- 19.5.1 a legal matter, a practicing advocate of not less than 10 (ten) years' standing, or a practicing attorney of not less than 10 (ten) years' standing;
 - 19.5.2 an accounting matter, a practicing chartered accountant of not less than 10 (ten) years' standing;
 - 19.5.3 any other matter, an independent person agreed upon between the Parties.
- 19.6 Should the Parties fail to agree on an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be nominated at the request of either of the Parties, by the Chairperson of AFSA, or his/her successor in title.
- 19.7 Should the Parties fail to agree whether the dispute is of a legal, accounting or other nature within 7 (seven) days after the arbitration has been demanded, then it shall be considered a legal matter.
- 19.8 The arbitrator shall have the fullest and freest discretion with regard to the proceedings. Furthermore the arbitrator:
- 19.8.1 may dispense wholly or in part with formal submissions or pleadings;
 - 19.8.2 shall determine the applicable procedure;

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19.8.3 shall include such order as to costs as he deems just;

19.8.4 shall decide an accounting matter in accordance with the generally accepted accounting principals prevailing at the time when the dispute arises.

19.9 There shall be a right to appeal against the award made by the arbitrator. The body of appeal shall consist of a tribunal of 3 (three) arbitrators. Each Party shall be entitled to nominate and appoint 1 (one) arbitrator each, which shall be suitably qualified persons. The arbitrators so nominated and appointed shall within 14 (fourteen) days after their appointment, by agreement, appoint a third arbitrator. Should they fail to appoint a third arbitrator within the aforementioned period, such arbitrator shall be appointed by the Chairman of AFSA or his/her successor in title. The decision of the majority of the arbitrators shall be final and binding on the Parties.

19.10 Either of the Parties shall be entitled to have the award made an order of a Court with competent jurisdiction.

19.11 The provisions of this clause:

19.11.1 constitute an irrevocable consent by the Parties to any proceedings in terms hereof and none of the Parties shall be entitled to withdraw from it or to claim or to state at such proceedings that he is not bound by the terms of this clause;

19.11.2 is severable from this Agreement and shall remain in force, notwithstanding the termination of, or the invalidity for whatsoever reason, of this Agreement.

20.1 The Parties hereby choose as their respective addresses for all notices arising out of this Agreement and as their *domicilium citandi et executandi* ("domicilium") as follows:

20.1.1 **The Municipality:**

Magnolia Avenue
Hermanus
7200
Facsimile: 028 312 1894

20.1.2 **Suppliers To All:**

1 Boland Way
Durbanville

Handwritten signatures and initials, including a large scribble and a signature with a circled 'G'.

7550

Facsimile: 021 976 0984

- 20.2 Each of the Parties shall be entitled from time to time by written notice to the other to vary its domicilium to any other physical address within the Republic of South Africa not being a post box or a poste restante.
- 20.3 Any notice required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 20.4 Any notice given by one Party to the other ("the addressee") which:
- 20.4.1 is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be rebuttably presumed, to have been received by the addressee at the time of delivery;
 - 20.4.2 is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being shall be rebuttably presumed, to have been received by the addressee on the seventh day after the date of posting;
 - 20.4.3 are faxed or emailed, shall be rebuttably presumed to have been received by the addressee on the first business day after date of transmission.
- 21.1 This Agreement will in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by the law of the Republic of South Africa which is applicable to agreements executed and wholly performed within the Republic of South Africa.
- 21.2 Subject to clause 18 above, the Parties hereby consent and submit to the jurisdiction of the High Court of South Africa Western Cape High Court Division in respect of any dispute or claim arising out of or in connection with this Agreement.
- 22.1 Suppliers to All will be responsible to pay all costs and expenses of Guthrie & Theron Attorneys incurred in connection with the negotiation, preparation and entering into this Agreement which will be payable on demand.
- 22.2 Suppliers To All shall be liable for the payment of transfer duty (if any) and the tariff fees charged by the Conveyancer relating to the transferring of the Property into its name.

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23. This Agreement may be executed in one or more counterparts and in separate counterparts, each of which when executed will be deemed to be an original but when taken together will constitute one and the same agreement. The Agreement will only come into being once all the Parties hereto have signed such counterparts.
- 24.1 No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Party in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement, and no single or partial exercise of any right by any Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.
- 24.2 No addition to or variation, consensual cancellation or novation of this Agreement shall be of any force or effect unless reduced to writing and signed by all the Parties or their duly authorized representatives.
- 24.3 This Agreement constitutes the whole Agreement between the Parties as to the subject matter hereof and no Agreements, representations or warranties between the Parties regarding the subject matter hereof other than those set out herein are binding on the Parties.
- 24.4 No Party may assign, transfer, sub-contract or otherwise part with this Agreement or any part thereof or any right or obligation under it, without obtaining the other Party's prior written consent thereto unless determined to the contrary in terms of this Agreement.

SIGNED at *Aerwans* on this *10th* day of *September* 2014

for OVERSTRAND MUNICIPALITY

A. Roenwald

who warrants that he is duly authorized hereto

WITNESS. *Globe*

[Signature]

SIGNED at DURBANVILLE on this 22 day of August 2014

for SUPPLIERS TO ALL PROPRIETARY LIMITED



who warrants that he is duly authorized hereto



SALE AGREEMENT

between

OVERSTRAND MUNICIPALITY

and

SUPPLIERS TO ALL PROPRIETARY LIMITED
t/a Motiekar Overstrand
Registration Number : 2009/023199/07

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SALE AGREEMENT

between

OVERSTRAND MUNICIPALITY

herein represented by **COENRAAD CORNELIUS GROENEWALD** in his capacity as
Municipal Manager

(hereinafter called the **SELLER**)

and

SUPPLIERS TO ALL PROPRIETARY LIMITED

herein represented by PIETER WILLEM TRINSLOO in his capacity as
DIRECTOR.

(hereinafter called the **PURCHASER**)**1. INTERPRETATION**

1.1. In this Agreement:

- 1.1.1. clause headings shall not be used in its interpretation unless the context clearly indicates a contrary intention;
- 1.1.2. an expression which denotes:
 - 1.1.2.1. any gender includes the other gender;
 - 1.1.2.2. a natural person includes a body corporate, an artificial person and vice versa;
 - 1.1.2.3. the singular includes the plural and vice versa;
- 1.1.3. the following expressions shall bear the following meanings and related expressions bear corresponding meanings;

- 1.1.3.1. **"Agreement"** means the Agreement as set out in this document, including the annexes and schedules thereto;
- 1.1.3.2. **"Business Day"** means any day other than a Saturday, Sunday or public holiday in the Republic of South Africa;
- 1.1.3.3. **"Conveyancer"** means the attorneys appointed by the Seller, namely GUTHRIE & THERON ATTORNEYS
- 1.1.3.4. **"Council"** means the Overstrand Municipality;
- 1.1.3.5. **"Parties"** means the Parties to this Agreement and **"Party"** shall mean any one of them as the context may indicate;
- 1.1.3.6. **"Property"** means erven 3908 to 4062 (subdivision of erf 3902), approximately 3,4095 ha in extent, as indicated on Annexure "A" attached hereto;
- 1.1.3.7. **"Purchaser"** means Suppliers To All (Pty) Ltd t/a Motlekar Overstrand, Reg. No. 2009/023199/07, a company duly incorporated in accordance with the applicable laws of the Republic of South Africa;
- 1.1.3.8. **"Purchase Price"** means the sum of R1,390,000 (one million three hundred and ninety thousand rand) VAT excluded;
- 1.1.3.9. **"Relevant Authorities"** means the Relevant Authority/ies already established or to be established to succeed the aforementioned in respect of the exercise of authority in respect of those matters referred to in this Agreement and shall include the Council;
- 1.1.3.10. **"Seller"** means Overstrand Municipality, a local authority duly constituted in terms of applicable legislation, of Magnolia Street, Hermanus;

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- 1.1.3.11. **"Signature Date"** means the date of signature of this Agreement by the party signing last;
- 1.1.3.12. **"Transfer Date"** means the date upon which the individual pockets of erven in the property are transferred into the name of the Purchaser;
- 1.1.3.13. **"VAT"** means value added tax payable in terms of the VAT Act;
- 1.1.3.14. **"VAT Act"** means Value Added Tax Act 89 of 1991, as amended.
- 1.2. Any word or phrase defined in the body of this Agreement shall have the meaning assigned to it in such definition throughout this Agreement.
- 1.3. If any provision in a definition is a substantive provision conferring any right or imposing any obligation on any Party, then notwithstanding that it is only in the interpretation clause, effect shall be given to it as if it were a substantive provision in this Agreement.
- 1.4. When any number of days is prescribed such number shall exclude the first and include the last day unless the last day falls on a Saturday, Sunday or public holiday in the Republic of South Africa, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday in the Republic of South Africa.
- 1.5. The rule of interpretation that the contract shall be interpreted against the Party responsible for the drafting or preparation of the Agreement, shall not apply.

2. BACKGROUND

- 2.1. This Agreement is indivisible from the separate Memorandum of Agreement entered into between the Overstrand Municipality and the Purchaser in respect of the development of a GAP housing project on the property, and shall be read in conjunction therewith
- 2.2. The Purchaser wishes to acquire the Property which the Seller is willing to sell to the Purchaser on the terms and conditions set out herein.

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3. SALE AND PURCHASE

The **Seller**, in terms of the approval of Council dated 26 June 2013, hereby sells and the **Purchaser** hereby purchases the **Property** on the terms and conditions set out herein.

4. PRICE AND PAYMENT

The **Purchaser** will pay the **Purchase Price** to the **Seller** as follows:

4.1 R8,968.00 (eight thousand nine hundred and sixty eight rand) exclusive of VAT per erf, payable on registration of transfer of any of the erven in the name of the end user, provided however that the amount of R8,968.00 shall escalate in accordance with the written agreement between the parties, with reference to the fact that the project is to be developed in a phased development.

4.2 Notwithstanding the provisions of clause 4.1 above, and in the event of all/any erven within the property not transferred to the **Purchaser**, or not having been sold to a further **Purchaser** as end user, within a period of 36 (thirty six) months from date hereof, the **Purchaser** shall be obliged to repay the purchase price of R8,968.00 (VAT excluded) per erf, of such escalated amount as may be applicable, to the **Seller** forthwith.

