

MEMORANDUM OF AGREEMENT

Entered into by and between:

THE CITY OF MATLOSANA

Herein represented by ELIE TSIETSI MOTSEMME in his capacity as Municipal Manager, he being duly authorised thereto by resolution attached hereto as Annexure "JM-1", hereinafter referred to as the "CoM";

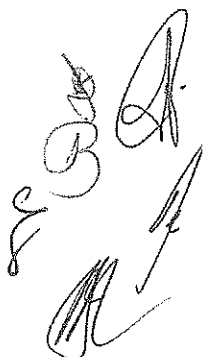
and

JOZE MALETA

Identity number 530121 5019 081, a major male person, married out of community of property, acting in his personal capacity, hereafter referred to as "JM".

1. RECORDAL

- 1.1 The CoM is a local authority that intends to develop and construct a public road from the eastern entrance of the suburb named Doringkuin up to the N12 national road as depicted in Annexure "JM-2" attached hereto.
- 1.2 In order to give effect to the proper alignment and construction of the said public road at the said Doringkruin entrance, the CoM requires *inter alia* a portion of the land from JM, which portion of land is depicted in Annexure "JM -3" attached hereto and is more fully described in clause 1.4 below.
- 1.3 The land depicted by the figure MEFBHJKLM in Annexure "JM -3", 1,4510 ha in extent, is a portion of land that JM has purchased but the transfer of which portion of land has not yet been completed, which portion of land is at the date of this agreement in the process of being transferred to JM, he therefore having a real right in respect of this portion of land at the date of this agreement.
- 1.4 The portion of land that the CoM requires from JM's land to give effect to the proper alignment of its public road, is the figure BHGFB, 1022 square meters in extent as depicted in Annexure "JM-3".
- 1.5 The CoM has proposed to JM that a land exchange takes place between the CoM and JM in order to give the CoM ownership of the figure BHGFB as referred to above and to compensate JM for the abovementioned figure BHGFB portion of land, by exchanging a portion of land equal in value to the figure BHGFB.



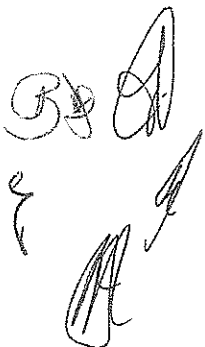
- 1.6 The CoM has a real right in respect of the land set out in Annexure "JM-4" attached hereto, i.e. the figure ABCDEFGHJKA, 9,7945 ha in extent, and is at the date hereof in the process of taking transfer of such land from the current land owner. This land directly adjoins the land of JM and is suitable for such exchange.
- 1.7 JM is agreeable to accept in full and final compensation and in exchange for the figure BHGFB, a portion of land from the CoM, depicted in Annexure "JM-3" as the figure HNPQRH, 4645 square meters in extent.
- 1.8 The CoM and JM agree that such land transfer is to take place on the terms and conditions as are set out further in this agreement.

2. THE EXCHANGE OF LAND

- 2.1 Both the CoM and JM herewith agree to exchange the portions of land as set out in the preamble of this agreement and in the manner set out in this clause.
- 2.2 The CoM will receive in transfer from JM, the portion of land described as follows:

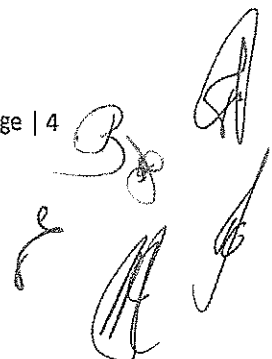
The figure BHGFB as set out in Annexure "JM-3" attached to this agreement, 1022 (One Thousand and TwentyTwo) square meters in extent, depicted as portion "B" on the said annexure, shaded in the colour light brown, being a portion yet to be subdivided, of the existing Portion 529 of the Farm Elandsheuel No. 402-IP, hereafter referred to as "Portion B".

- 2.3 JM will receive in transfer from the CoM, the portion of land described as follows:



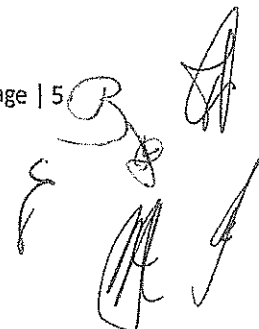
The figure HNPQRJH as set out in Annexure "JM-3" attached to this agreement, 4645 (Four Thousand Six Hundred and Forty Five) square meters in extent, depicted as portion "C" on the said annexure, shaded in the colour light purple, being a portion of land yet to be transferred land as depicted by the figure ABCDEFGHJKA in Annexure "JM-4", this in turn being a portion of Portion 36 of the Farm Palmietfontein No. 403-IP, hereafter referred to as "Portion C". It is recorded and understood by JM that more than 50% of Portion C is designated to be an Eskom electrical servitude, leaving JM less than 50% of Portion C available for development but subject to the further condition that he may not build any development over the existing servitude along the line HJ in Annexure "JM-3".

- 2.4 The parties agree that Portion B and Portion C will be transferred simultaneously unless the circumstances of each land portion at date of transfer is such that simultaneous transfer is impractical. In such case the CoM and JM will make alternative and practical arrangements with the conveyancer as set out in the agreement in order to give effect to the land exchange as envisaged in this agreement.
- 2.5 The CoM and JM therefore herewith agree to exchange the said Portions B and C as adequate and full compensation that will be accepted by them respectively and that no further compensation of any nature whatsoever is due to either of the parties to this agreement.

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3. THE COMPENSATION AND THE EXTENTS OF PORTIONS B AND C

- 3.1 The CoM and JM have acquainted themselves with the locations, conditions, title conditions and extents of the Portions B and C.
- 3.2 It is accepted by both parties that Portion B, due to its location, forms a commercially valuable corner property and is smaller in extent than Portion C which latter portion is less prominently situated and configured for development. The land with which the CoM compensates JM is permanently furnished with a servitude along the boundary depicted as HJ in Annexure "JM-3" which servitude prevents JM in future from constructing any building over the said servitude, JM being thereby disadvantaged due to his original land size for the development of a building being reduced by 1022 square meters.
- 3.3 JM accepts that the largest part of Portion C is a servitude in favour of Eskom and that the servitude area can never be developed and is subject to Eskom's right of servitude. JM records his understanding and acceptance of the fact that more than 50% of Portion C cannot be developed due to the Eskom and sewer line servitudes. The Eskom servitude area potentially allows JM to request permission from Eskom to utilise such electrical servitude area as a parking facility or garden facility to adjoin his intended development. JM records his understanding of the restrictive nature of the said two servitudes relevant to this land exchange which limits his use of Portion C and Portion A as set out in Annexure "JM-3".
- 3.4 Notwithstanding the discrepancy in extent between Portion B and Portion C, both parties to this agreement accept that the said portions of land are of almost equal value, and that the values

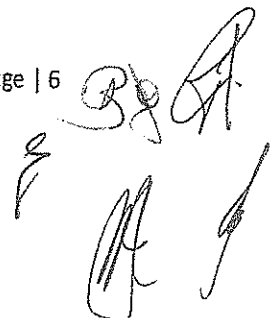
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have been accurately determined and recorded in the valuation attached hereto as Annexure "JM-5".

