



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Ref no.3/4/2/5

2018-09-07

MAYORAL COMMITTEE MEETING
WEDNESDAY, 2018-09-12 AT 10:00

TO The Executive Mayor, Ald G Van Deventer (Ms)

The Deputy Executive Mayor, Cllr N Jindela

COUNCILLORS PW Biscombe

J De Villiers

AR Frazenburg

E Groenewald (Ms)

XL Mdemka (Ms)

S Peters

Ald JP Serdyn (Ms)

Q Smit

Notice is hereby given that a Mayoral Committee Meeting will be held in the Council Chamber, Town House, Plein Street, Stellenbosch on **Wednesday, 2018-09-12 at 10:00** to consider the attached agenda.

EXECUTIVE MAYOR, ALD GM VAN DEVENTER (MS)

CHAIRPERSON

MAYORAL COMMITTEE MEETING

2018-09-12

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NONE

5.	STATUTORY MATTERS
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5.1	COMMUNITY DEVELOPMENT AND COMMUNITY SERVICES: (PC: CLLR AR FRAZENBURG)
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NONE

5.2	CORPORATE AND STRATEGIC SERVICES: (PC: CLLR E GROENEWALD (MS))
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5.2.1	REVISED EMPLOYEE BURSARY POLICY (INTERNAL) FOR THE STELLENBOSCH MUNICIPALITY
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Collaborator No:

File No:

3/3/3/6/7 X 4/12/3/3

IDP KPA Ref No:

Good Governance / Institutional Development

Meeting Date:

12 September 2018

1. SUBJECT: REVISED EMPLOYEE BURSARY POLICY (INTERNAL) FOR THE STELLENBOSCH MUNICIPALITY

2. PURPOSE

To obtain approval for the implementation of the revised Employee Bursary Policy (Internal).

3. DELEGATED AUTHORITY

The delegated authority for the approval of policies is Council.

4. EXECUTIVE SUMMARY

At present, the Stellenbosch Municipality has an existing Study Bursary Scheme Policy Document. The policy has been revised by the Training Committee on Wednesday, 25 July 2018, and will be termed the Employee Bursary Policy (Internal).

The initial Study Bursary Scheme Policy Document was approved during April of 2001 and is out-dated; hence the review of same. See **ANNEXURE 1**.

The revised policy was consulted at the Human Resources sub-committee and approved by the LLF.

The Revised Bursary Policy is attached as **ANNEXURE 2**.

5. RECOMMENDATION

that the revised Employee Bursary Policy (Internal) be supported and submitted to Council for approval.

6. DISCUSSION / CONTENTS

6.1 Background

This revised Employee Bursary Policy (Internal) serves as an updated approach for the Municipality to achieve its human resource capacity-building objectives.

6.2 Discussion

The user department is required to review the existing policy to ensure that the policy provisions remain compliant with applicable legislative prescripts and to provide clear and proper guidelines to all Employees within the Stellenbosch Municipality.

At present, the Stellenbosch Municipality has an existing Study Bursary Scheme Policy Document. The policy has been revised by the Training Committee on Wednesday, 25 July 2018 and will be termed the Employee Bursary Policy (Internal).

The initial Study Bursary Scheme Policy Document was approved during April of 2001 and is out-dated; hence the review of same. See **ANNEXURE 1**.

The draft Revised Bursary Policy served at the Training Committee and was discussed at the meeting.

The Revised Bursary Policy is attached as **ANNEXURE 2**. The main changes to the policy is that Council will provide a bursary to employees upfront and not as a repayment of studies after they have completed a year. The Municipality will require employees to sign a counter performance agreement to work for the municipality for at least a period equal to the studies that were funded. The changes will enable employees to study without having to pay from their own pockets, unless they do not pass the subjects/courses.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The recommendations comply with legislation.

6.5 Staff Implications

The employees will be able to study without having to pay from their own pockets, as long as they pass their studies.

6.6 Previous / Relevant Council Resolutions:

Approval of previous policy in April 2001.

LOCAL LABOUR FORUM MEETING: 2018-07-30: ITEM 7.1

RESOLVED

(a) that the revised Employee Bursary Policy (Internal) from the Training Committee be supported by the Local Labour Forum; and

(b) that the revised Employee Bursary Policy be referred to MAYCO and Council for approval.

6.7 Risk Implications

The counter performance agreement that the employee must sign ensures that the Municipality's rights are protected.

6.8 Comments from Senior Management:

Comments from the Management Team solicited at a Management meeting have been incorporated.