5. PROVISION OF SERVICES AND COMPLIANCE

5.1. The **Seller** will cause services in respect of water, electricity, storm water and sewerage to be extended to the boundary of the each erf within the **Property** as more fully agreed upon in the site availability agreement. Generally the **Seller** shall comply with the conditions imposed in terms of the Approval but only to the extent necessary for the obtaining of the certificate issued by Council in terms of section 31 of LUPO.

5.2. Save for the **Seller's** responsibilities as set out in clause 5.1 above, the **Seller** shall not be under any obligation to comply with and implement the conditions imposed in terms of the Approval, it being agreed that any other obligations imposed in terms thereof shall be the responsibility of the **Purchaser** and in so far as it relates to the **Property**. In addition, the **Purchaser** shall comply with and implement all of the conditions imposed in terms of the Environmental

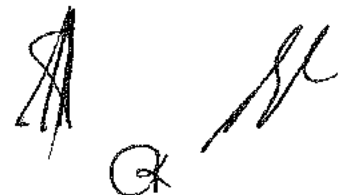


Authorisation. Compliance and implementation by the **Purchaser** in terms of this clause 5.2 shall be for the sole cost and expense of the **Purchaser**.

- 5.3. There is no obligation on the **Seller** to acquire approval by the **Relevant Authorities** of the SDP. Any such application for approval shall be lodged by the **Purchaser** if and when so decided by the **Purchaser**. The **Purchaser** shall be liable for all costs and charges relating to the approval of the SDP as well as the compliance of any conditions that may be imposed by the **Relevant Authorities**.

6. PROVISIONS REGARDING THE PROPERTY

- 6.1. The **Property** is sold and purchased "voetstoots" subject to all conditions and servitudes attaching thereto and any conditions of establishment and/or title imposed by the **Relevant Authorities** in terms of the Approval, the Environmental Authority, the approval of the SDP and any conditions imposed in terms of LUPO and not expressly assumed by the **Seller** in terms of this Agreement.
- 6.2. The **Seller** shall not be liable in respect of any shortfall that may be revealed on any resurvey, nor have any claim in respect of any excess which may be found on re-survey of the **Property**.
- 6.3. The **Seller** shall not be required to indicate to the **Purchaser** the position of the beacons or pegs upon the **Property** and/or the boundaries thereof, nor shall the **Seller** be liable for the costs of locating same.
- 6.4. The **Purchaser** acknowledges that it has satisfied itself by personal inspection or by independent sources of information concerning any burdens or servitudes to which the **Property** may be subject and also concerning all advantages and disadvantages attaching thereto. The **Seller** shall not be liable to the **Purchaser** in respect of any failure by the **Seller** or its agents to inform the **Purchaser** of any of such qualities. Without limiting the generality of the a foregoing, the **Purchaser** acknowledges that it is fully acquainted with the Approval and that it has ascertained, prior to the **Signature Date**, through independent sources, the qualities of the **Property**, the burdens thereof and any development restrictions to which it may be subject.

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6.5. The Seller gives no express or implied warranty whatsoever with respect to the Property or any aspect thereof.

6.6. The Purchaser acknowledges that it has not been influenced into entering into this Agreement by express or implied information, statement or representation given or made by or on behalf of the Seller, the Purchaser hereby waives in favour of the Seller any rights whatsoever which it may otherwise have obtained against the Seller as the result of any such information, statement or representation given or made on behalf of the Seller.

7. REGISTRATION OF TRANSFER

7.1 As the Property consists of 155 residential erven, registration of transfer of the Property into the name of the Purchaser shall be effected by the Conveyancer in pockets of erven and shall be given and received as soon as possible after the Signature Date.

7.2 Prior to registration and transfer of these individual pockets of erven in the Property in each phase may be affected, the Purchaser shall:

7.2.1 sign an addendum to this agreement indicating the pocket of erven to be transferred; and

7.2.2 issue in favour of the Seller an irrevocable bank guarantee, representing the amount outstanding on services.

8. POSSESSION AND VACANT OCCUPATION

Possession and vacant occupation of the Property shall be given by the Seller to the Purchaser on the date of signature of this agreement and subject to the conditions of the site availability agreement, where after it shall be at the sole risk, profit and loss of the Purchaser.

9. RATES AND TAXES

The Purchaser shall be responsible for rates, taxes and service charges (including availability fees) in respect of each pocket of erven in the property as from the date of

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registration of the transfer and shall pay such rates and taxes and service charges upon request by the transferring attorneys.

10. DEVELOPMENT OF THE PROPERTY AND INCIDENTAL MATTERS

10.1. The Purchaser recognises the Seller's constitutional commitment to provide housing in accordance with its legislative obligations. The Purchaser shall be obliged to develop the Property for affordable housing, accessible to people at entry level market.

11. BREACH

11.1. In the event of any of the Parties ("the defaulting party") committing a breach of any of the terms of this Agreement and failing to remedy such breach within a period of 14 (fourteen) days after receipt of a written notice from the other Party ("the aggrieved party") calling upon the defaulting party so to remedy, then the aggrieved party shall be entitled, at its sole discretion and without prejudice to any of its other rights in law, either to claim specific performance of the terms of this Agreement or to cancel this Agreement forthwith without further notice, in either event with the right of claiming and recovering damages from the defaulting party.

11.2. Should either Party instruct attorneys to take any steps to enforce any of such Party's rights in terms of this Agreement arising from a breach by the other Party, then the defaulting party shall be liable for all legal and incidental costs including legal fees and tracing charges.

12. LATE PAYMENTS

12.1. If a Party ("the defaulting party") fails to pay any amount which is owing by it in terms of this Agreement to the other Party ("the innocent party") on the due date, including any amount which may be payable as damages, without prejudice to other rights which the innocent party may have, the innocent party shall thereupon be entitled to claim and recover from the defaulting party an additional amount in respect of interest on such unpaid amount calculated at 2% (two per centum) above the Prime Rate from the due date to the date of actual payment, or in the case of an amount payable by way of

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damages, with effect from the date upon which those damages are sustained until the date of payment in respect of those damages.

- 12.2. The Interest referred to in clause 12.1 shall be compounded monthly in arrears from the end of the month during which the interest is first calculated.

13. CO-OPERATION

Each party will:

- 13.1. sign and/or execute all documents;
- 13.2. do and procure the doing by other persons, and refrain and procure that other persons refrain from doing, all acts; and
- 13.3. pass and procure the passing of all resolutions of directors or shareholders and/or trustees of any company,

to the extent that it may lie within the Party's powers and may be required to give effect to the import or intent of this Agreement, or any contract concluded pursuant to the provisions of this Agreement.

14. MEDIATION

- 14.1. Should any dispute arise between the Parties in the widest sense concerning any matter relating to this Agreement, the dispute will be referred to the managing directors (or their delegates) of the Purchaser and the Seller who will endeavour to reach agreement on the issue.
- 14.2. Should the Parties fail to successfully resolve the dispute after following the aforementioned procedure within a period of fourteen (14) days after such process has been requested by either of the Parties, the matter will be referred to arbitration as set out in clause 15 below.

15. ARBITRATION

- 15.1. Should any dispute arise between the Parties in regard to:
- 15.1.1. the interpretation of; or

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- 15.1.2. the carrying into effect of; or
- 15.1.3. any of the Parties' rights and obligations arising from; or
- 15.1.4. the termination of or arising from the termination of; or
- 15.1.5. the rectification of; or
- 15.1.6. any document delivered by any of the Parties arising from the terms of this Agreement,

and that dispute is not resolved in terms of the provisions of clause 14 above then that dispute shall be submitted to and decided by arbitration.

- 15.2. The Parties may require a dispute to be referred to arbitration in terms of this clause by way of written notice to the other Party.
- 15.3. The Parties may, notwithstanding the provisions of this clause, claim interim relief on an urgent basis from a Court with competent jurisdiction, in anticipation of the award of the arbitrator.
- 15.4. The arbitration shall be held:
 - 15.4.1. at Hermanus; and
 - 15.4.2. otherwise in terms of the rules of the Arbitration Foundation of South Africa ("AFSA"),
 - 15.4.3. it being the intention that the arbitration shall, where possible, be held and concluded in 21 (twenty one) working days after it has been demanded.
- 15.5. The arbitrator shall be, if the matter in dispute is principally:
 - 15.5.1. a legal matter, a practising advocate of not less than 10 (ten) years' standing, or a practising attorney of not less than 10 (ten) years' standing;
 - 15.5.2. an accounting matter, a practising chartered accountant of not less than 10 (ten) years' standing;

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- 15.5.3. any other matter, an independent person agreed upon between the **Parties**.
- 15.6. Should the **Parties** fail to agree on an arbitrator within 14 (fourteen) days after the arbitration has been demanded, then the arbitrator shall be nominated at the request of either of the **Parties**, by the Chairperson of AFSA, or his/her successor in title.
- 15.7. Should the **Parties** fail to agree whether the dispute is of a legal, accounting or other nature within 7 (seven) days after the arbitration has been demanded, then it shall be considered a legal matter.
- 15.8. The arbitrator shall have the fullest and freest discretion with regard to the proceedings. Furthermore the arbitrator:
- 15.8.1. may dispense wholly or in part with formal submissions or pleadings;
 - 15.8.2. shall determine the applicable procedure;
 - 15.8.3. shall include such order as to costs as he deems just;
 - 15.8.4. shall decide an accounting matter in accordance with the generally accepted accounting principals prevailing at the time when the dispute arises.
- 15.9. There shall be a right to appeal against the award made by the arbitrator. The body of appeal shall consist of a tribunal of 3 (three) arbitrators. Each **Party** shall be entitled to nominate and appoint 1 (one) arbitrator each, which shall be suitably qualified persons. The arbitrators so nominated and appointed shall within 14 (fourteen) days after their appointment, by agreement, appoint a third arbitrator. Should they fail to appoint a third arbitrator within the aforementioned period, such arbitrator shall be appointed by the Chairman of AFSA or his/her successor in title. The decision of the majority of the arbitrators shall be final and binding on the **Parties**.
- 15.10. Either of the **Parties** shall be entitled to have the award made an order of a Court with competent jurisdiction.
- 15.11. The provisions of this clause:

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- 15.11.1. constitute an irrevocable consent by the Parties to any proceedings in terms hereof and none of the Parties shall be entitled to withdraw from it or to claim or to state at such proceedings that he is not bound by the terms of this clause;
- 15.11.2. is severable from this Agreement and shall remain in force, notwithstanding the termination of, or the invalidity for whatsoever reason, of this Agreement.

