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City of Joburg Property Company SOC Ltd.

1st Floor  
Forum 2  
Braam Park  
33 Hoofd Street  
Braamfontein  
2017

PO Box 31565  
Braamfontein  
2017

Tel +27(0) 10 219 9000  
Fax +27(0) 10 219 9400  
[www.jhbproperty.co.za](http://www.jhbproperty.co.za)

06 August 2013

CTK and Broll JV.

P.O. Box 1455  
Saxonworld  
Johannesburg  
2132

Facsimile: 011 441 4452

Tel: (011)441 4127

Attention: Mr. Trevor Chabane/ Mr. Malcolm Horne

**PROJECT NUMBER: RFP 83/13: Appointment of a managing agent to provide property and facilities management services for the newly refurbished 88 Marshall Street, Johannesburg.**

City of Joburg Property Company (SOC) Limited ("JPC"), acting on behalf of the City of Johannesburg ("COJ"), have pleasure in confirming your appointment for the rendering of professional services in respect of the above-mentioned project, upon the following terms and conditions:

## 1. GENERAL CONDITIONS OF APPOINTMENT

This appointment is made in terms of JPC's standard general conditions of appointment. **This letter shall be the entire agreement between JPC and CTK and Broll JV.** All previous correspondence, which has taken place between the two parties in connection with this appointment, shall be deemed to be of no force and effect and are replaced by this appointment.

## 2. SCOPE OF WORK

### 88 MARSHALL STREET, JOHANNESBURG

### PROPERTY MANAGEMENT SERVICES

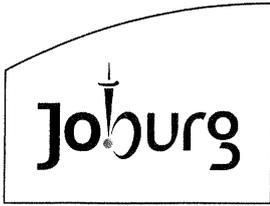
- 1) Provide a rental and collections model for the building (Emphasis should be on collection of monthly rental and arrears),
- 2) Ensure that the building has 0% arrears and 100% occupancy,
- 3) Facilitation of lease negotiation in respect of new and expired leases for tenancy occupation,



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L Itholeng, Dr. D Sekhukhune, H Mashele  
Executive Director: Helen Botes (Managing Director)  
Company Secretary: V. Morgan  
City of Joburg Property Company SOC Ltd  
Registration Number: 2000/017147/07

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- 4) That financial reporting statements are correctly and timeously produced and submitted to JPC on monthly basis,
- 5) Provide and implement a cost and space optimization plan with the aim of increasing rental and optimizing operating costs.
- 6) Develop and implement revenue generation utilizing non- gross space area and marketing promotion.
- 7) Provide a stakeholder management plan for the management of the building

### **ECONOMIC TRASFORMATION AND BROAD BASED BLACK ECONOMIC EMPOWERMENT.**

- 1 Comply with the CoJ Broad Based Black Economic Empowerment and Property Transformation Charter;
- 2 Service provider shall be 100% BEE compliant on its ownership and management.
- 3 **BBBEE Compliance:** The service providers utilise service providers within Region F area that complies with BBBEEE and the Property Charter in terms of transformation of previously disadvantaged communities who want to participate in property industry.
- 4 It is expected that the service provider should utilise at least 20 service providers based in Region F from its data base.

### **SKILLS, DEVELOPMENT & TRAINING ACADEMY**

- 1 The service provider shall provide a skills, development & training academy which includes skills plan and career development by appoint 40 interns within Region F area annually to be trained and employed in the field of property and facilities management for the duration of the management of the building.
- 2 The service provider shall provide a detailed number of interns trained as mentioned every financial year end of CoJ (**financial year end is June**).

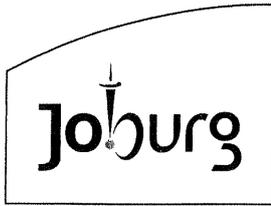
### **3. TIME FRAMES**

**CTK and Broll JV** shall commence with the work on **1 August 2013** and complete on **31 August 2016**. A notice will be provided to **CTK and Broll JV** seven days before termination of the contract. On termination by effluxion of time or otherwise, **CTK and Broll JV** will hand over all work in progress to JPC and will have no claim for cost other than stipulated in the payment schedule



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#### 4. PAYMENTS TO CTK and Broll JV.