ANNEXURES

- Annexure 1 - Existing Study Bursary Scheme Policy Document**
- Annexure 2 - Revised Employee Bursary Policy (Internal) for Stellenbosch Municipality**

FOR FURTHER DETAILS CONTACT:

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<i>REPORT DATE</i>	<i>6 September 2018</i>

ANNEXURE 1

Stellenbosch Municipality

Study Bursary Scheme – Policy Document

1. Bursary Allocation:

- 1.1 Bursary allocations will be done according to the approved system of delegations as it may change from time to time and according to the rules of the study bursary scheme set out below.

2. Funding

- 2.1 An amount is approved annually on the Municipality's operating budget.
- 2.2 All allocations are made out of this budgeted amount.
- 2.3 The budgeted amount may not be exceeded.

3. Distribution and allocation of available funds:

- 3.1 Groups in order of priority:

- Group A:** Secondary education: Scholastic education (eg. Matric or Grade 12), technical training (N1 – N3 including artisan training), literacy training, ABET levels 1-3 including language ability useful in the work environment.
- Group B:** Tertiary education: Post-school education eg degree, diploma, technical training (N4 and further), courses.
- Group C:** Post graduate or post diploma: Honours, B.Tech, Doctoral, Masters, NHD, post-graduate diploma.

- 3.2 Studies aimed at the employee's present career and which will lead to a proper/complete qualification, will receive preference.

4. Permissible studies

- 4.1 Any field of study is permissible for employees for the purpose of this scheme, provided that:
- a) the studies are directly related to an acknowledged career path at Stellenbosch Municipality.
 - b) The studies could be used to improve an employee's present position, or to promote himself/herself (i.e. a clerk can study to become an accountant, but an accountant cannot study to become a clerk).

5. Educational institutions

- 5.1 For the purpose of the scheme studies may only be undertaken at accredited institutions such as Universities, Technical Colleges, schools, training centres, etc.
- 5.2 For the purpose of this scheme, no studies at institutions outside South-Africa will be allowed.
- 5.3 The Bursary committee has the authority to make rulings on whether an institution should be an approved institution for the purposes of this scheme.

6. Only permanent employees of the Stellenbosch Municipality qualifies for this scheme. The person must be in the employ of the Municipality during the relevant study year and during the allocation of the bursaries.

7. Study costs

- 7.1 The following expenses for enrolled and successfully completed subjects could be paid by the scheme:

- a) Class fees (lecture fees)
- b) Registration fees
- c) Examination fees
- d) Fees for prescribed books

These fees also determine the maximum benefit per student.

- 7.2 The Municipality will only pay once for a specific expense.

8. Operation of the scheme

- 8.1 The employee pays for the studies himself/herself.
- 8.2 The HR Section annually sends out notices to invite staff to apply for a bursary by a certain closing date.
- 8.3 The employee applies before the closing date mentioned in 8.2 for a study bursary for courses/subjects successfully completed in the previous calendar year.
- 8.4 Bursary applications must be accompanied by relevant study results, proof of registration as well as proof of fees paid (including receipts and actual study costs).
- 8.5 The Bursary Committee considers all bursary applications after the closing date. Allocations for bursaries will preferably take place soon after the end of a calendar year as would be fair for the obtaining of examination results.
- 8.6 Allocated bursaries will be paid to the employee.
- 8.7 Annual bursary payments will be made according to this policy for subjects/courses completed in the previous year, i.e. examinations written and passed in the previous calendar year. Partial or no payments could occur because of a lack of funds or prioritization determined in paragraphs 3.1 and 3.2.

8.8 The allocation of a bursary does not guarantee the employee of any further bursary allocations in following years, even if studies in following years would be completed successfully.

9. Counter performance by employee

9.1 The employee must render service to the Municipality as counter performance for the Municipality's contribution to the employee's studies. This counter performance is applicable if more than 50% of the study amount for which a bursary application for the relevant year was made, is paid.

9.2 The period of counter performance is linked to the duration of studies and not to amounts paid for bursaries.

- a) For studies usually enrolled for a period of 12 months (or academic year) – 12 months.
- b) For studies usually enrolled for a period less than 12 months (or academic year) – the applicable period.

9.3 The period of counter performance starts immediately after the completion of the studies.

9.4 In case of an employee leaving the employ of the Municipality (for any reason whatsoever) before the period of counter performance expires, a repayment must be made by the employee to the Municipality. This repayment amount will be determined pro rata according to the remainder of the period of counter performance. If a person eg. Leaves the employ of the Municipality after eight of the 12 months of counter performance have expired, he/she must repay one third of the bursary amount. This amount is immediately payable.