- 3.5 The parties to this agreement reaffirm herewith that they each take their respective portions of land in transfer voetstoots, as they stand at date of this agreement, and confirm that no representations have been made to either party regarding the land in general, or that the said land portions are in any way suitable for the specific purpose for which they are sought. The full risk of taking ownership of Portions B and C by the CoM and JM respectively, is that of the CoM and JM.

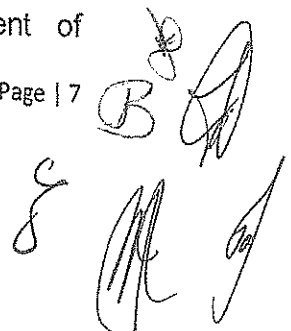
4. SUSPENSIVE CONDITIONS

- 4.1 The CoM and JM agree that the signing of this agreement to effect a land exchange will be subject to the suspensive condition that this agreement will not be of any force or effect until such time as the CoM has completed all compulsory statutory legal processes that it is obliged to attend to when alienating and acquiring any fixed property.
- 4.2 After the CoM has fully complied with all compulsory statutory requirements to which it is obliged to adhere, the CoM undertakes to furnish to JM a certificate signed by the Municipal Manager of the CoM certifying that such compliance has been effected, that a final council resolution has been adopted in this respect approving the land exchange, and that consequently this land exchange agreement is valid and enforceable.
- 4.3 The CoM undertakes to employ all reasonable endeavours to finalise the abovementioned legal compliance process and to furnish the said certificate without delay.



5. OCCUPATION BEFORE TRANSFER

- 5.1 The CoM and JM will be entitled to occupy the portions of land being exchanged herewith on 28 February 2014 irrespective of the date of the signing of this agreement or the date of the fulfilment of the suspensive conditions. Such occupation will entitle each party to proceed with its intended development of the respective portions of land that they herewith exchange subject to compliance with existing developmental legislation and processes.
- 5.2 Any development of the portion of land that either party occupies prior to the transfer thereof, will be at the sole risk of the party commencing its intended development on such portion of land and in the event that such development cannot be proceeded with for whatever reason, such party occupying and developing the respective portion of land before the transfer thereof will not have any claim against the other.
- 5.3 In the event that transfer of the land cannot be effected as is being envisaged in this agreement, each party will be responsible at its own cost to rehabilitate the land to its former state or to take such further steps as it may require to give effect to its intended development.
- 5.4 Upon taking occupation of the land portion that a party is entitled to in terms of this agreement, the risk of ownership will pass to such occupier and to this extent the parties indemnify each other accordingly.
- 5.5 Occupation by any party of the land portion that it is entitled to take transfer of will take place without any payment of

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occupational rental, interest or any other consideration for such occupation.

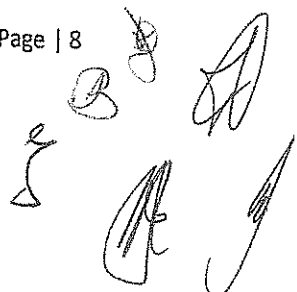
- 5.6 JM acknowledges that he is aware that the CoM will commence with the construction of a public road over Portion B prior to the transfer of this portion of land to the CoM and JM herewith consents to such construction.

6. OBLIGATIONS REGARDING THE LAND PORTIONS EXCHANGED

- 6.1 JM undertakes to consolidate Portion C with Portion A of Annexure "JM-3" as soon as practically possible.
- 6.2 The CoM records its intention to utilise Portion B as a public road the construction of which is set to commence by 28 February 2014.

7. TRANSFER OF PORTION B AND PORTION C

- 7.1 The parties to this agreement appoint LB Incorporated Attorneys as attorneys and conveyancers to attend to all subdivisions, consolidations, transfers of land and all related work required to give effect to this agreement. The subdivisions, consolidations and transfers of land required to give effect to this agreement will be for the cost of the CoM, the CoM having requested the land exchange. All other work required beyond the work set out in this paragraph is excluded from this provision.
- 7.2 The CoM and JM undertake to sign all documentation that is required to give effect to the exchange of land intended in this agreement.

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8. BREACH

In the event of either one of the parties (the "Defaulting Party") committing a breach of any of the other 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 to remedy the breach complained of then, the Aggrieved Party shall be entitled at his sole discretion and without prejudice to any of his other rights in law, either to claim specific performance of the terms of this Agreement or to cancel this Agreement forthwith and without further notice and claim and recover damages from the Defaulting Party.

9. DISPUTE RESOLUTION

9.1 Save to the extent otherwise provided in this agreement, should any dispute arise between the parties in connection with any matter in respect of this agreement, including:

9.1.1 the formation or existence of this agreement;

9.1.2 the implementation of this agreement;

9.1.3 the interpretation or application of the provisions of this agreement;

9.1.4 the parties' respective rights and obligations in terms of or arising out of, or the breach or termination of this agreement;

9.1.5 the validity, enforceability, rectification, termination or cancellation, whether in whole or in part of this agreement;

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9.1.6 any document furnished by the parties pursuant to the provisions of this agreement or which relates in any way to any matter affecting the interests of the parties in terms of this agreement;

9.1.7 occupation of the Land or portions thereof,

that dispute shall be referred to and be determined by arbitration in terms of the commercial arbitration rules and procedures (the "Rules") laid down from time to time by the Association of Arbitrators (Southern Africa) ("AASA").

9.2 Any party may demand that a dispute be determined in terms of this clause by written notice given to the other party.

9.3 The parties hereby consent to the arbitration being dealt with on an urgent basis should any party by written notice given to the others require the arbitration to be held on an urgent basis. In such event, the parties agree to apply jointly to the AASA Secretariat as required in terms of the Rules to facilitate such urgent application.

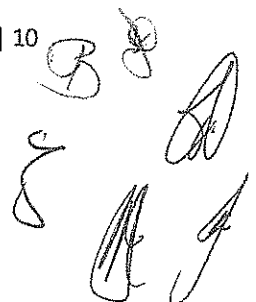
9.4 The arbitrator shall be, if the matter in dispute is principally:

9.4.1 a legal matter, a practising advocate or attorney of at least 15 (fifteen) years standing;

9.4.2 an accounting matter, a practising chartered accountant of at least 15 (fifteen) years standing;

9.4.3 any other matter, any independent person, agreed upon between the parties to the dispute.

9.5 Should the parties to the dispute fail to agree whether the dispute is principally a legal, accounting, surveying, or other matter within



7 (seven) days after the arbitration was demanded, the matter shall be deemed to be a legal matter.

9.6 Should the parties fail to agree on an arbitrator within 7 (seven) days after giving notice in terms of clause 0, the arbitrator shall be appointed at the request of either party to the dispute by the Chairman for the time being of AASA in terms of the Rules.

9.7 Unless otherwise agreed, the parties shall request the arbitrator to give a reasoned award.

9.8 The decision of the arbitrator shall be final and binding on the parties to the dispute and may be made an order of court referred to in clause 0 at the instance of any of the parties to the dispute.