16. DOMICILIUM AND NOTICES

- 16.1. The Parties hereby choose as their respective addresses for all notices arising out of this Agreement and as their *domicilium citandi et executandi* ("domicilium") as follows:
- 16.1.1. The Seller: Magnolia Avenue, Hermanus, 7200
Facsimile: 028 312 1894
- 16.1.2. The Purchaser: 1 Boland Way, Durbanville, 7550
Facsimile: 021 976 0984
- 16.2. Each of the Parties shall be entitled from time to time by written notice to the other to vary its domicilium to any other physical address within the Republic of South Africa not being a post box or a poste restante.
- 16.3. Any notice required or permitted to be given in terms of this Agreement shall be valid and effective only if in writing.
- 16.4. Any notice given by one Party to the other ("the addressee") which:
- 16.4.1. is delivered by hand during the normal business hours of the addressee at the addressee's domicilium for the time being shall be rebuttably presumed, to have been received by the addressee at the time of delivery;
- 16.4.2. is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at the addressee's domicilium for the time being shall be rebuttably presumed, to have



been received by the addressee on the seventh day after the date of posting;

- 16.4.3. is faxed, shall be rebuttably presumed to have been received by the addressee on the first business day after date of transmission.

17. GOVERNING LAW AND JURISDICTION

- 17.1. This Agreement will in all respects (including its existence, validity, interpretation, implementation, termination and enforcement) be governed by the law of the Republic of South Africa which is applicable to agreements executed and wholly performed within the Republic of South Africa.
- 17.2. Subject to clause 16 above, the Parties hereby consent and submit to the jurisdiction of the High Court of South Africa Cape of Good Hope Division in respect of any dispute or claim arising out of or in connection with this Agreement.

18. COSTS

- 18.1. The Purchaser shall be responsible to pay all costs and expenses of Guthrie & Theron (representing the Seller) incurred in connection with the negotiation, preparation and entering into this Agreement which will be payable on demand.
- 18.2. The Purchaser shall be liable for the payment of transfer duty (if any) and the tariff fees charged by the Conveyancer relating to the transferring of the Property into the name of the Purchaser.

19. SIGNATURE IN COUNTERPARTS

This Agreement may be executed in one or more counterparts and in separate counterparts, each of which when executed will be deemed to be an original but when taken together will constitute one and the same agreement. The Agreement will only come into being once all the Parties hereto have signed such counterparts.



20. CANCELLATION


Should this agreement be cancelled for any reason whatsoever, the Purchaser shall, if he is in possession of the pockets of Property not yet transferred, immediately be dispossessed of it and he agrees to give up possession and to vacate forthwith the Property hereby sold.

21. AGREEMENT BINDING ON SUCCESSORS IN TITLE

This Agreement shall be binding on the administrators, executors, heirs, judicial managers and other successors-in-title of the parties, who shall not be entitled to terminate this agreement merely by reason of the death of a party. Each party indemnifies the other against any loss or damage of any nature whatsoever which the other may sustain if this agreement is not binding for any reason on the former's administrators, executors, heirs, judicial managers and/or other successors-in-title.

22. GENERAL

- 22.1. No latitude, extension of time or other indulgence which may be given or allowed by any Party to the other Party in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any Party arising from this Agreement, and no single or partial exercise of any right by any Party under this Agreement, shall in any circumstances be construed to be an implied consent or election by such Party or operate as a waiver or a novation of or otherwise affect any of the Party's rights in terms of or arising from this Agreement or estop or preclude any such Party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term hereof.
- 22.2. No addition to or variation, consensual cancellation or novation of this Agreement shall be of any force or effect unless reduced to writing and signed by all the Parties or their duly authorized representatives.
- 22.3. This Agreement constitutes the whole Agreement between the Parties as to the subject matter hereof and no Agreements, representations or warranties between the Parties regarding the subject matter hereof other than those set out herein are binding on the Parties.

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22.4. No Party may assign, transfer, sub-contract or otherwise part with this Agreement or any part thereof or any right or obligation under it, without obtaining the other Party's prior written consent thereto unless determined to the contrary in terms of this Agreement.

22.5. This agreement shall be binding on the administrators, and executors of the parties to this agreement.

SIGNED at Seamans on this 10th day of September 2014

for OVERSTRAND MUNICIPALITY

M. M. M. M. M.
who warrants that he is duly authorized hereto

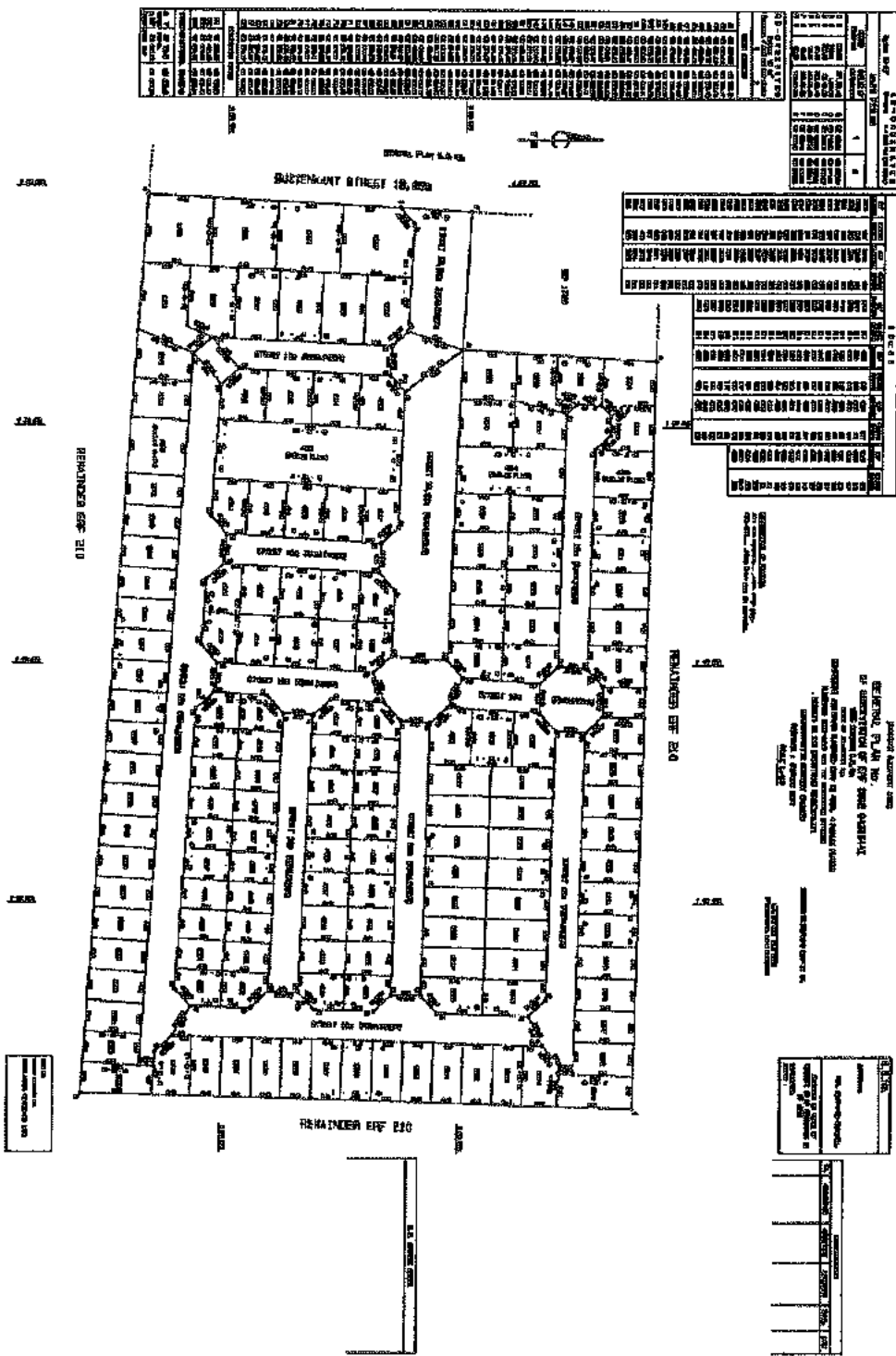
witness: *Edge*

SIGNED at DURBANVILLE on this 22 day of August 2014

for SUPPLIERS TO ALL PROPRIETARY LIMITED

Rita
who warrants that he is duly authorized hereto

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FIRST ADDENDUM TO AGREEMENT OF SALE

BETWEEN

THE OVERSTRAND MUNICIPALITY

herein represented by **COENRAAD CORNELIUS GROENEWALD** in his capacity as
Municipal Manager, duly authorized thereto

(hereinafter referred to as the **SELLER**)

And

SUPPLIERS TO ALL PROPRIETARY LIMITED t/a Motlekar Overstrand

Registration Number : 2009/023199/07

herein represented by **PIETER WILLEM PRINSLOO** in his capacity as Director, duly
authorize thereto

(hereinafter referred to as the **PURCHASER**)

WHEREAS the **PURCHASER** and **SELLER** entered into a two Agreements in terms of which the **PURCHASER** acquired certain portions of properties in Gansbaai from the **SELLER** for the development of affordable housing, the Sale Agreement and the Memorandum of Agreement both signed on having been signed on respectively 22 August 2014 and 10 September 2014;

(hereinafter referred to as the Agreements), and

WHEREAS it was agreed in paragraph 7.2 of the initial sale agreement that the **PURCHASER** will take transfer of the properties in phases as the development progresses, subject to a guarantee; and

WHEREAS the property to be transferred in the first phase has been identified and surveyed for transfer purposes.