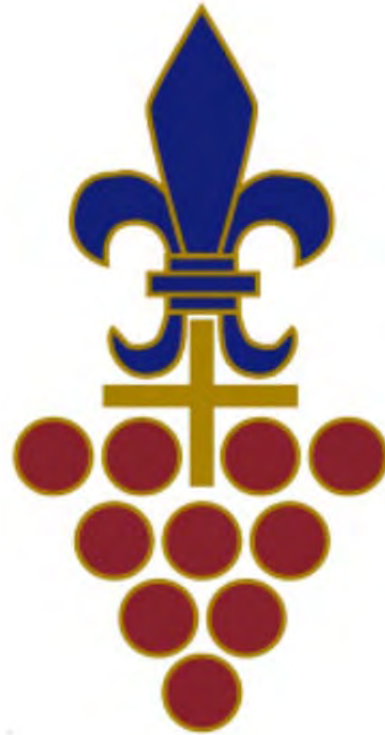
9.5 Employees to whom bursaries are paid out, must be notified in writing at the time of the bursary payment, of their obligation of counter performance to the Municipality.

This document is valid for the payment of bursaries for studies undertaken after 31 December 1999.

ANNEXURE 2

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Employee Bursary Policy(Internal)

2018

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1. INTRODUCTION

- 1.1 The Employee Bursary Policy acknowledges that training is critical for the development needs of the Stellenbosch Municipality human capital. The Employee Bursary Policy intends to focus on part time studies towards a formal qualification.

2. PURPOSE AND OBJECTIVES

- 2.1 Enabling full-time and long-term contractual employees to undergo formal part-time study, by means of financial assistance in the form of a bursary to enable employees to better qualify themselves for posts on the staff establishment and to facilitate personnel development and career pathing.
- 2.2 Identifying expertise that the Municipality has a need for and to develop this to the benefit of the Municipality to ensure higher quality employees; and
- 2.3 Enables the Municipality to grant study aid to employees in order to obtain approved qualifications at a recognised educational institution.
- 2.4 Assist employees in addressing the shortages of skills and empowering them with knowledge.
- 2.5 Develop employees to their maximum proficiency to meet the needs of the Municipality.

3. SCOPE AND APPLICATION

- 3.1 This policy shall apply to full-time and long-term temporary contract employees of Stellenbosch Municipality, wishing to pursue studies in order to develop themselves, comply with provisions imposed on the employee by the employer that has not been funded through the workplace skills plan.

4. DEFINITIONS

In this policy, unless the context otherwise indicates –

“Academic period” means the duration of a course for a degree, diploma or certificate or any portion thereof consisting of a specific number of subjects or modules to be completed within a fixed period as determined by the educational institution.

“Academic year” means the applicable current year during which the Bursar studies towards obtaining the course/qualification.

“Approved Qualification” means a degree, diploma, certificate or equivalent qualification accredited with South African Qualification Authority (SAQA) in an approved field of study as reflected on the Municipality's list of approved study courses, PROVIDED it is presented at a Registered Educational Institution.

“Approved Field of Study” means a field of study that shall have a bearing upon and be applicable to the activities of local government as determined by the Municipality.

“Course/qualification” means the Degree/ Diploma/ Certificate referred to below in respect of which the bursary is granted to the Bursar at an approved institution.

“Council” means the Council of Stellenbosch Municipality.

“Employee” means any full-time or long-term temporary appointee , excluding an independent contractor, who works for Stellenbosch Municipality and who receives, or is entitled to receive remuneration.

“Employer” means the Stellenbosch Municipality.

“Institution” means the tertiary/education institution approved by the Municipality where the Bursar will receive tuition during any period of part-time study.

“Learner” means a person registered on a part-time basis at the recognized institution of learning.

“Long-term contract employee” means an employee who has been appointed on a contract for three(3) years or longer.

“Municipality” means Stellenbosch Municipality established by Provincial Notice 489/2000 (WC024).

“Recognized and Accredited Qualification” means a degree, diploma or certificate course in a field of study determined by the Municipality and recognised in terms of the South African Qualification Authority, 1995 (Act No. 58 of 1995).

“Registered Educational Institution” means a University, University of Technology, College and/or any other tertiary educational institution registered with the Department of Education.

“Study Bursary” means the bursary granted to an employee for study purposes.

“Study Bursary Scheme” means the scheme approved by Council to provide a bursary for study purposes and for which the Municipality must provide such funds as it may decide.

“Workplace” refers to the place of work as contemplated in the Labour Relations Act, 1995 (Act No. 66 of 1995).