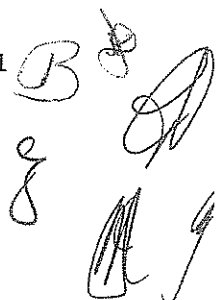
9.9 The parties agree to keep the arbitration (including the subject matter of the arbitration and the evidence heard during the arbitration) confidential and not to disclose it to anyone except for the purposes of obtaining an order as contemplated herein.

9.10 The provisions of this clause:

9.10.1 shall not preclude any party from obtaining interim relief on an urgent basis from a court of competent jurisdiction pending the decision of the arbitrator;

9.10.2 constitute an irrevocable consent by the parties to any proceedings in terms hereof and no party shall be entitled to withdraw therefrom or claim at any such proceedings that it is not bound by such provisions; and

9.10.3 are severable from the rest of this agreement and shall remain in effect despite the termination of or invalidity for any reason of this agreement.



9.11 Notwithstanding the provisions of this clause, the parties agree that the jurisdiction of the High Court is not excluded, and any Party may at its election seek legal relief from either the arbitration procedure or the High Court.

10. DOMICILIUM CITANDI ET EXECUTANDI

10.1 The parties choose as their *domicilia citandi et executandi* for all purposes under this Agreement, whether in respect of court process, notices or other documents or communications of whatsoever nature (including the exercise of any option), the following addresses:

10.1.1 The City of Matlosana:

Physical: Cnr Bram Visser / OR Tambo Streets,
Klerksdorp. 2570.

Postal: PO Box 99, Klerksdorp, 2570.

Telefax: (018) 462 6023

All correspondence and/or pleadings shall be marked
"For urgent attention: The Municipal Manager".

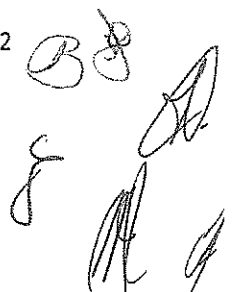
10.1.2 Joze Maleta

Physical: 95 Leask street, Klerksdorp.

Postal: P.O. Box 1372, Klerksdorp. 2570.

Telefax: (018) 464 2509

10.2 Any notice or communication required or permitted to be given in terms of this agreement shall be valid and effective only if in writing but it shall be competent to give notice by telefax.



10.3 Any party may by notice to any other party change the physical address chosen as its *domicilium citandi et executandi vis-à-vis* that party to another physical address where postal delivery occurs in 7 (seven) days or its postal address or its telefax number, provided that the change shall become effective *vis-à-vis* that addressee on the 10th (tenth) business day from the receipt of the notice by the addressee.

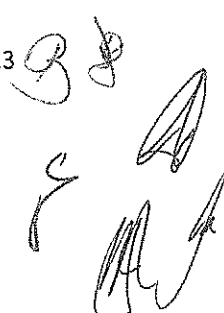
10.4 Any notice to a party –

10.4.1 sent by prepaid registered post (by airmail if appropriate) in a correctly addressed envelope to it at an address chosen as its *domicilium citandi et executandi* to which post is delivered shall be deemed to have been received on the 10th (tenth) business day after posting (unless the contrary is proved);

10.4.2 delivered by hand to a responsible person during ordinary business hours at the physical address chosen as its *domicilium citandi et executandi* shall be deemed to have been received on the day of delivery; or

10.4.3 sent by telefax to its chosen telefax number stipulated above, shall be deemed to have been received on the date of despatch (unless the contrary is proved).

10.5 Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.



11. STIPULATIO ALTERI

No part of this agreement shall constitute a *stipulatio alteri* in favour of any person who is not a party to the agreement unless the provision in question expressly provides that it does constitute a *stipulatio alteri*.

12. GENERAL

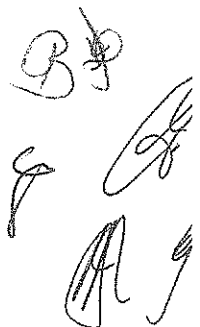
12.1 The parties undertake to do all such things as may be necessary, incidental or conducive to the implementation of the terms, conditions and import of this Agreement.

12.2 This Agreement constitutes the sole and entire agreement between the parties and no warranties, representations, guarantees or other terms and conditions of whatsoever nature not contained or recorded herein shall be of any force or effect.

12.3 No variation of the terms and conditions of this Agreement or any consensual cancellation thereof shall be of any force or effect unless reduced to writing and signed by the parties or their duly authorised representatives.

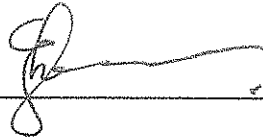
12.4 No indulgence which either party (the "Grantor") may grant to the other (the "Grantee") shall constitute a waiver of any of the rights of the Grantor who shall not thereby be precluded from exercising any rights against the Grantee which may have arisen in the past or which might arise in the future.

12.5 This agreement can be reviewed once every three years as contemplated in the provisions of Section 116(1)(b)(iii) of the MFMA.



THUS DONE AND SIGNED AT KLERKSDORP ON THE 16 DAY OF

July 2014



THE MUNICIPAL MANAGER

CITY OF MATLOSANA



WITNESS 1



WITNESS 2

THUS DONE AND SIGNED AT KLERKSDORP ON THE 19 DAY OF

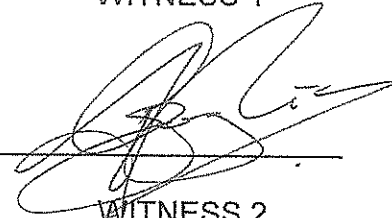
February 2014



JOZE MALETA



WITNESS 1



WITNESS 2

CITY OF MATLOSANA

MINUTES OF THE SPECIAL MEETING OF THE COUNCIL OF THE CITY OF MATLOSANA
HELD ON WEDNESDAY, 22 FEBRUARY 2012 AT 14:00 IN THE COUNCIL CHAMBER, CIVIC
CENTRE, KLERKSDORP

SP CC 5/2012 APPOINTMENT OF THE MUNICIPAL MANAGER

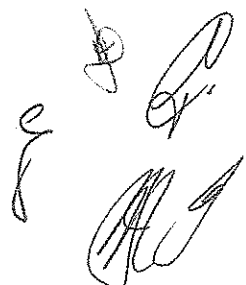
5/2/1
(PMC)

(ITEM 3.2 SP CC 22/02/2012)

RESOLVED

- (a) That cognizance be taken of the process regarding the filling of the position of Municipal Manager.
- (b) That cognizance be taken of the interviews held for the position of Municipal Manager with nine candidates on 27 January 2012.
- (c) That Council approves the recommendation to appoint Mr ET Motsemme as Municipal Manager for a period of 5 years with effect from 22 February 2012.
- (d) That a fix term Employment Contract be signed by all parties before commencement of service by the newly appointed Municipal Manager.
- (e) That the newly appointed Municipal Manager concludes a Performance Agreement within 60 days after the date of employment.
- (f) That Council within 14 days of the date of appointment of the Municipal Manager forward a report to the MEC in the Province on the processes followed.
- (g) That the City of Matlosana accepts the following resolution with effect from 22 February 2012
 1. "That Mr ET Motsemme in his capacity as duly appointed Municipal Manager of the City of Matlosana, be and is hereby authorised in terms of the provisions of section 55 of the Local Government : Municipal Systems Act, Act 32 of 2000 (hereafter "the Systems Act"), read with the provisions of section 59 of the Systems Act, to do all things necessary and required to effectively and practically implement, manage and administer the City of Matlosana's administration in accordance with the Systems Act, and/or any other applicable legislation, and/or by-law, and/or policy, which include but is not limited to:
 - 1.1 the matters mentioned and set out in the provisions of section 55(1) and section 55(2) of the Systems Act;
 - 1.2 depose and/or sign and/or execute and/or dispense with any and all of the following:
 - 1.2.1 litigation, arbitration, mediation or hearings before statutory or administrative tribunals involving, by or against the City of Matlosana, irrespective of the forum of such litigation, arbitration, mediation, statutory or administrative tribunal;