NOW THEREFORE, pursuant to the said initial agreements the **PURCHASER** and **SELLER** hereby agree that the following identified properties in the first phase may be transferred as subdivisions of Erf 3902 Gansbaai as indicated on General Plan nr 129/2015:

1. Properties to be transferred are:
 - 1.1 Erf 3930, measuring 506 (five hundred and six) square metres;
 - 1.2 Erf 3931, measuring 501 (five hundred and one) square metres;
 - 1.3 Erf 3932, measuring 501 (five hundred and one) square metres;
 - 1.4 Erf 3933, measuring 544 (five hundred and forty four) square metres;
 - 1.5 Erf 3934, measuring 332 (two hundred and thirty) square metres;
 - 1.6 Erf 3935; measuring 340 (two hundred and forty) square metres;
 - 1.7 Erf 3936, measuring 342 (two hundred and forty two) square metres;

- 1.8 Erf 3937, measuring 343 (two hundred and forty three) square metres;
- 1.9 Erf 3938, measuring 261 (two hundred and sixty one) square metres;
- 1.10 Erf 3939, measuring 445 (four hundred and forty five) square metres;
- 1.11 Erf 3940, measuring 246 (two hundred and forty six) square metres;
- 1.12 Erf 3941, measuring 250 (two hundred and fifty) square metres;
- 1.13 Erf 3942, measuring 198 (one hundred and ninety eight) square metres;
- 1.14 Erf 3943, measuring 198 (one hundred and ninety eight) square metres;
- 1.15 Erf 3944, measuring 198 (one hundred and ninety eight) square metres;
- 1.16 Erf 3945, measuring 198 (one hundred and ninety eight) square metres;
- 1.17 Erf 3946, measuring 198 (one hundred and ninety eight) square metres;
- 1.18 Erf 4006, measuring 259 (two hundred and fifty nine) square metres;
- 1.19 Erf 4007, measuring 197 (one hundred and ninety seven) square metres;
- 1.20 Erf 4008, measuring 236 (two hundred and thirty six) square metres;
- 1.21 Erf 4009, measuring 239 (two hundred and thirty nine) square metres;
- 1.22 Erf 4010, measuring 236 (two hundred and thirty six) square metres;
- 1.23 Erf 4011, measuring 202 (two hundred and two) square metres;
- 1.24 Erf 4012, measuring 254 (two hundred and fifty four) square metres;
- 1.25 Erf 4013, measuring 276 (two hundred and seventy six) square metres;
- 1.26 Erf 4014, measuring 279 (two hundred and seventy nine) square metres;
- 1.27 Erf 4015, measuring 183 (one hundred and eighty three) square metres;
- 1.28 Erf 4021, measuring 184 (one hundred and eighty four) square metres;
- 1.29 Erf 4022, measuring 217 (two hundred and seventeen) square metres;
- 1.30 Erf 4023, measuring 229 (two hundred and twenty nine) square metres;
- 1.31 Erf 4024, measuring 217 (two hundred and seventeen) square metres;

in the Overstrand Municipality, Division of Caledon, Western Cape Province

(hereinafter referred to as the Properties)

2. The purchase price for the said Properties is the amount of R8,968.00 (eight thousand nine hundred and sixty eight rand) (VAT excluded) per erf (R493,240.00 (four hundred and ninety three thousand two hundred and forty rand) (VAT excluded) in total) payable on date of registration of the properties to the end user, provided that the price shall escalate in accordance with the written agreement between the parties.
3. Prior to registration and transfer of the abovementioned properties may be affected, the Purchaser shall issue in favour of the Seller an irrevocable bank guarantee representing the amount outstanding on services and for payment of the purchase price for the properties transferred herewith.
4. Save for the above, the said Sale Agreement and Memorandum of Agreement, both dated respectively 22 August 2014 and 10 September 2014 shall remain in full force and effect.


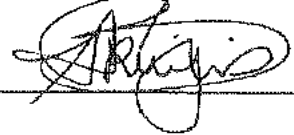
SIGNED at _____ on the _____ day of _____ 2015

WITNESSES:

- 1. _____
For and on behalf of
OVERSTRAND MUNICIPALITY
- 2. _____

SIGNED at Durbanville on the 04 day of May 2015

WITNESSES:

- 1.  _____
For and on behalf of
SUPPLIERS TO ALL Va MOTLEKAR
- 2.  _____



Date: 20 August 2018

The Manager Housing
Overstrand Municipality
PO Box 20
Hermanus
7200

Pages: 3

Attention: Mr B Louw / D Hendriks

Dear Sir,

CONTRACT: DEVELOPMENT OF 155 GAP ERVEN GANSBAAI - ERF 3908 TO 4062 (SUBDIVISION OF ERF 3908)

Request for an extension to the Period of Performance as detailed in the Memorandum of agreement

Our various discussions regarding this project and recent meeting dated 17 August 2018 refers.

Background

1. The GAP Housing Project was implemented by Suppliers To All (Pty) t/a MCape by installing electrical infrastructure for phase 1 or 31 erven ("Pocket 1")
2. Upon completion of the services we took transfer of pocket 1 erven as agreed.
3. Suppliers funded all other professional fees, inclusive but not limited to architectural, marketing costs and land surveying costs.
4. Suppliers developed a top structure design guideline and launched the marketing of the units by inviting all relevant stakeholders including council, estate agents, banks and prospective clients to the launch function in Gansbaai.
5. We involved all local agents in the marketing process.
6. Suppliers took a view and decided to build a show village of eleven units ranging from the basic small unit to medium size and larger four bedroom units to test the market.
7. The show village was completed during 2015.

Suppliers to All t/a MCape Overstrand

Reg No 2009/023199/07
Directors: R van Rooyen, PW Prinsloo
1 Boland Way, Durbanville, 7660 | P.O. Box 4697, Durbanville, 7551
Tel: 0861 44 44 88 | Fax: 088 021 976 0984 | Web: www.mcape.co.za

8. Initial indications from the marketing teams and end user finance sounded very positive but as soon as the team did further screening and credit checks it became clear that the anticipated market in Gansbaai does not have the required income level to afford the GAP units in the show village.
9. With slow sales and empty units in the show village we had to make the units available as rental units.
10. Four units are sold to date which include one basic unit, two medium size units and one large unit.
11. Seven units have tenants in at the moment but is still being marketed. It is clear that the anticipated GAP market in Gansbaai is not there and potential buyers from Hermanus is reluctant to invest due to cost of travelling. As discussed at the meeting we have to look at alternative options and decide, together with yourselves, on the way forward.

Alternative options

12. Without further subsidies or assistance e.g. waiving bulk contributions or services cost it will be challenging to roll out further GAP units. Even if you build just the basic two bedroom units it will be challenging to roll out further GAP units as the GAP market take up is very slow and we can not construct two or five units at a time.
13. After careful consideration we started engaging with businesses in the area where employers wish to provide housing for workers.
14. Currently we are in discussion with two groups who are interested in around fifteen to twenty plots each.
15. To ensure continuity we propose that we enter into another round of discussions with them and consider selling the plots together with the various building options within the architectural guidelines.
16. Another alternative is to look at a reduced specification unit container housing with proper finishing which might affect affordability. After finalizing negotiations with the interested parties we suggest that we ring fence pocket 1 (transferred erven) and the rest of the erven will then revert back to the municipality as per the agreement.

Suppliers to All t/a MCape Overstrand

Reg No 2009/023199/07

Directors: R van Rooyen, PW Prinsloo

1 Boland Way, Durbanville, 7550 | P.O. Box 4897, Durbanville, 7551

Tel: 0861 44 44 89 | Fax: 088 021 976 0984 | Web: www.mcape.co.za

Current situation and way forward

17. According to the Memorandum of Agreement signed with the Municipality and in the event of any of the transferred units to Suppliers To All not being sold and transferred within 36 (thirty six) months from date of signature hereof, Suppliers To All shall forthwith repay to the Municipality such total subsidy amount as invested by them per erf and shall forthwith pay the Overstrand Municipality the purchase price for any erven not sold, at the rate of R8,968 or the applicable escalated amount per erf. The said date has expired on 10 September 2017.
18. Suppliers to All has already paid the land cost for all transferred erven as well as the services cost for all eleven units build.
19. We hereby request extension of the allowed 36 (Thirty six) months per the Memorandum of agreement to further pursue negotiations with the interested parties above.
20. We request that you consider extension of the timeframe for another 24 (twenty four) months to 10 September 2019 to investigate these alternatives falling which we propose that we ring fence pocket 1 (transferred erven) and close out the contract.
21. The balance of the serviced erven will then revert back to the Municipality and Suppliers to all will settle all outstanding funding due.

We trust that you will consider this request favourably and await your response.

Kind regards



Pieter Prinsloo
Director

Suppliers to All t/a MCape Overstrand

Reg No 2009/023199/07

Directors: R van Rooyen, PW Prinsloo

1 Boland Way, Durbanville, 7550 | P.O. Box 4697, Durbanville, 7551
Tel: 0861 44 44 89 | Fax: 088 021 976 0984 | Web: www.mcape.co.za

Annexure E 1/19

FOUNTAIN HILL

AFFORDABLE HOUSING PROJECT

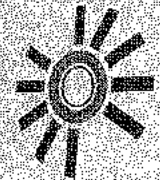
GANSBAAI

ARCHITECTURAL DEVELOPMENT GUIDELINES



prepared by


DENNIS MOSS PARTNERSHIP



MOTLEKAR OVERSTRAND



MARCH 2018

1 INTRODUCTION

The main purpose of these broad architectural guidelines is to outline the framework for the Gansbay Residential development.

The Gansbay Residential is to be developed on Erf 210, division of Overstrand Municipality (hereinafter referred to as the Property).

In general, guidelines are not intended to stifle or inhibit innovative design and/or original thought but rather to serve as an instrument to guide and maintain the external appearance and positioning of buildings and structures.

It is therefore prescribed that all new buildings and future alterations and additions must comply with this design framework. The conditions and guidelines as set out in this document are binding upon all residential erven in the development.

In respect of the interpretation of these guidelines and with regard to any aesthetic and design matters not covered in these guidelines, the decision of the Architect appointed for aesthetic control by The Developer of this development, will be final and binding.

NOTE:

- 1** These guidelines will be subject to periodical revision as deemed necessary from time to time.
- 2** In case of conflict, the Architect appointed for aesthetic control will make a ruling.