5. LEGAL FRAMEWORK

This policy and its application must be in accordance with the following legislative prescripts:

5.1 The Constitution of the Republic of South Africa, 1996.

- 5.2 Labour Relations Act, 1995 (Act No. 66 of 1995).
- 5.3 Skills Development Act, 1998 (Act No. 97 of 1998).
- 5.4 Skills Development Levies Act, 1999 (Act No. 9 of 1999).
- 5.5 Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).
- 5.6 Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- 5.7 South African Qualifications Authority Act, 1995 (Act No 58 of 1995).
- 5.8 Employment Equity Act, 1998 (Act No. 55 of 1998).
- 5.9 National Qualifications Authority Act, 1995 (Act No. 58 of 1995).
- 5.10 National Qualifications Framework Act, 2008 (Act No. 67 of 2008).
- 5.11 All relevant Collective Agreements.

6. QUALIFYING REQUIREMENTS

- 6.1 In the normal course of events Council shall recognise only qualification standards that take place at statutory recognised educational or academic institutions.
- 6.2 Recognised educational/academic institutions where it appears in this policy shall be taken to refer to one of the following:
 - 6.2.1 South African University.
 - 6.2.2 South African University of Technology.

6.2.3 South African Technical College or a Technical institution.

6.2.4 South African Correspondence College.

6.2.5 A government / SAQA approved institution.

6.2.6 Any other appropriate institution as approved by the Municipal Manager.

6.3 The courses or subjects selected shall be confined to those courses directly linked to operational activities of Stellenbosch Municipality.

6.4 The courses or subjects selected shall be confined to Stellenbosch Municipality's working environment, as well as the functional and career development activities of the employees applying for study aid.

6.5 Should the request for a bursary and/or study leave not comply with the above mentioned, an employee will be requested to provide a motivation for career change, provided that such career change is in the interest of Stellenbosch Municipality.

7. CRITERIA FOR ALLOCATION OF A BURSARY

7.1 All applications must be assessed/ prioritised according to the following criteria:

7.1.1 Subject to availability of funds.

7.1.2 All studies must be undertaken at an approved institution (within South African borders), unless otherwise decided by the Municipal Manager.

- (a) Priority 1: Employees who must obtain a qualification in order to meet the minimum requirements of the post which they currently occupy.
- (b) Priority 2: Employees who want to study towards their first qualification up to and including Grade 12.
- (c) Priority 3: Employees who are current study aid holders, and must still complete their specific qualification.
- (d) Priority 4: As determined in the Workplace Skills Plan, Integrated Development Plan and/or Employment Equity Plan.
- (e) Priority 5: Employees who are studying for self-development within the context of local government and public service in general.

7.2 The assessments will be done by a committee consisting of the following parties:

- 7.2.1 Primary SDF or secundi
- 7.2.2 Manager: Human Resources or secundi
- 7.2.3 Director: Corporate Services or secundi
- 7.2.4 Representative of IMATU
- 7.2.5 Representative of SAMWU

7.3 The committee will make a recommendation to the Municipal Manager for approval.

8. APPLICATION PROCEDURE

8.1 Application for financial assistance in the form of a bursary must be done on the form prescribed for this purpose and must be completed in full by the

employee. Application forms and agreements are available from the Human Resource Department on request.

- 8.2 Bursary and/or study leave applications must be properly motivated and recommended by the Director in terms of the qualifying requirements.
- 8.3 Directors must take into account the subsequent study leave implications of recommended study aid and/or study leave applications in terms of service delivery and operational requirements.
- 8.4 Completed application forms, inclusive of the required recommendations, must be submitted to the Manager: Human Resources or his/her assignee, on/or before the annual closing date.
- 8.5 Applications must be accompanied by a statement/certificate by the educational institution that the employee complies with the entrance requirements for the course concerned.
- 8.6 An employee who has been awarded financial assistance and/or study leave in terms of Council's internal employee bursary policy, by completing the application form and agreement, irrevocably authorise the Chief Financial Officer to deduct any amounts owing by him/her to Council in terms of the provisions of the scheme from his/her salary and/or other monies due to the employee in equal instalments over a maximum period of six (6) months.

9. STUDY FEES

- 9.1 The term "study fees" will be deemed to include registration, class and examination fees, but will not include any penalties that are imposed by the educational institution or membership of any student and/or professional body. Council will pay the study fees in full directly to the educational institution.