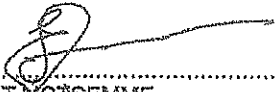
- 1.2.2 All documents necessary for and/or in respect of:
 - 1.2.2.1 deeds in respect of the sale by the Council of fixed properties, including mineral rights at prices not below that already approved by or to be approved by the Council;
 - 1.2.2.2 the transfer of fixed properties already sold by the Council or still to be sold by the Council;
 - 1.2.2.3 all deeds of sale in respect of fixed properties purchased by the Council as well as the necessary documents for the transfer of such fixed properties to the Council;
 - 1.2.2.4 all deeds of donation of fixed properties by or to the Council as well as all transfer documents for the transfer of such fixed properties, or letters deeds or notices in respect of the acceptance on behalf of the Council of such properties and the transfer thereof to the Council;
 - 1.2.2.5 to acquire, grant and/or to cancel servitudes in respect of fixed properties;
 - 1.2.2.6 deeds and contracts for the letting or hire by the Council of fixed properties;
 - 1.2.2.7 the cancellation of any bonds which have already been registered in favour of the Council or which may still be registered;
 - 1.2.2.8 the cancellation of deeds of sale in respect of fixed properties;
 - 1.2.2.9 the issue of any Certificate and Registered Title in favour of the Council and/or the issue of any Certificates of Mineral Rights in favour of the Council.
 - 1.2.2.10 the issue of surface rights permits in favour of the Council;
 - 1.2.2.11 any application for the opening up of a Township Register in respect of any township and for any other matters incidental thereto;
 - 1.2.2.12 for the execution of resolutions passed by the Council or which may be passed;
 - 1.2.2.13 applications for copies of lost bonds and deeds of transfer as well as certificate or registered title in terms of the provisions of the Deeds Act; and
 - 1.2.2.14 declarations by the seller for transfer duty-/receipts.
- 1.3 The enforcement, implementation and execution of all and any statutes, regulations, by-laws and policies, which allows for the enforcement, implementation or execution thereof by the City of Matlosana.



1.4 All and any matters delegated to the Municipal Manager in terms of the Delegation of Powers and Signing Powers of the City of Matlosana (adopted in terms of Resolution CC 15/2009 on 5 February 2009).

- 2) That resolution 7/2005 -- read with resolution 218/2006, read with resolution 85/2010 be revoked with effect from 22 February 2012.

Certified a true copy of the Resolution passed by the Council on 22 February 2012


.....
ET MOTSEMME
MUNICIPAL MANAGER

24/02/2012
.....
DATE

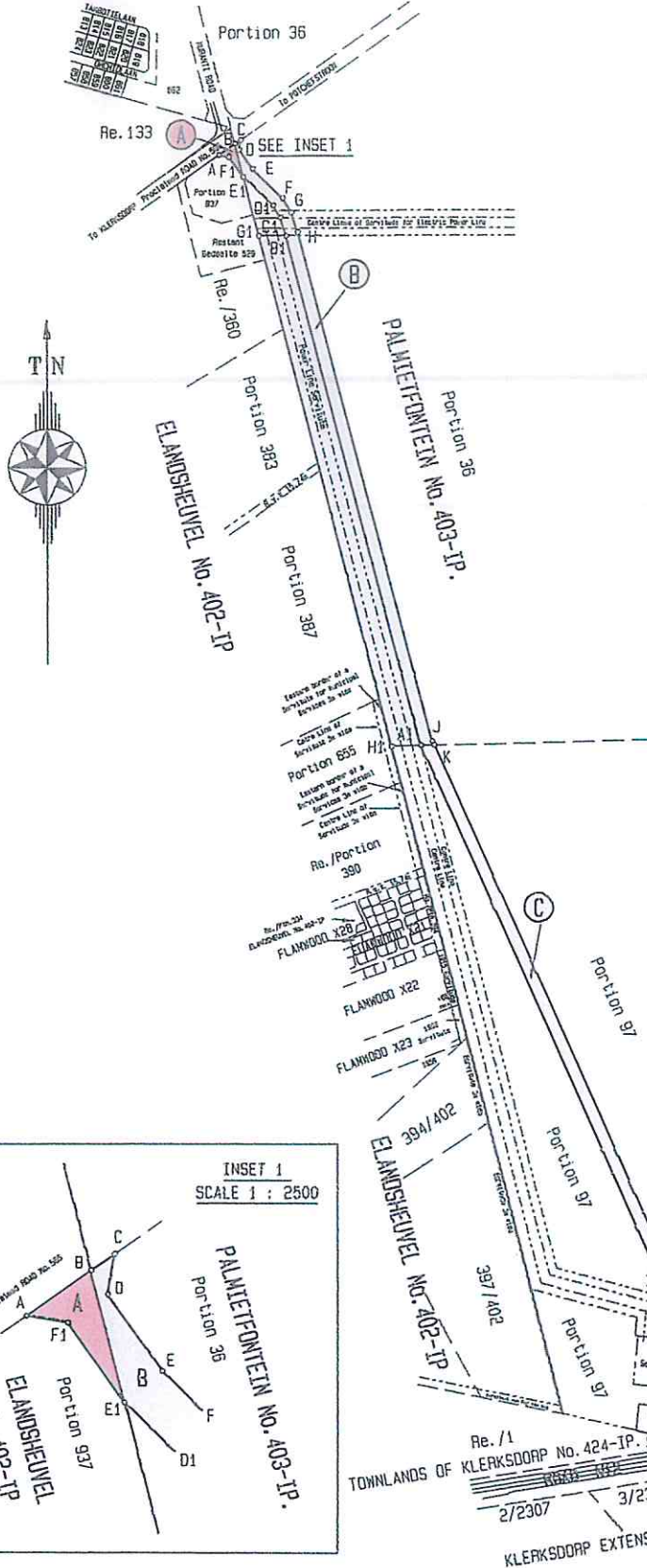


SKETCH PLAN

OF PROPOSED ROAD OVER CERTAIN PORTIONS OF THE FARMS
ELANDSHEUVEL No. 402-IP and PALMIETFONTEIN No. 403-IP.

PROVINCE : NORTH WEST
SCALE 1 : 10 000

TOWN DORINGKRUIN



1.) ELANDSHEUVEL No. 402-IP.

The figure ABE1F1A represents Portion A (a ptn. of Portion 937) in extent approx. 933 Sq.m

2.) PALMIETFONTEIN No. 403-IP.