2 GENERAL CONTROL CONDITIONS – FUTURE ALTERATIONS AND ADDITIONS

It is prescribed that all future alterations and additions comply with this document and are designed to complement and fit into the development design framework, architectural style, material use and colour scheme.

Building plans must be prepared in accordance with the procedures as set out in these guidelines for evaluation and aesthetic approval by the Control Architect

The architectural character of all alterations and additions will be considered in relation to that of the development guidelines and any other factors that the Control Architect at its entire discretion may deem necessary at the time of aesthetic approval.

The design and submission of any alteration and additions to any dwellings and structures in the Development may only be undertaken by professional Architects and Architectural Technologist registered with the South African Council for the Architectural Profession.

All building plans must comply with the Local Authority and National Building Regulations and any other applicable legislation and by-laws.

3 BUILDING PLAN APPROVAL PROCEDURE

3.1 AESTHETIC APPROVAL

All building plans, alterations and additions are subject to aesthetic and colour scheme approval PRIOR to Local Authority submission. The procedure is outlined below:-

- i) Two coloured copies of the building plans must be submitted to the Controlling Architect for aesthetic evaluation and approval prior to Local Authority submission.
- ii) A non-refundable scrutiny fee (amount to be determined by Controlling Architect) will be payable BEFORE any plans can be accepted for aesthetic plan approval.
- iii) Size of drawings are limited to A1, A2 and A3 format & all drawings to be folded to A4 size with the title block on top. The Owner and Architect/Technologist names must be clearly recorded in the title block with the relevant Erf number, title of plan (e.g. floor plans, elevations, etc.), date, scale of drawing and north point on each drawing. NOTE - All plans must be signed by the Owner and responsible Architect/Technologist.
- iv) The architectural character of all new building/s will be considered in relation to that of the Development guidelines and any other factors that the Control Architect/s at its entire discretion, may deem necessary at the time of aesthetic approval.
- v) Notwithstanding the fact that the building plans may comply with all Regulations and By-Laws of the Local Authority, the aesthetic approval or rejection of such plans, shall be at the sole discretion of the Controlling Architect/s and the approval thereof, shall not unreasonably be withheld.

- vi) Nothing in this document or any regulations herewith, will be construed as permitting the contravention of the Conditions of Title to any Erf or any Zoning, By-Laws or Regulations of the Local Authority.

3.1.1 OUTLINE OF INFORMATION REQUIRED ON BUILDING PLANS TO BE SUBMITTED FOR AESTHETIC APPROVAL

- i) Site plan at scale 1:200 with cadastral information (i.e. Erf number, north point, boundaries, contours indicated at 1000 or 500mm intervals, building lines & setbacks, building areas, coverage, etc.); Erf numbers of adjoining properties; location of all structures on site; the driveway (designated vehicle access); hard/soft landscaping (where required); retaining structures; boundary walls and gates; building services, e.g. storm water reticulation, drainage etc.
- ii) Detail breakdown of construction areas tabulated in covered and open building area per floor. All area measurements in m².
- iii) Total site area, permissible coverage and actual coverage expressed as a percentage of the total site area.
- iv) Height measured from the mean natural ground level to top of concrete (TOC) and TOC to wall plate height to be indicated on drawings.
- v) All floor plans (including roof plan), elevations and a minimum of two sections through the dwelling and site at scale 1:100. One of these sections must be a long section through the Erf, clearly indicating the bulk earthworks and cut and fill.
- vi) Schedule of external finishes and colour specification.

3.1.2 DEVIATIONS FROM AESTHETICALLY APPROVED BUILDING PLANS

i) It is the responsibility of the Municipality and Developer to ensure that any deviations from aesthetically approved building plans is re-submitted to the Control Architect/s for scrutiny PRIOR to implementation on site. All such applications MUST be in writing and NO telephonic correspondence will be accepted in this regard.

The costs for rectification of any exterior elements, colours, materials and alterations not complying with the guidelines and implemented on site without prior written approval from the Control Architect/s will be for the account of the respective Homeowner.

3.2 LOCAL AUTHORITY SUBMISSION

i) Only after aesthetic approval has been obtained, in writing, may the building plans be submitted to the Local Authority for municipal approval.
ii) The final approval of all building plans, ultimately vests in the Local Authority.

4 PLANNING CONTROLS

4.1 ZONING

All erven are zoned as Residential, in accordance with Section 8 Zoning Scheme Regulations (hereinafter referred to as the zoning scheme). For the Site Development Plan, refer to Drawing No. N4058/300 and for the approved Subdivision plan, refer to Drawing No. N4058/100, dated 5 May 2015, below.

4.2 DWELLING

i) The building form of residential units is based on core buildings linked with abutments to create larger living spaces. No freestanding buildings away from the main dwelling (core buildings) are allowed to be built.
ii) Building heights are restricted as described in the chapters below.