- 9.2 The employee must submit documentary proof by means of an account or invoice on which the study fees that are payable are fully specified and defined.
- 9.3 If an employee has paid the fees, he/she may claim reimbursement on submission of documentary proof of the said amount. Reimbursement claims may not be submitted more than six (6) calendar months after passing the final examination of the said course.
- 9.4 If an employee fails a subject/module, he/she must repay to Council the fees in respect of the subject/module that he/she had failed in equal instalments over a maximum period of six (6) months. Such an employee will only qualify for study aid for a failed subject/module if the employee passed that subject/module and has paid for the repetition of that subject/module.
- 9.5 The Municipality may pay in respect of book costs and equipment subject to the availability of funds on good motivation.
- 9.6 Employees who enrolled for a recognised course at a university must sometimes pay exemption fees for subjects/modules that were passed at another university. Such exemption costs may be paid by the Municipality for a category 1 applicant subject to availability of funds and on good motivation.
- 9.7 The Municipality shall undertake to annually budget, within its financial means, an amount to enable the development of its employees.

10. NUMBER OF YEARS FOR WHICH ASSISTANCE IS GRANTED

(Subject to compliance with terms as set out in "Employee obligations" below.)

- 10.1 **An employee has to apply yearly for study aid (bursary).** It is not automatically awarded for the duration of a qualification.

11. EXAMINATION RESULTS

- 11.1 Employees will be obliged to submit their examination results to the Human Resources Department within one month of receiving the said results, as proof that the examinations were taken on the days for which leave had been granted to them for study purposes.
- 11.2 Examination results must be attached to application for study aid. A bursary will not be granted where and employee may not proceed with the next year's studies.

12. EMPLOYEE OBLIGATIONS

12.1 Leaving Council's service

- 12.1.1 An employee will be required to remain in Council's service for a period of twelve (12) months for each twelve (12) months-period for which financial assistance was received.
- 12.1.2 This required period will come into effect annually on 1 January after the year for which assistance was received. Where no examination was taken, but a thesis was submitted, the required period will come into effect on the 1st of the month following the receipt of the outcome of the thesis.
- 12.1.3 If an employee leaves the Municipality's service before completing his/her studies, the employee will have to repay the full amount for that year and pro-rata for the year when the employee should have remained in service.
- 12.1.4 The employee will be liable for all costs of legal action instituted against him/her to recover monies owed to Council for study

purposes, including interest at the current prime rate, from the date on which such monies are due to Council as well as legal costs on a scale of attorney to attorney and/or attorney to client and collection commission.

- 12.1.5 If an employee leaves Council service for any reason whatsoever after financial assistance has been given and before the period within which he/she is required to remain in council's service has expired (including dismissal, but excluding death or health inability to carry out duties), he/she will be liable for the immediate total repayment of the registration, class and examination fees that Council has paid on his/her behalf in terms of the study aid scheme. The repayment is subject to a proportional reduction with regard to that portion of the contract period that he/she has completed.

13.2 Withdrawal of assistance

- 13.2.1 If an employee does not pass enough subjects in respect of a course to enable the employee to proceed the next year, assistance in terms of the study aid scheme will be withdrawn and the employee will be required to repay the registration, class and examination fees that Council has paid on his/her behalf in respect of the study course concerned in equal instalments over a maximum period of six (6) months.
- 13.2.2 Apart from employees meeting the criteria for further assistance they will be required to repay all monies in respect of failed subjects/modules. If assistance to an employee has been withdrawn in respect of the above-mentioned, the amount owing will not be proportionally decreased.

14. EXCEPTIONS:

The Municipal Manager may authorise exceptions to the provisions of this policy on a good cause shown.

15. TRANSITIONAL ARRANGEMENTS

The employees who studies during the 2017/18 financial year and would have qualified for study aid under the policy applicable during that financial year, may apply in terms of the new policy and will receive preference during the 2018/19 financial year in terms of available funding should they qualify for study aid.

16. AMENDMENTS

16.1 This policy will be revised bi-annually.

17. EFFECTIVE DATE

17.1 The Employee Bursary Policy (internal) will become effective upon approval thereof by the Council.

5.2.2	TIME AND ATTENDANCE MANAGEMENT POLICY
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Collaborator No:

IDP KPA Ref No:

Meeting Date:

Good Governance / Institutional Development

12 September 2018

1. SUBJECT: TIME AND ATTENDANCE MANAGEMENT POLICY

2. PURPOSE

To submit the draft Time and Attendance Management Policy for approval.

3. DELEGATED AUTHORITY

The delegated authority for the approval of policies is Council.

4. EXECUTIVE SUMMARY

The legislative provisions link an employee's remuneration to attendance at work of which the employer is required to keep record. The Stellenbosch Municipality has elected to use the Biometrics systems for purposes of keeping record of time worked by each employee.