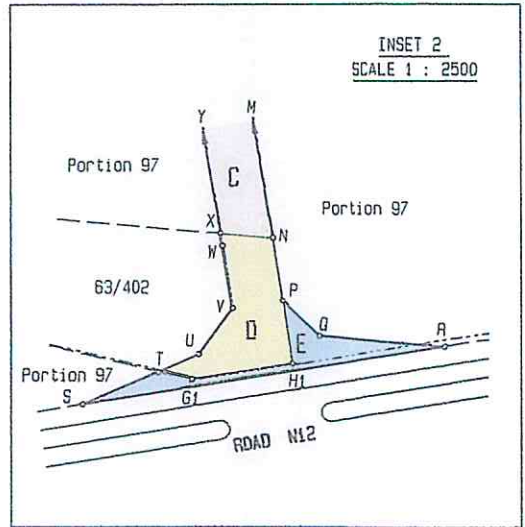
a.) The figure BCDEFHJKAI1B1C1D1E1F1 represents Portion B (a ptn. of Portion 36) in extent approx. 3,2211 Ha.

b.) The figure A1KLMNXYZA1 represents Portion C (a ptn. of Portion 97) in extent approx 3,7177 Ha.

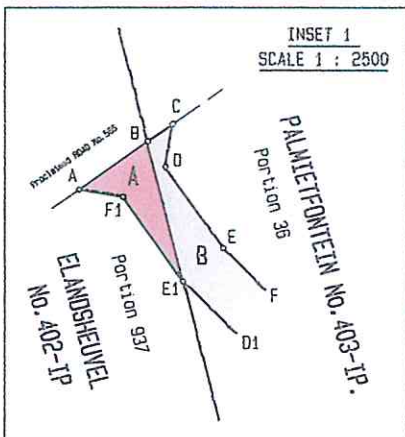
c.) The figure XNF1E1TUVWX represents Portion D (a ptn. of Portion 163) in extent approx. 2180 Sq.m.

d.) The figure STE1F1PQRS represents Portion E (a ptn. of Portion 97) in extent approx. 1299 Sq.m.

INSET 2
SCALE 1 : 2500

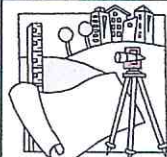


INSET 1
SCALE 1 : 2500



SERVITUDE:

The figure G1B1A1H1G1 represents a Servitude Area for Overhead Electric Power Lines with Underground Cables over Portion 38 of the farm PALMIETFONTEIN No. 403-IP, in extent 6,0964 Hectares vide Diagram S.G.No. 3882/2011.



JOZE MALETA

1372 95 LEASKSTR.
KLERKSDORP KLERKSDORP
2570 2570

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PR LAND SURVEYOR AND TOWNSHIP PLANNER
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Compiled in JUNE 2013
by me.

Maleta

J. MALETA (PLS0368)
Pr. Land surveyor

W: W12 PADNEW PADSP (L8178) (OG)

WGS. - N12

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SKETCH PLAN

PROPOSED SUBDIVISION OF PORTION 529 OF THE FARM ELANDSHEUVEL No.402-IP AND PORTION 36 OF THE FARM PALMIETFONTEIN No.403-IP.

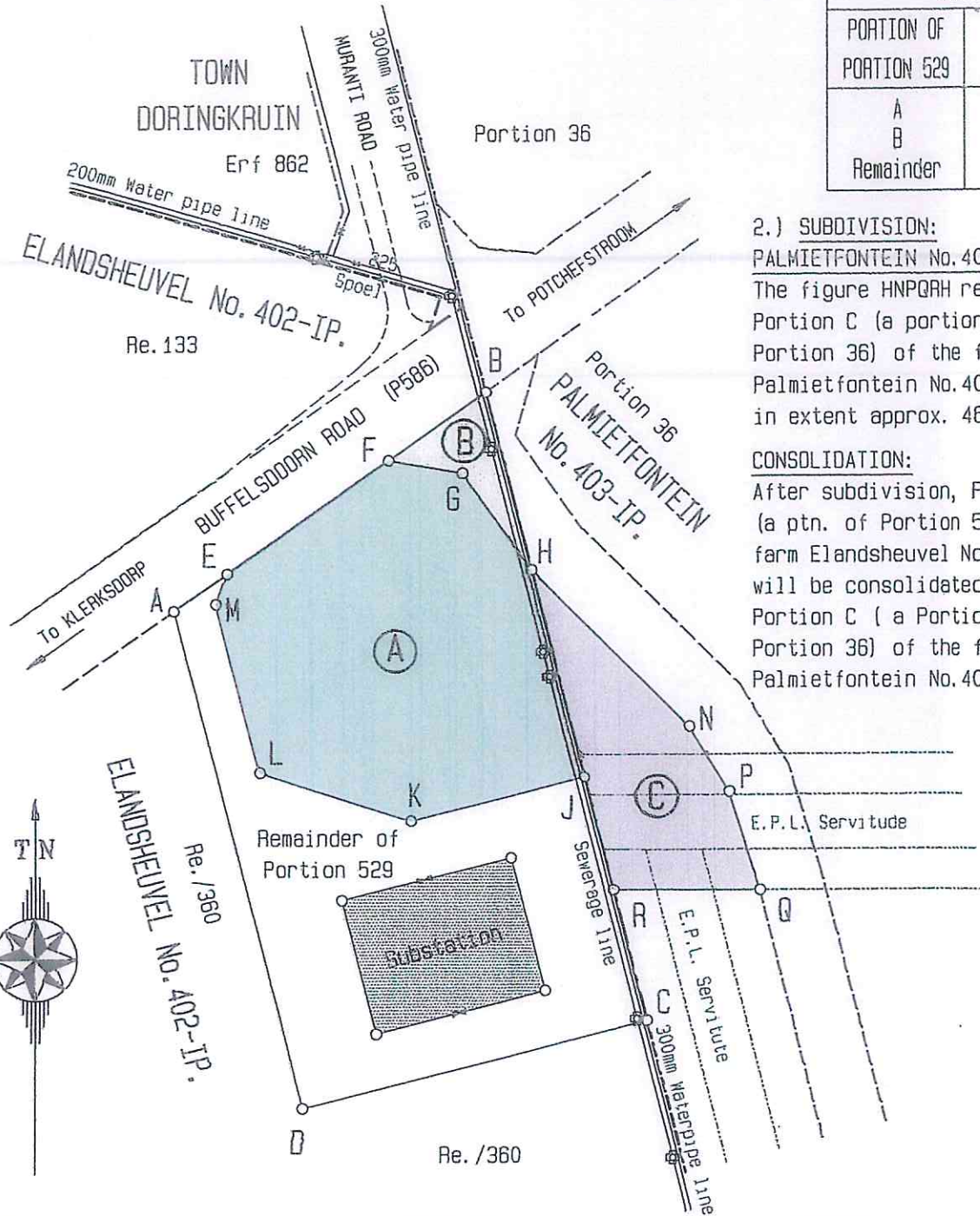
PROVINCE : NORTH WEST

SCALE 1 : 2500

1.) ELANDSHEUVEL No.402-IP.