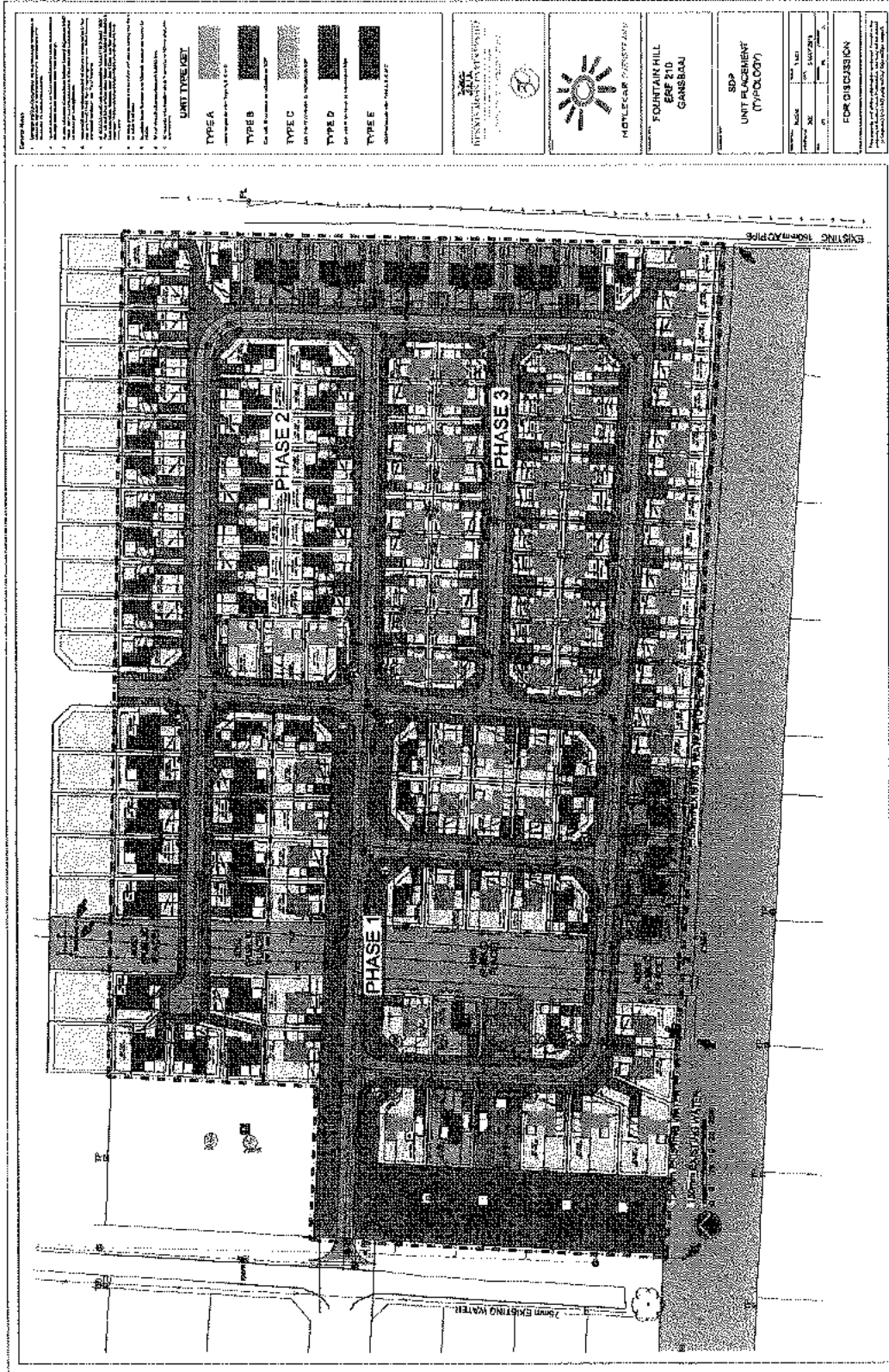


Figure 1: Site Development Plan

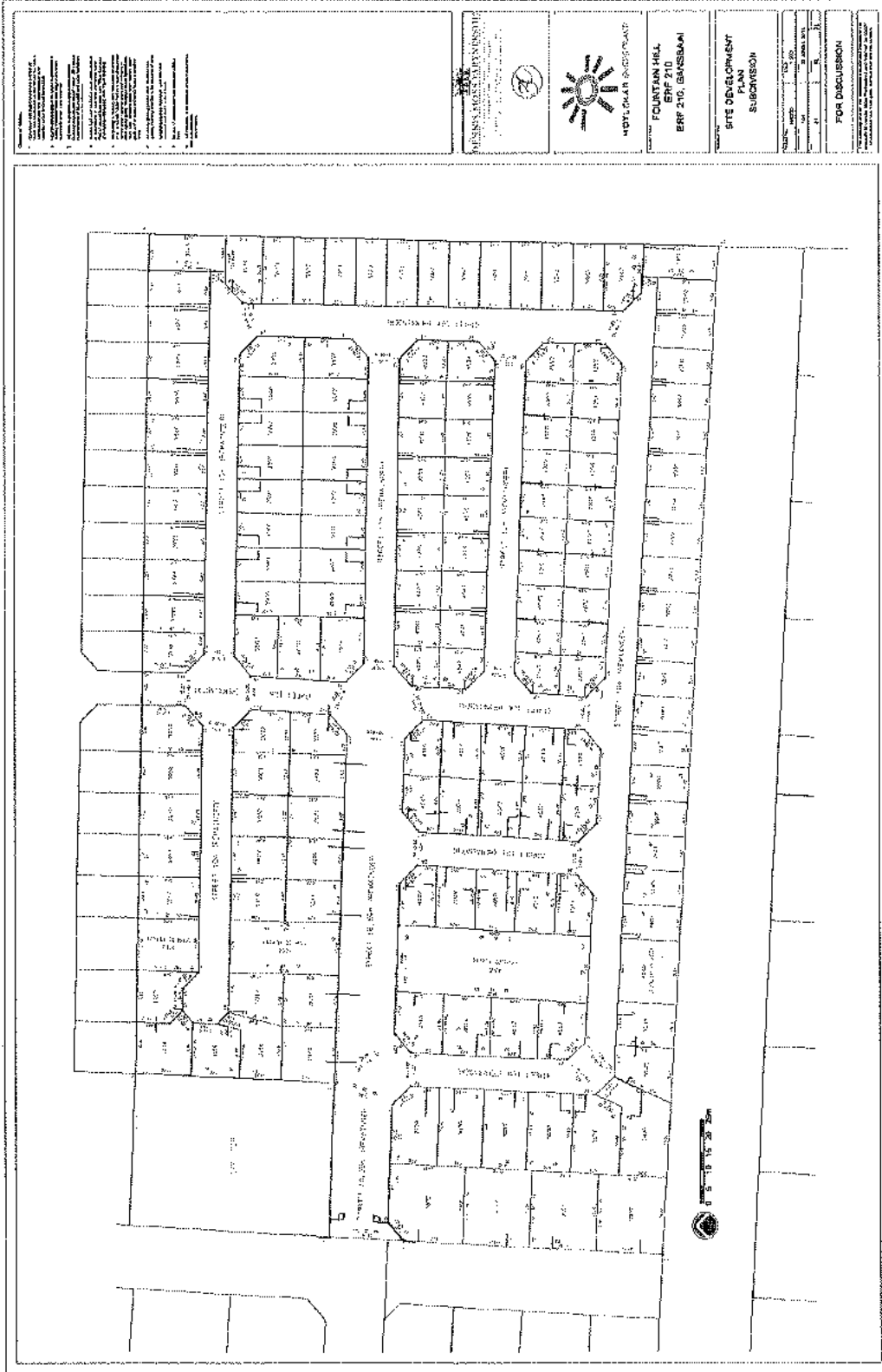


Figure 2: Subdivision Plan

4.3 BUILDING LINES

All building lines are in accordance with the approved Site Development Plan, Drawing No. N4058/300, dated 5 May 2015, included above.

- i) **Street boundary:**
Dwelling units may not be placed closer than 2.0m from the erf boundary on the street side, as indicated on the Site Development Plan.
- ii) **Pergola in front of buildings:**
Pergolas may be erected in front of buildings to serve as carports and decorative features. All pergolas to be supported on columns and may be erected on a 0.0m street and side building line.
- iii) **Rear building line:**
All building to be placed in accordance with SDP.
- iv) **Side building lines:**
All building to be placed in accordance with SDP.
- v) **Braai's:**
Note, when positioning a braai on an Erf, the private living area of the adjoining Erf also needs to be considered. The final approval vests in the Local Authority.

Note: No buildings are permitted to be built on exposed columns structures i.e raised from ground level without ground floor building structure.

4.4 BUILDING HEIGHTS

- i) All residential dwellings are limited to Double Storey.
- ii) The prescribed maximum wall plate height for double storey, are 6m from top of concrete.

5 ARCHITECTURAL STYLE AND ELEMENTS

The architectural style of the proposed development is largely informed by the rural character of the site, the views, northern orientation of buildings and a contemporary interpretation of regional Cape Architecture.

Traditional Cape elements, scale, massing and proportions are promoted, together with the use of different natural textures and crafty detailing to create a 'sense of place'. By recognizing the quality and attributes or regional characteristics and building upon the contextual forces, meaning are added which 'honours' local climate, topography, vegetation, building material and practices.

Scale and proportion are crucial elements in the establishment of a cohesive architectural language. Careful consideration should therefore be given to the articulation of the building forms, their heights, dimensions, roofs, wall openings and detailing in order to achieve an attractive architectural language for the development.

Focal features such as landscape elements and low Cape walls in conjunction with indigenous planting and trees to mention just a few, will enhance and complement the character and promote a qualitative development known for its charm, beauty and ultimately its own unique "sense of place".

It is believed that flexibility of interpretation is important to encourage variety within the constraints of these guidelines. Rather than be prescriptive, elements specifically excluded are clearly stated. Please note that the list of exclusions is not exhaustive and should there be any matters not covered in this document and in the event of any difference in the interpretation of these guidelines the decision of the Architect appointed for aesthetic control on behalf of the Developer will be final and binding.

EXCLUSIONS:-

Cape Dutch Copies; Mediterranean/Spanish Style Architecture; Tuscan Style Architecture; Conservatory Structures; Post Modern Elements and the preferential use for horizontal proportions prevalent in Modern Architecture.

In order to achieve the above objectives, the following building elements are addressed:

5.1 BUILDING FORM

Typology is the study and theory of architectural type, such as the form of the traditional Cape "letter" house on building; urban and settlement scale. This typology informs the design of the buildings in the Development.

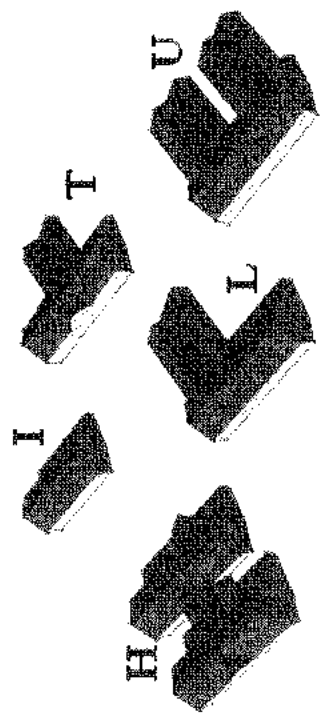
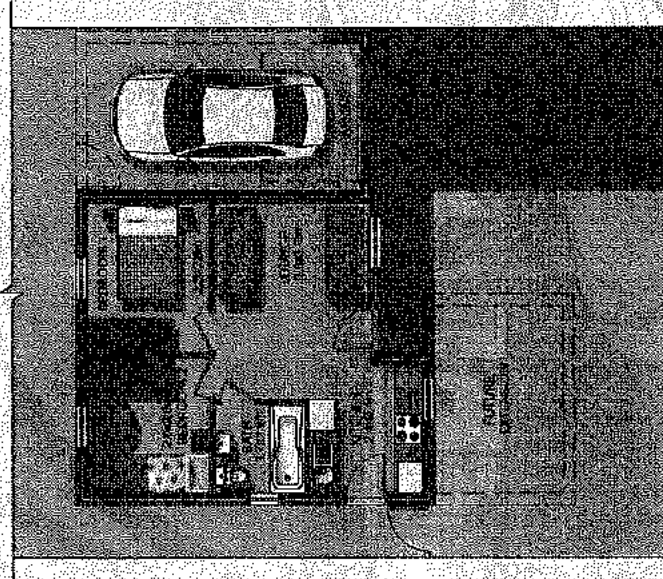


Figure 3: Illustration of the traditional letter of the alphabet building form.

5.1.1 CORE BUILDING & ABUTMENTS

- i) The main building structure is referred to as the **core building**. The core building must conform to the traditional "letter of the alphabet" building form. In this particular typology, the plan form of the core building resembles the letters I, T, L, H or U (refer Figure 3) or variations thereof. The letter constitutes the main body of the building on the Erf.
- ii) The core building may be roofed with a double or single pitched roof with prescribed roof pitch between 30-40 degrees.
- iii) Extensions (abutments) to the core building must be rectangular in plan form.

FOUNTAIN HILL
AFFORDABLE HOUSING PROJECT



STREET ELEVATION

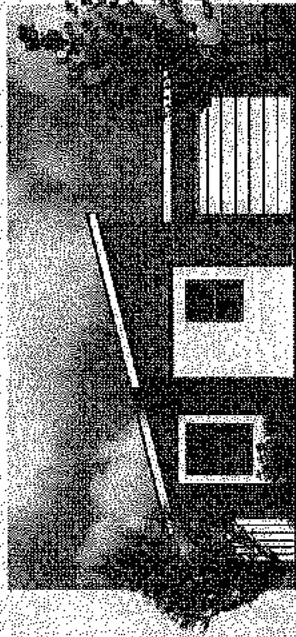
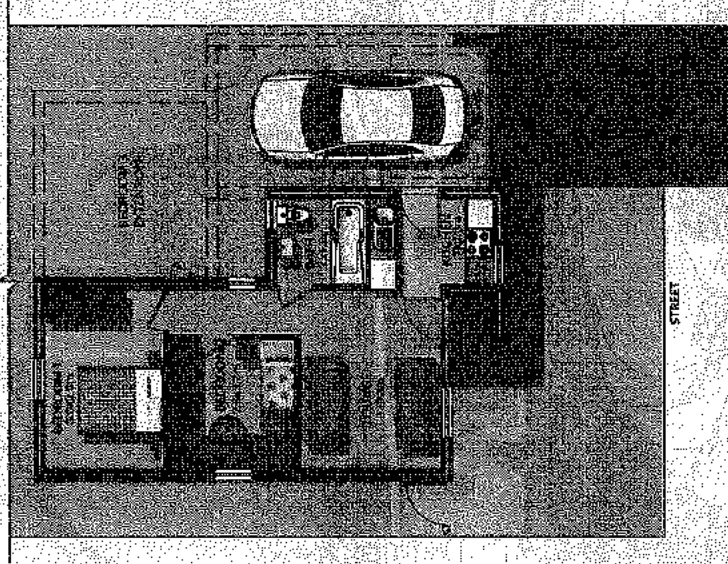
TYPE A	
2 BEDROOM STARTER UNIT	- 42m ²
ADD BEDROOM 3	- 14m ²
ADD GARAGE (SITE DEPENDANT)	- 19m ²
TOTAL	- 75m²

Artist's impression only. All plans and elevations are subject to final adjustments by architect and municipal building regulations. Colour & wall finishes/requirements may differ due to painting processes. Furniture included is only for illustrative purposes. Schedule of standard finishes & specifications for exclusions. For disclaimer available on request.