The trade unions requested that a Policy on the Implementation of the Biometrics system be drafted and submitted to the Local Labour Forum. The draft Time and Attendance Management Policy is herewith tabled for consideration. **APPENDIX 1.**

5. RECOMMENDATIONS

- (a) that the draft Time and Attendance Policy be referred to Council for approval;
- (b) that the policy be implemented for all workplaces that have the time and attendance clocking units; and
- (c) that the Time and Attendance Management Policy replaces the Attendance and Punctuality Policy (2015).

6. DISCUSSION / CONTENTS

6.1 Background

Council approved an Attendance and Punctuality Policy in 2015. The employer has implemented clocking units for employees some years ago, but it has not been used optimally. When the compulsory use of the clocking system was discussed with the unions, they requested the drafting of a time and attendance policy.

6.2 Discussion

It is the employer's responsibility to ensure that we have a record of the time and days that employees attend work. The payment of employees is directly linked to their work attendance. Employees do not get paid for days they do not attend work unless the non-attendance is linked to some form of leave. The risk of employees' absenteeism that is not recorded has been pointed out by the Auditor-General. The electronic systems ensure accurate records on attendance and the different types of leave.

The legislative provisions link an employee's remuneration to attendance at work of which the employer is required to keep record. The Stellenbosch Municipality has elected to use the Biometrics systems for purposes of keeping record of time worked by each employee.

The trade unions requested that a Policy on the Implementation of the Biometrics system be drafted and submitted to the Local Labour Forum.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

In terms of Section 31(1)(b) & (c) of Chapter 4 of the Basic Conditions of Employment Act 75 of 1997, the following is specifically prescribed:

Section 31(1)(b) - "Every employer must keep record containing at least the following information, the time worked by each employee"

Section 31(1)(c) - "Every employer must keep record containing at least the following information, the remuneration paid to each employee".

The recommendations comply with legislation.

6.5 Staff Implications

The time and attendance of employees will be monitored more accurately.

6.6 Previous / Relevant Council Resolutions:

None

LOCAL LABOUR FORUM MEETING: 2018-01-29: ITEM 6.1

RESOLVED

- (a) that the draft Time and Attendance Policy be referred to the Human Resources Development Sub-Committee for consultation;
- (b) that it be noted that the employer expects all employees to start using the biometrics system, where it is available, as from 1 February 2018; and
- (c) that all employees will be allowed to continue to use the manual attendance registers.

6.7 Risk Implications

The purpose of the system is to put preventative measures in place to ensure that employees are only paid for days and hours worked and to prevent absenteeism without the employer picking it up.

6.8 Comments from Senior Management:

Comments from the Management Team solicited at a Management meeting have been incorporated.

ANNEXURES**Annexure 1 - Draft Time and Attendance Management Policy****FOR FURTHER DETAILS CONTACT:**

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<i>POSITION</i>	<i>Director: Corporate Services</i>
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<i>REPORT DATE</i>	<i>7 September 2018</i>

ANNEXURE 1



STELLENBOSCH

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TIME AND ATTENDANCE MANAGEMENT POLICY

2018

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1. DEFINITIONS

TERMS	DEFINITION
Core Hours	Hours the particular service within the Municipality is open to serve the public or internal clients and is regarded as 09h00 to 15h00.
Work Hours	The employee's official daily working time, including starting and finishing times as determined from time to time by Council.
Unscheduled Absences	Time away from work that is not scheduled in advance or approved by the employee's supervisor/manager (example leave).
Senior Management	As per the definition in the Basic Conditions of Employment Act.
Emergency Personnel	Refers to all uniform personnel required to deal with any and all emergencies
Monthly Time Statements	Refers to a printed statement recording monthly manual or electronic clocking in and out times and reflecting the actual time spend at the workplace and includes any short time, over time and leave.
Employee Self Service for leave application	Refers to the use of an IT Portal to apply and approve for leave and can be used for correction of clocking errors
Workplace	Area of work / depots /office where employee is required to arrive and depart to and from work
Flexi-time	The hours agreed to between the employer and employee that differ from the standard work hours. Employees allowed some flexibility as to when they work their agreed 40 hours.

2. PURPOSE

The purpose of this policy is to provide a standard in the management of attendance for all employees. This policy does not address the content or quantity of work done while an employee is at work. This policy operates within the context of all relevant legislation and collective agreements and Council policy.

3 SCOPE

This policy applies to all employees of Stellenbosch Municipality. It excludes employees involved in EPWP or CDWP projects.