The figure ABCDA representst Portion 529 of the farm ELANDSHEUVEL No.402-IP., in extent 3 Ha, vide Diagram S.G.No.A6173/1974 to be subdivided, as shown.

AREAS	
PORTION OF PORTION 529	APPROX.
A	1,3488 Ha
B	1022 Sq.m.
Remainder	1,5490 Ha



2.) SUBDIVISION:

PALMIETFONTEIN No.403-IP.

The figure HNPQRH represents Portion C (a portion of Portion 36) of the farm Palmietfontein No.403-IP., in extent approx. 4645 Sq.m.

CONSOLIDATION:

After subdivision, Portions A (a ptn. of Portion 529) of the farm Elandsheuveld No.402-IP., will be consolidated with Portion C (a Portion of Portion 36) of the farm Palmietfontein No.403-IP.



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 2570 2570 E-POS : info@jmland.co.za

APPROVED:

 The Municipal Manager
 CITY OF MATLOSANA

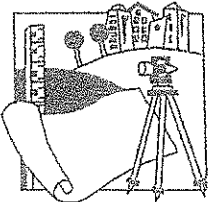
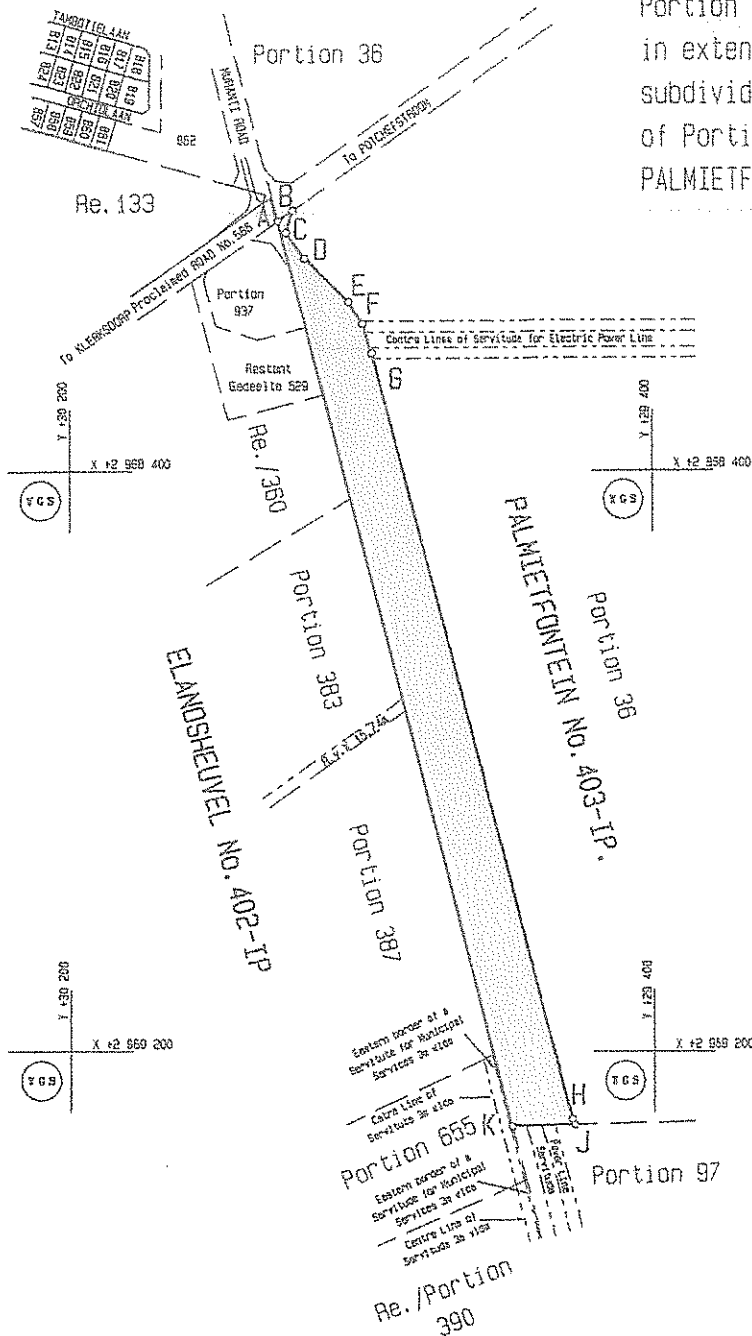
W: \PLAAS \ELAND402\N12\937SP, (L6337) (DG) WGS. - N12

SKETCH PLAN

PROPOSED SUBDIVISION OF REMAINING EXTENT OF PORTION 36
OF THE FARM PALMIETFONTEIN No. 403-IP.
PROVINCE : NORTH WEST
SCALE 1 : 10 000

TOWN DORINGEKRAUIN

The figure ABCDEFGHJKA represents
Portion B (a portion of portion 36)
in extent approx. 9,7945 Ha, to be
subdivided from the Remaining extent
of Portion 36 of the farm
PALMIETFONTEIN No. 403-IP.



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Compiled in JUNE 2013
by me.

Maleta

W: W12 P36SP, (L8178) (DG) WGS. - N12

J. MALETA (PL50368)
Pr. Land surveyor

M J B

VALUATION

PORTION C OF PORTION 36 PALMIETFONTEIN 403 IP

CITY OF MATLOSANA

H.C. DE WAAL
PROFESSIONAL VALUATOR
CELL. NO. 082 416 5206

B
S
A
C
A

VALUATION

1. **INSTRUCTIONS:** The instructions to make a valuation of the present market value of the property referred to hereunder, were given to me by Mr G. Lourens of LB Attorneys Incorporated, attorneys of Klerksdorp on the 31st of July 2013. It therefore entails an enquiry as to the price which a willing, informed and able purchaser will be prepared to pay for the property and which the informed owner will be prepared to accept if he is willing to sell the property.

2. **PURPOSE OF THE VALUATION:** The purpose of the valuation is to ascertain the present market value of the property to determine a possible purchase price for the property.

3. **THE PROPERTY:** The property consists of a Portion of Portion 36 of the farm Palmietfontein 403, Registration Division I.P., Province Northwest. The area of Portion 36 as a whole is 126,3860 hectares and the Portion in question is Portion C (a portion of Portion 36) and the area thereof is approximately 4645 square meters marked in light purple on the diagram attached hereto.

4. **SITUATION:** Portion 36 of the farm Palmietfontein is situated to the east of the City of Klerksdorp. The western border thereof is constituted by a straight line commencing on the south eastern border of the township of Doringkruin towards the N12 running from north to south towards a filling station on the N12 main road as indicated on the second diagram attached hereto. The northern border thereof is constituted by Buffelsdoorn Road (P586) the intention being that a road and servitude area will commence on Buffelsdoorn Road and continue over Portion 36 and Portion 97 to reach the N12 main road as indicated on the second diagram attached hereto. A portion of the adjacent property namely a Portion B of Portion 1 of the farm Elandsheuvel 402 of which the area is approximately 1022 square meters marked in light brown on the diagram attached hereto is required for the proper construction of the intersection with Buffelsdoorn road and the new road to the N12 main road.