TYPICAL UNIT TYPE A
PLAN 1:100

Figure 4:

FOUNTAIN HILL
AFFORDABLE HOUSING PROJECT



STREET ELEVATION

TYPE B	
2 BEDROOM STARTER UNIT	- 45m ²
ADD BEDROOM 3	- 15m ²
ADD GARAGE (SITE DEPENDANT)	- 19m ²
TOTAL	- 79m²

Artist's impression only. All plans, levels, elevations are subject to final adjustments by architect and municipal building regulations. Colour & wall finishes/requirements may differ due to finishing processes. Furniture indicative only. See Schedule of standard finishes & specifications for exclusions. Full disclaimer available on request.



TYPICAL UNIT TYPE B
(COVER 2)

Figure 5:

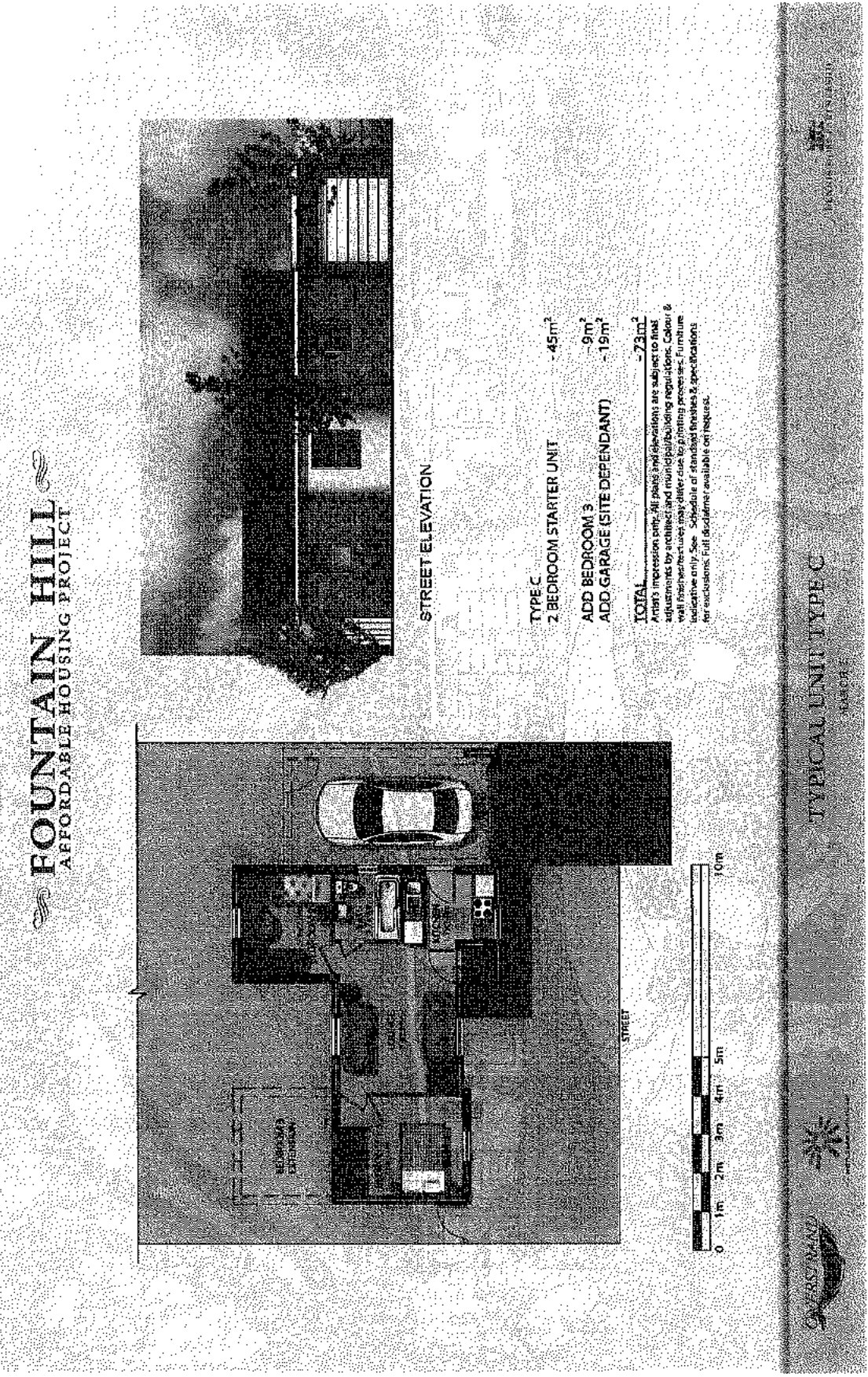
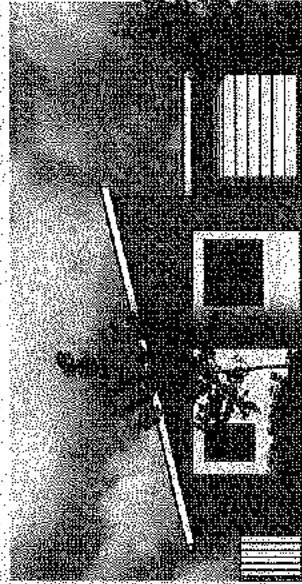
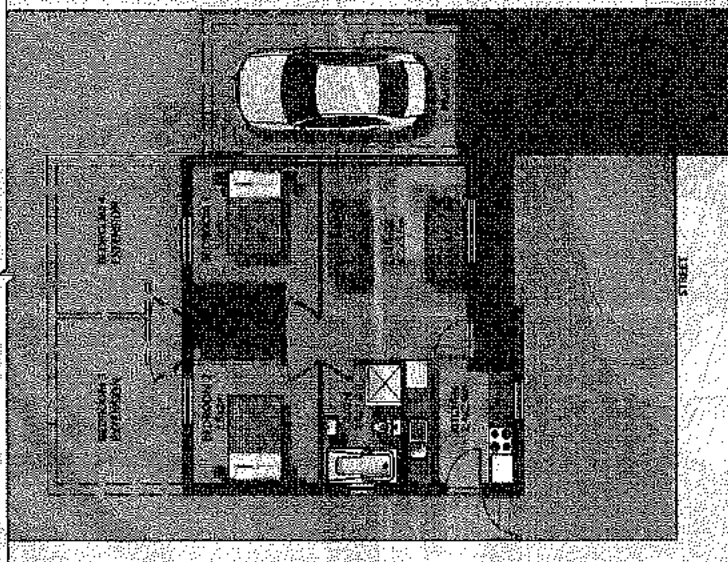


Figure 6:

FOUNTAIN HILL
AFFORDABLE HOUSING PROJECT



STREET ELEVATION

TYPED	AREA (m ²)
2 BEDROOM STARTER UNIT	- 55 m ²
ADD BEDROOM 3	- 13 m ²
ADD BEDROOM 4	- 11 m ²
ADD GARAGE (SITE DEPENDANT)	- 19 m ²
TOTAL	- 98 m²

Area's Impression only. All floor and wall areas subject to final adjustments by architect and municipal building regulations. Colour & wall finishes/rendered may differ due to printing processes. Furniture indicative only. See Schedule of standard finishes & specifications for exclusions. Full disclaimer available on request.



TYPICAL UNIT TYPED

Figure 7:

5.2 ROOFS

5.2.1 ROOF CONSTRUCTION

5.2.1.1 Roofs over Core Buildings

- i) It is prescribed that the same roofing material be used for all pitched roofs on a particular dwelling.
- ii) The roof over the core building is prescribed to be a double or single pitched roof with roof pitch between 25-45 degrees. The core building may be extended with abutments and/or flat roof links as explained in this document.

5.2.1.2 Roofs over Abutments

- i) Roofs over abutments can be concrete or mono pitch metal roofs with a pitch of less than 5 degrees, matching the core building in colour and material.
- ii) Roofs with a pitch of less than 5 degrees must be hidden behind a horizontal parapet wall, on visible sides from street.

5.2.1.3 Roofs over Stoeps

- i) Roofs over stoeps can be concrete flat roofs behind horizontal parapet walls all round or mono pitch metal roofs (lean-to roof) with a pitch of not more than 10 degrees.

5.3 BUILDING MATERIALS AND EXTERIOR COLOURS

In order for the development to maintain a harmonious and cohesive 'whole' with building form, material, colour and layouts being consistent throughout the development, building materials and colour specifications are prescribed and

must be complied with. All new and existing structures to be painted in accordance with the following prescribed colour selection for the Development as indicated below:

5.3.1. ROOF COVERINGS AND ROOF ELEMENTS

- i) This section is to be read together with section 5.2 above.
- ii) Pitched Roofs between 25-45 Degrees – Metal Roof Sheeting, Capping and Ridges
 - Pre-painted Corrugated Iron Roof – colour charcoal
- iii) Fibre-Cement Facias and Bargeboards
 - Fascias & bargeboards to be (225 or 150) x 12mm "Everite Nutec" medium density fibre cement board with plain finish butt jointed & painted with high quality acrylic paint.
 - Colour -- to match roof colour.

EXCLUSIONS:-

- Big six type fibre cement sheeting
- iv) Fibre-Cement Eaves overhangs and Soffits
 - Eaves soffits to be closed between rafters with "Everite Nutec" medium density fibre cement board painted with high quality acrylic white paint.
 - Exposed rafter ends and eave closures to be painted.
- v) Flat concrete Roofs
 - Concrete flat roofs with torch-on fusion waterproofing.
- vi) Mono-pitch roofs
 - Roofs with a pitch of less than 5 degrees: 'Kliplock' or similar approved Concealed Fix Metal Profile Roof Sheeting .

- Colour – Charcoal.

EXCLUSIONS:

- Any other profile roof sheeting than the prescribed roof sheeting is not allowed,
- Shade cloth on the main dwelling or any of the outbuildings, carports or freestanding buildings is not allowed;
- Perspex and fibreglass sheeting may not be used; and
- Pergolas may not be covered with shade cloth.