4. APPLICABLE LEGISLATION

- 4.1 The Labour Relations Act 66 of 1995
- 4.2 The Basic Conditions of Employment Act 75 of 1997 and Code of Good Practice determined in terms of Section 87 of the Act
- 4.3 SALGBC Main Collective Agreement 2015
- 4.4. SALGBC conditions of service Collective Agreement of the Western Cape Division - 1/4//2016
- 4.5 Municipal Finance Management Act 53 of 2003
- 4.6 Municipal Systems Act 32 of 2000
- 4.7 Occupational Health and Safety Act 85 of 1993

5. PRINCIPLES

- 5.1 Stellenbosch Municipality has a statutory obligation to record and manage employees' attendance as an employer.
- 5.2 Line Managers are accountable for managing individual employees' time & attendance on a fair and consistent basis.
- 5.3 Individual employees have an obligation to be available for work and be punctual according to their work schedules during the work hours applicable to them.
- 5.4 Managers and employees have an obligation to comply with the approved time and attendance systems in place at their workplace.
- 5.5 Non-compliance with this policy by either employees or managers may result in disciplinary action.
- 5.6 The purpose of the electronic time and attendance system is to record time and attendance. The management of individual time and attendance is the responsibility of the line manager.

6. WORKING HOURS

- 6.1. All employees, with the exception of the following categories, shall work a 40 hour working week:

6.1.1. Senior Management

6.1.2 Emergency personnel

6.1.3 Temporary personnel working less than 24 hours per month.

The categories excluded from the 40-hour working week limit shall be dealt as provided for in their respective employment contracts or in the collective agreements concluded in this regard, provided that their working hours shall not be less than 40 hours per week, subject to any approved shift systems or averaging arrangements.

6.2 Part-time employees (5/8 posts) shall have their working hours calculated on the basis of 5/8th of a 40 hour work week.

6.3 The structuring of employees' working hours per week shall not be limited to Monday to Friday but as dictated by service delivery imperatives in terms of their contracts of employment or conditions of service.

6.4 Where Directors intend to implement averaging of working hours or compressed weeks, such proposals be submitted for consultation with the unions.

6.5 Task to finish arrangements shall be referred for development of necessary procedures.

6.6 Flexible work schedule will be applicable to certain employees/ groups of as approved by the Municipal Manager.

6.6.1 Each employee must have an individual work schedule.

6.6.2 The Municipal Manager may approve the flexi-time arrangements in terms of the applicable guidelines.

6.6.3 The Directors are accountable for ensuring that the necessary level of service is delivered at all times.

6.6.4 Employees shall not have a right to such flexible work schedules. The possibility of such arrangements shall be determined by the operational requirements of the particular service.

6.6.5 Employees may not work less than 40 hours per week, averaged over a period of one month;

6.7 The maximum amount of short time allowed within one day shall be one hour;

Prior approval shall be required when working short hours and such approval must take into account direct services to the public.

7. OFFSETTING OF SHORT TIME

- 7.1 Subject to operational requirements, employees may be allowed to offset unscheduled short time against additional time worked by:
 - 7.1.1 Working in the time lost after normal work hours without any additional remuneration;
 - 7.1.2 Using additional time (Overtime) worked on any other day reflected on the system
 - 7.1.3 Requesting the manager to work in the time on any other day after/before normal working hours
- 7.2 Such offsetting is subject to the following conditions:
 - 7.2.1 Line Managers shall approve such off-setting
 - 7.2.2 Line Managers shall take into account the following issues when approving off-setting:
 - 7.2.2.1 Disruption to public transport
 - 7.2.2.2 Individual employee record of punctuality
 - 7.2.2.3 Fairness and consistency to employees
 - 7.2.2.4 Nature of work – e.g. co-dependent teams does not make provision for off- setting
 - 7.2.2.5 Ability of employee to work the time in productively –e.g. requirement for supervision
 - 7.2.2.6 The ability to off-set the time within a work week
 - 7.2.2.7 Such unscheduled short time should not arise out of general tardiness on the part of the employee.
 - 7.2.2.8 Where it is not possible for an employee to work in short time the line manager may authorize a conversion to paid leave, provided such leave is available.
 - 7.2.3 Where no such leave is available and short time cannot be worked in, such time shall be unpaid (no work no remuneration).
 - 7.2.3.1 The line manager will inform the employee;
 - 7.2.3.2 The pay will be deducted in the next pay run following the short time.
 - 7.2.3.3 This clause shall not interfere in any disciplinary procedures arising out of an individual employee's persistent late coming or tardiness,

irrespective of whether a line manager approves off-setting or short time or not.