5. **TITLE DEED DESCRIPTION:** The title deed description of the property is set out in paragraph 3 hereof. As I did not have the opportunity to inspect the title deed I make use of the assumption that apart from the usual reservation of mineral rights and township conditions no other servitudes or restrictions are registered against the property that will affect the value thereof in any material manner. I am informed that electrical servitudes cover almost fifty per cent of the surface area of Portion C.

6. **USE:** The property consists of agricultural land and is situated in a fairly level area with a slight slope from north to south towards the N12 main road and consists mainly of grazing. The property is suitable for cattle farming. The quality of the grazing varies from fair to poor and the carrying capacity thereof is at an average for this area namely approximately five to six hectares per large stock unit.

7. **IMPROVEMENTS:** There are presently no improvements on the property contributing to the value thereof.

8. **METHOD OF VALUATION:** The accepted method to determine the value of a property of this nature is the method of comparable transactions. This method is

H.C. de Waal, Valuator

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based on the assumption that the value of the property is directly related to the value of similar or comparable properties in respect of which actual transactions of sale recently took place. As mentioned later herein I am using the method to add the contributory value of the improvements to the unimproved value of the land in order to place a value on the improved value of the property. This is generally based on the replacement costs taking into account the physical condition, functional adequacy and economic obsolescence of the improvements.

9. COMPARABLE TRANSACTIONS: I found that not many properties were sold recently in the area in which the property is situated although I did an extensive search for such properties. I mention the following sales:

PROPERTY	PORTION	HECTARE	DATE	PRICE R	PRICE M ²
Palmietfontein 403	32	109,1819	20/03/12	1300000.00	1,19
Palmietfontein 403	25	229,6637	28/01/11	5244000.00	2,28
Palmietfontein 403	46	21,8416	23/03/12	1800000.00	8,24
Palmietfontein 403	56	21,8416	05/06/11	1700000.00	7,78
Palmietfontein 403	36	126,3860	08/09/11	3831500.00	3,03

These properties are situated in the same area and are comparable with the property in question as far as the situation and characteristics thereof are concerned but are not comparable to the property in question because the above values include the improvements on the properties. I have accordingly also consulted estate agents and other persons involved in the property market as well as the general guidelines for the values of agricultural land in this area. In terms hereof I have established that the value of land in this area amount to R8000,00 per hectare to R12500,00 for dry lands and R7000,00 per hectare to R10000,00 per hectare for grazing. I accordingly base my valuation on this information and taking into account the nature of the area, situation and development as well as the condition and potential of the property I place a value of R6,00 per square meter on the land.

10. EFFECT OF IMPROVEMENTS ON THE VALUE OF THE GROUND: There are various approaches to the valuation of improvements on agricultural land. I am of opinion that the correct approach to place a value on the improvements on this property is to endeavour to establish the contributory value of the improvements on the property i.e. to establish the value that the improvements add to the value of the land. This is generally based on the replacement costs taking into account the physical condition, functional adequacy and economic obsolescence of the improvements. As indicated in paragraph 7 hereof there are no improvements on the property which contribute to the value of the land.

11. MARKET CONDITIONS: The property is situated in the district of Klerksdorp which is known as a mining area and which is also situated in a fairly good agricultural area. After a period of negative economic conditions the general expectation was that economic conditions would improve. Positive economic conditions did materialise during the year 2003. Interest rates as well as the inflation rate were lower and the value of the rand as well as the gold price improved. The positive economic conditions continued during the following two years as well as during the first period of the year 2006. Towards the end of the first six month period of the year 2006 there was a slight decline in the value of the rand as well as a rise in the interest and the inflation rate. Indications were, however, that the duration of the

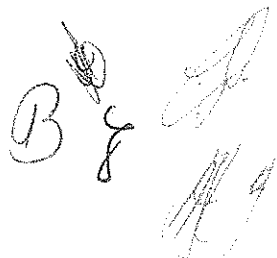
slight slump will be short lived. Positive economic conditions did continue during the year 2007 but economic conditions declined during the year 2008 and are presently negative and the general expectation is that economic conditions will only show a marked improvement towards the end of the year 2013. There is presently a decline in the property market and the sale of properties has declined and prices are lower. The previous agricultural season had been very dry but the long term forecasts for agriculture are favourable and the long term expectations for agriculture in general are presently fairly good.

12. CONFIDENTIALITY: This valuation is produced exclusively for the City Council of Matlosana and for the specific purpose to which it refers. It may be disclosed to other professional advisers of the City Council assisting the Council in that respect. I accept no responsibility to any parties other than the City Council of Matlosana who make use of this valuation. I confirm that I have no interest in this property or any other properties or any other interest which would affect the statements or values contained in this valuation report. I furthermore confirm that all the information and material supplied to me in respect of this report have not been disclosed to any other person and that such material and information remain the property of the City Council of Matlosana.

13. VALUATION: Calculated as set out above the value of Portion C on the attached diagram amounts to R27870,00. However, taking into account all the above mentioned factors I am of opinion that the value of Portion C is equal in value to Portion B on the attached diagram. Portion B is the more valuable portion of land per square meter and Portion C is larger in extent as Portion B but it is lower in value per square meter for the reasons given and because of the fact of the existence of electrical servitudes which cover almost fifty per cent of the surface area of Portion C and its location is not as prominent as that of Portion B its value is lower than the said amount. Accordingly to the best of my ability, judgement and skill the present reasonable market value of the property is R25550,00 (Twenty Five Thousand Five Hundred and Fifty Rand).

Dated at Klerksdorp on this 31st of July 2013.


H.C. DE WAAL,
 PROFESSIONAL VALUER, S.A. COUNCIL FOR THE VALUERS PROFESSION
 MEMBER OF THE S.A. INSTITUTE OF VALUERS



SKETCH PLAN

PROPOSED SUBDIVISION OF PORTION 529 OF THE FARM ELANDSHEUVEL No. 402-IP AND PORTION 36 OF THE FARM PALMIETFONTEIN No. 403-IP.