As full compensation to the supplier for full and complete performance of the work and compliance with all the terms and conditions of this AGREEMENT JPC shall pay **CTK and Broll JV a property and facilities management fee of 6 % of gross collectable income.**

#### 5. PAYMENTS

5.1 Payments shall be effected against SUPPLIER invoice within 30 days (Thirty) after invoice and statements.

5.2 The tax invoice shall contain at least the following information:

- Project Number
- Project address where services took place
- Monthly payments for the amount on the invoice if applicable

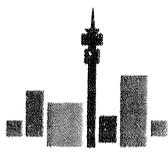
5.3 Invoices must be submitted to:

**City of Joburg Property Company SOC Ltd**  
**P O Box 31565**  
**Braamfontein**  
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JPC will not be liable for any additional costs incurred by the contractor through whatever cause, unless JPC has specifically instructed the contractor to incur such costs due to a substantial and material change to the scope of the project which has been caused by an act of omission on JPC' part.

#### GENERAL CONDITIONS OF APPOINTMENT

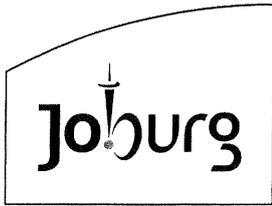
1. **Appointment in Force and Authorized Signatories:** This appointment is considered to have come into force immediately after all the necessary signatures have been appended.
2. **Independent Contractor:** The consultant is appointed as an independent contractor and no contract of agency and/or employment is created. Save as may be expressly authorized by JPC from time to time in writing, the consultant shall not hold itself out to be the agent of JPC and/or commit JPC to any contract or obligation of whatever nature.
3. **Alterations:** Should circumstances arise which call for modifications of the appointment, these may be made by mutual consent given in writing. Proposals in this respect from one party shall be given due consideration by the other party.



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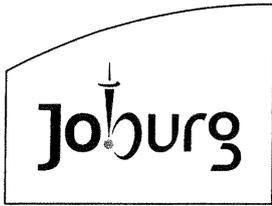
4. **Assignment:** The Consultant shall not without the prior written consent of JPC, cede or assign any of the benefits and obligations under this appointment.
5. **Sub-Contracts:** Any sub-contracts or modifications or termination thereof relating to the performance of the services by the Consultant shall be made only with the prior written consent of JPC.
6. **Compliance with Laws, By-laws and Ordinance:** The consultant shall comply strictly with every applicable law, by-law and ordinance including every regulation, code of conduct or other directive to which the consultant may be subject in its professional capacity. In this regard, the consultant's particular attention is drawn to the requirements of the Occupational Health and Safety Act (OHSA) and its regulations as well as to the Financial Intelligence Centre Act (FICA).
7. **Insurance:** The consultant shall at its own cost and expense maintain professional indemnity insurance and public liability insurance with an insurer approved of by JPC in an amount and for duration as specified in the letter of appointment to which these general conditions of appointment relate.
8. **Postponement and Termination:** JPC may give written notice to the Consultant at any time of its intention to abandon the services, in whole or in part, or to terminate this appointment. The effective termination date of this appointment shall not be less than fourteen (14) days after receipt of such notice, or such other shorter or longer periods as may be agreed between the parties. Upon receipt of such notice, the Consultant shall take immediate steps to bring the services to a close and to reduce expenditure to a minimum. Upon termination of the appointment the consultant shall deliver to JPC the originals of all documents in the possession of the consultant relating to and/or in connection with the appointment in both hard copy and (insofar applicable) electronic format.
9. **Force Majeure:** The Consultant shall promptly notify JPC, in writing, of any situation or event arising from circumstances beyond its control and which he could not reasonably foresee, which makes it impossible for the Consultant to carry out in whole or in part, his obligations under this appointment. Upon the occurrence of such a situation or event, the services shall be deemed to be postponed for a period of time equal to the delay caused by the Force Majeure and a reasonable period not exceeding two weeks.
10. **Claims for Default:** Any claims for damages arising out of default and termination, shall be agreed between JPC and the Consultant, or failing agreement, shall be referred to arbitration in accordance with clause 20.