5.3.2 RAINWATER GOODS**i) Rainwater Gutters - Visible**

- Pre-painted seamless 'Watertite' Aluminium or similar approved, extruded gutter in domestic 'ogee' profile – fitted in full continuous lengths.
- Colour – Charcoal.
- uPVC Gutters

ii) Rainwater Gutters – Concealed

- Pre-painted seamless 'Watertite' Aluminium or similar approved, extruded gutter in square profile – fitted in full continuous lengths.
- Colour – Charcoal.

iii) Rainwater Down Pipes and Hopper Heads

- Down Pipes - uPVC round down pipes with appropriate fittings, fixings and spouts painted to match wall colour OR pre-painted seamless 'Watertite' Aluminium or similar, extruded round or square downpipe.
- Colour – powder coated White or to match wall colour
- Hopper heads - Pre-painted seamless 'Watertite' Aluminium or similar approved, standard hopper head.
- Colour – powder coated white or to match wall colour.

EXCLUSIONS:

- Fibre-cement gutters and down pipes.

5.3.3 EXTERIOR WALLS

- All Walls and Masonry Columns to be Smooth Plastered and Painted in natural earth tones or white.
- All Window Sills to be Smooth Plastered and Painted in natural earth tones or white.
- Plumbing pipes are to be suitably concealed within walls or ducts, where possible and when exposed to the exterior, painted to match the colour of the exterior walls.

5.3.4 WINDOWS, DOORS and SHUTTERS**i) Windows and Doors**

- All windows, doors to be Aluminium – powder/epoxy white, or charcoal; uPVC or timber painted – only 1 choice per building and no mixture of colours on the same buildings. All windows and doors to be vertically proportioned and shutters to have a horizontal timber-like profile.

ii) Shutters

- The use of functional, sliding shutters are strongly encouraged.

iii) Window Glazing

- To comply with the National Building Regulations (NBR); SANS 10400-XA; SANS 204 and AAMSA specifications.

iv) Safety Glazing to Windows and Doors

- To comply with the National Building Regulations (NBR); SANS 10400-XA; SANS 204 and AAMSA specifications.

5.3.5 GARAGES AND CARPORTS

- i) Double garages must have 2 single doors – no double garage doors will be permitted. The doors must be sectional overhead or tilt up type with a simple horizontal pattern.
 - Colour – to match colour of windows & door frames.

EXCLUSIONS:

- *Prefabricated garages*
- *Shade cloth covering to carports*

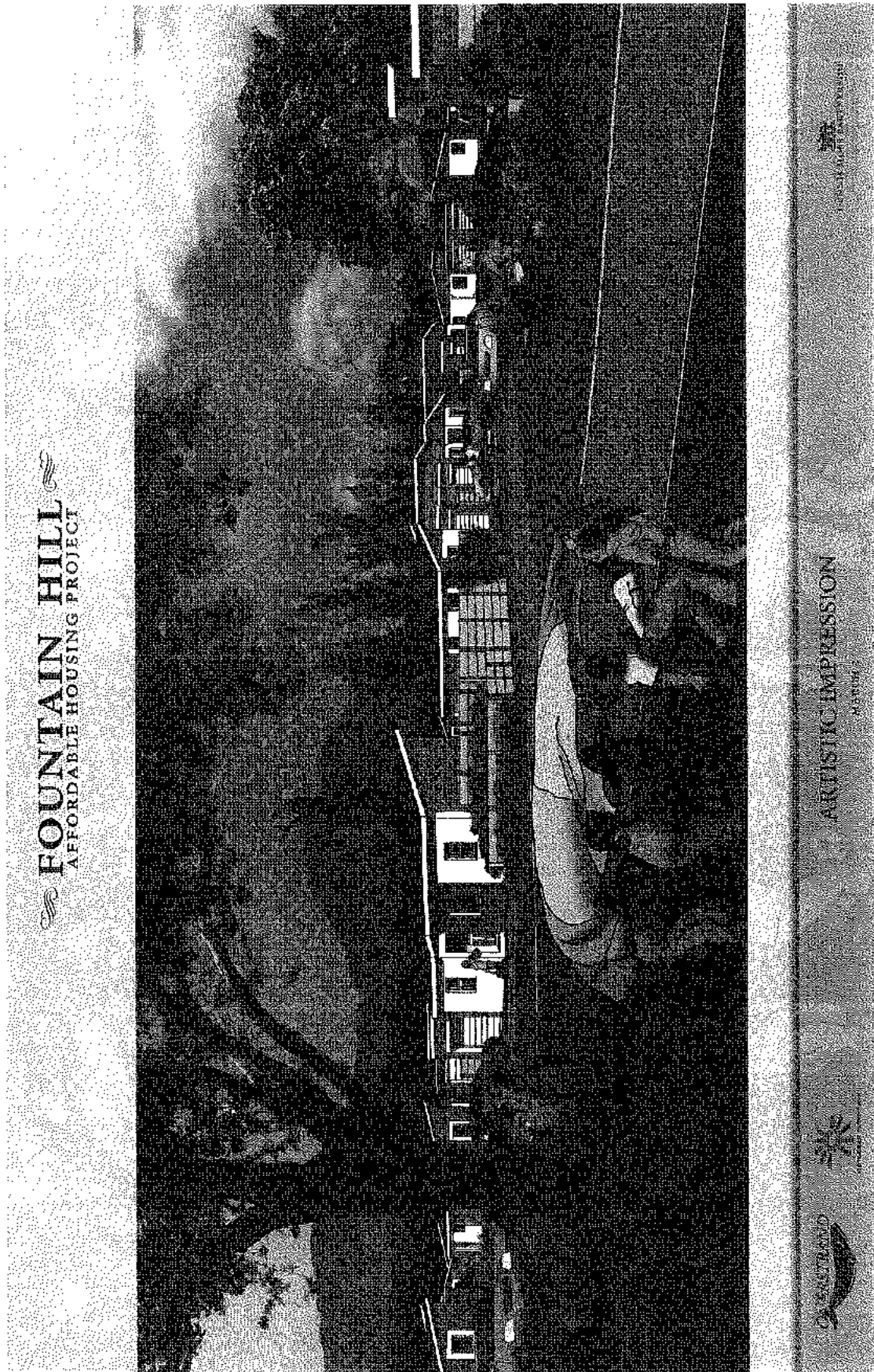


Figure 8:

5.4 BOUNDARY WALLS AND PALISADES

5.4.1 BOUNDARY WALL DEFINITIONS

5.4.1.1 External Perimeter Boundary

All walls to be plastered & painted.

Maximum height 2.1 for security & privacy to hide drying yard, etc.

Above height not applicable for street and side or where wall exceed length of dwelling.

5.4.1.2 Internal Erf Boundaries

Consideration may be given to permitting sections of the common boundary to be erected up to 1.8m in height to create privacy for drying areas and to place refuse bins or air conditioning units / heat pumps.

5.4.2 GENERAL CONDITIONS IN RESPECT OF THE DESIGN OF BOUNDARY WALLS

Any walls not built on an actual boundary line, but which fulfil the function of a boundary wall in relation to a boundary or dwelling will be deemed to be a boundary wall for the purposes of this document and as may be determined by the Control Architect.

- i) The provisions laid out in these guidelines apply to all erven, other than where a specific code applicable to an erf is in conflict with these guidelines, in which case the provisions of such specific code shall prevail.

- ii) Where walls incorporate masonry columns (spaced at max. 2,5 - 3m centres or as advised on by a Structural Engineer), such columns must be square and may protrude no more than 100mm from the face of the solid wall section.

- iii) Any reference to the maximum height of a wall shall be taken as a measurement to the top of any coping forming part of the wall. The adjoining columns may be slightly higher.

- iv) On the internal street boundary side, it is prescribed, that where walling is required, only low garden walls restricted to a maximum height of 1200mm may be built. It is prescribed that the shared side boundary forming part of the street domain, i.e. walling on the side boundaries on the street side of the dwelling must also be kept low at a maximum height of 1200mm to allow visual interaction with the street in order to enhance the quality and character of the Development.

- v) All boundary walls must be designed and built to comply with the National Building Regulations (NBR).

EXCLUSIONS APPLICABLE TO BOUNDARY WALLS:-

- No Face brick
- No sheet material;
- Barbed wire on walls visible from street is not permitted.

5.4.3 GENERAL WALLS, GATES AND FENCING

- i) Vertical retaining walls can either be made from gabion stone walls or plastered brick retaining walls. Walls on an angle such as concrete retainer block have to be planted. A structural engineer should be consulted if retaining walls are higher than 1.5m.

- iv) All walls are to allow for free drainage of storm water runoff i.e. weep holes, subsoil drains or channels. Weep holes are to be a maximum of 50mm diameter. The pipes must be cut flush with the wall and be

- v) spaced 2m apart. The pipe outlet must be a maximum of 150mm above the final ground level.
- v) All plastered and painted walls to be done so to a minimum of 100mm below the final ground level. In addition, the soil adjacent to walls must be well compacted after plastering to avoid the unplastered brickwork becoming visible through soil erosion or subsidence.
- vi) Steps and ramps are seen as another dimension of paving, accommodating changes in levels, helping to define spaces and even providing outdoor seating. Illumination of a change of level is encouraged, particularly at the foot and top of a flight.
- vi) All steps and ramps should adhere to the Standard Building Regulations.
- ix) Plant containers may be used where trees and shrubs cannot be planted directly in to the ground and in conjunction with seating, steps and retaining walls.
- x) They may also be used to form barriers, provide screening or soften high walls. Brick (plastered and painted), clay or re-enforced concrete planters may be used.

5.5 SIGNAGE

- Signage should be appropriate used to enhance the architectural surroundings and combine aesthetics and function and reflect the street furniture theme.
- i) No illumination of signage will be allowed.

- ii) House numbers may not be larger than 150mm high and 100mm wide. The preferred lettering style is Verdana Bold and the colour is charcoal to match the roof sheeting OR may be in a natural brushed aluminium colour. All lettering and numbering to conform to the approved design for the project. All lettering and numbering to be placed horizontally and in line and to be understated.

5.6 LIGHTING

- i) Lighting should be simple, subtle and kept to a minimum i.e. lighting should be limited to strategic elements and important areas in order to prevent light pollution at night.
- ii) Medium to low-level long wave length lighting will be used to avoid glaze and light pollution.
- iii) Decorative lighting will be used for the illumination of focal areas.
- iv) Prevent light pollution by omit using only lights shining downwards.
- v) Floodlights will not be used.