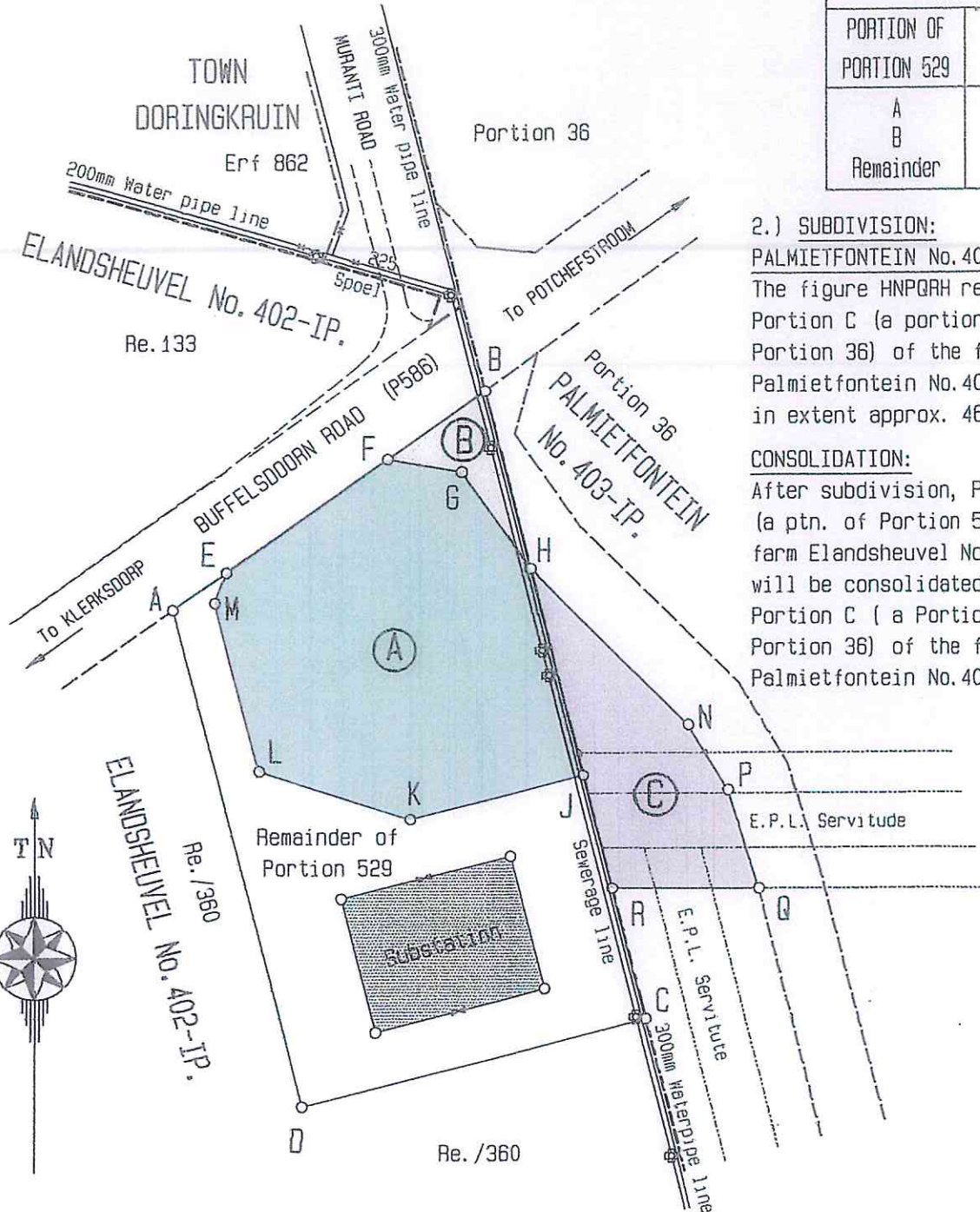
PROVINCE : NORTH WEST

SCALE 1 : 2500

1.) ELANDSHEUVEL No. 402-IP.

The figure ABCDA represent Portion 529 of the farm ELANDSHEUVEL No. 402-IP., in extent 3 Ha, vide Diagram S.G.No. A6173/1974 to be subdivided, as shown.

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Remainder	1,5490 Ha



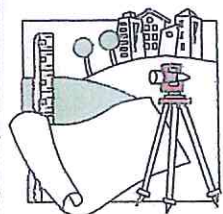
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CONSOLIDATION:

After subdivision, Portions A (a ptn. of Portion 529) of the farm Elandsheuvell No. 402-IP., will be consolidated with Portion C (a Portion of Portion 36) of the farm Palmietfontein No. 403-IP.



JOZE MALETA

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APPROVED:

W: \PLAAS \ELAND402-IP\37SP, (L6337) (D6)

WGS. - N12

The Municipal Manager
CITY OF MATLOSANA

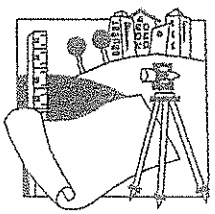
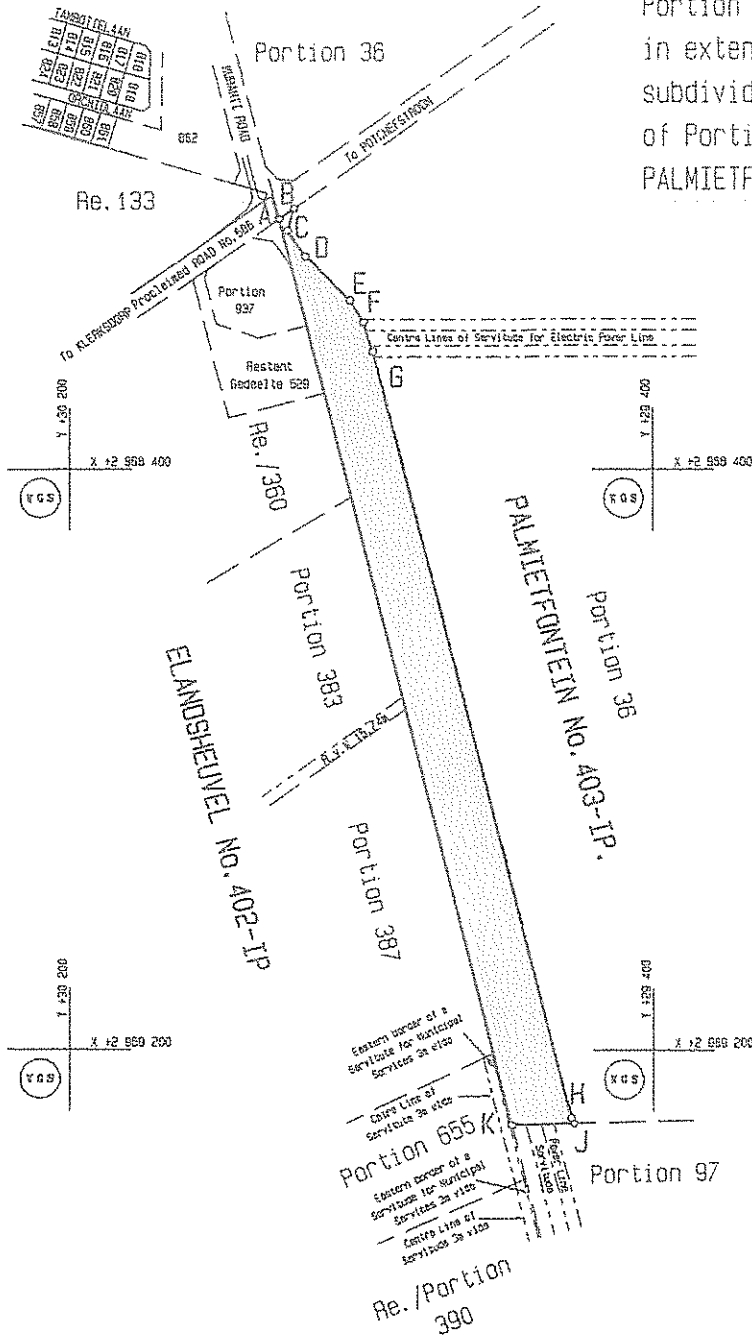
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TOWN DORINGKRAUIN

The figure ABCDEFGHKA represents
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by me.

Maleta

W: W12 VP36SP, (L8178) (DG)

WGS. - N12

J. MALETA (PLS0368)
Pr. Land surveyor

Handwritten signatures and initials.