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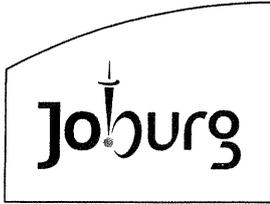
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11. **Rights and Liabilities of Parties:** Termination of this appointment for whatever reason shall not prejudice or affect the accrued rights or claims and liabilities of either party to this appointment.
  12. **Confidentiality:** The consultant shall maintain all information relating to the appointment in the strictest confidence.
  13. **Indemnity:** The consultant indemnifies JPC and holds JPC harmless against any loss or damage that may be suffered by JPC (including and without limiting the generality of the foregoing any claim that may be brought or threatened against JPC by any third party) arising from or by reason of the failure by the consultant to comply with its obligation in terms hereof.
  14. **Skill, Care and Diligence:** The Consultant shall exercise all reasonable skill, care and diligence in the performance of the services under the appointment and shall carry out all his responsibilities in accordance with recognised professional standards. If any documentation prepared or submitted by the consultant to JPC is approved by JPC such approval shall not limit the professional liability of the consultant in respect thereof.
- The consultant shall remain professionally liable in respect of such documentation notwithstanding the approval thereof by JPC.
15. **Faithful Advisor:** The Consultant shall, in all professional matters, act as a faithful advisor to JPC and, in so far as his duties are discretionary, act fairly as between JPC and third parties.
  16. **Indirect Payments:** The remuneration of the Consultant charged to JPC, shall constitute his only remuneration in connection with the appointment and neither he nor his personnel shall accept any trade commission, discount, allowance or indirect payment or other consideration with or in relation to the appointment or to the discharge of his obligations thereunder.
  17. **Royalties:** The Consultant shall not have the benefit, whether directly or indirectly, of any royalty on or of any gratuity or commission in respect of any patented article or process used on or for the purposes of the appointment, unless it is agreed to by JPC in writing that he may.
  18. **Ownership of Equipment, Materials, Supplies and Facilities:** Equipment, materials, supplies and facilities furnished to the Consultant by JPC or purchased by the Consultant with funds wholly supplied or reimbursed by JPC shall be the property of JPC and shall be so marked. Upon completion or termination of the services under this appointment, the Consultant shall furnish to JPC, inventories of the equipment and materials referred to above as it then remains and dispose of same as directed by JPC



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19. **Copyright:** All copyright in and to all documents, plans, designs and other material of whatever nature prepared or produced by the consultant in the course and scope of its appointment shall be and remain vested in JPC for which purpose the consultant cedes to JPC all such copyright.
20. **Settlement of Disputes:**
- a. Any dispute or difference arising out of this appointment, including those considered as such by only one of the parties, shall be finally settled by Arbitration.
  - b. Such arbitration shall be conducted in accordance with the provisions of the Arbitration Act (Act No. 42 of 1965, as amended from time to time), provided that:
    - i. The arbitration proceedings shall take place at Johannesburg.
    - ii. It shall not be compulsory to strictly apply the requirements of the law of procedure or procedure of the usual rules of evidence.
    - iii. The arbitrator shall be a practicing senior advocate as appointed by the chairman of the Johannesburg Bar Council.
    - iv. The arbitrator shall be entitled to call for the evidence of specialists as required by the nature of the dispute.
    - v. The decision of the arbitrator shall be final and binding on both parties and may be made an order of a competent court
  - c. Unless otherwise requested by JPC, the implementation of the project shall, despite the submissions of a dispute to arbitration, in no manner be suspended or in any way delayed by the consultant.

Signed for and on behalf of City Of Joburg Property Company SOC Ltd

Supply Chain Manager

Name: Prudence Mathebula

*GAUN MOTHEPI*

Title: Supply Chain Manager

*Executive Support Finance*

Signature: *Prudence Mathebula*

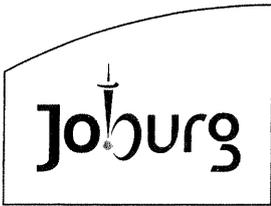
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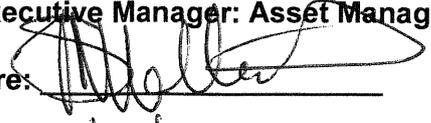
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**Name: Neo Matlala**

**Title: Executive Manager: Asset Management**

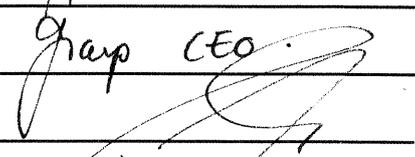
**Signature:** 

**Date:** 13/08/2013

**Signature on behalf of Supplier**

**Name:** Malcolm Haze

**Title:** Group CEO

**Signature:** 

**Date:** 13/8/2013



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