8 EMPLOYEES ASSISTANCE, INCLUDING EAP, GRIEVANCE AND DISCIPLINARY PROCESSES

- 8.1 Time off for EAP/HR appointments shall be considered part of normal working time, provided that employees are required to obtain approval from their line managers to leave their work stations. EAP/HR will, on request from line managers, confirm attendance. Such time shall be recorded, notwithstanding that it is considered part of normal working hours.
- 8.2 Reasonable time off (not more than 60 minutes per individual) for individuals (including witnesses) to prepare for and appear in disputes, disciplinary hearings or grievance hearings shall be considered part of normal working hours, provided that employees are required to obtain approval from their line managers to leave their work stations and provided further that such time off is reasonable in relation to operational requirements. Such time shall be recorded, notwithstanding that it is considered part of normal working hours. Proof of such dispute/grievance/arbitration notices must be provided.
- 8.3 Time off for shop stewards to assist members within their constituencies, in their preparation for disputes, disciplinary hearings and grievances, shall be considered part of normal working hours, provided that employees are required to obtain approval from their line manager/supervisor to leave their work stations and provided further that such approval is not unreasonably withheld. In the event of such time off not being authorized due to operational requirements, and there being insufficient time for the employee to prepare their case, the relevant line manager must make appropriate arrangements for the rescheduling of such hearings. Such time shall be recorded, notwithstanding that it is considered part of normal working time, as it forms part of shop steward time off.
- 8.4 Time off for shop stewards to represent members in disputes, disciplinary hearing and grievances, shall be considered part of normal working hours, provided that employees obtain approval from their line managers in advance of the need to leave their work stations. Such time shall be recorded, notwithstanding that it is considered part of normal working time, as it forms part of shop steward time off.
- 8.5 As a general rule, employees shall be represented at disputes by full-time shop stewards. Time off for ordinary shop stewards to attend such proceedings shall only be granted in instances where the shop steward personally representing an employee or is required to provide evidence. Shop stewards are required to take leave to attend in observer capacity, provided that if the shop steward has shop steward leave available it may be deducted from the shop steward leave.

9. DEDUCTIONS FROM PAY ARISING OUT OF SHORT TIME

- 9.1 Employees shall have pay deducted for unauthorized short time subject to the following procedure:
 - 9.1.1 Such time has not been offset against additional time in terms of clause 7 above;
 - 9.1.2 The line manager has reasonably not approved conversion from short time to annual leave;
 - 9.1.3 Any such deduction shall take place in the pay run following the short time incident.
- 9.2 Conversion of short time to annual leave may be considered by a line manager on the request of an employee in the following circumstances:
 - 9.2.1 Conversion must be at request of employee
 - 9.2.2 Where there was good reason for the absence

10. UNSCHEDULED OR UNAUTHORISED ABSENCES

10.1 Managing Short and Sporadic Unauthorized Absences

- 10.1.1 Short sporadic absenteeism shall relate to persistent absences of one or two day incidents of unplanned and/or unauthorized absences.
- 10.1.2 Absences shall be investigated promptly, and the employee shall be asked to give an explanation of his or her absence.
- 10.1.3 Where indicated in the related disciplinary procedure or incapacity procedures, the line manager shall take appropriate action to correct the behaviour.
- 10.1.4 Short time will have to be off-set in terms of clause 7 above.

10.2 Reporting Absences

- 10.2.1 An employee who is unable to report for work must notify his or her immediate supervisor or the supervisor's superior, as much in advance as reasonably possible, prior to the commencement of the scheduled day of work depending on operational imperatives, but not later than 2 hours after the start of his/her work day.
- 10.2.2 Such notification should in the first instance be via a phone call to the immediate supervisor. Employees may communicate via *an acceptable*

means of communication (including sms/ whatsapp to the supervisor's cell phone)

in situations of a family emergency or sick leave, provided that employees provide their supervisors with their phone numbers and further that where there is any dispute over such a message, the manager has the right to verify that the sms/ whatsapp was in fact sent.

10.2.3 To facilitate such reporting, supervisors and managers shall make their contact numbers available to subordinates.

10.2.4 The notification must provide the supervisor or line manager with a reason for such failure to report for duty and an indication on the expected time/date of resumption of duty.

10.3 Return to work interviews

10.3.1 Line Managers / Supervisors may conduct a return-to-work-interview following unauthorized absence of a day or longer with employees to identify the cause of the absence and to explore any particular problems the employee may have.

10.3.2 Such return-to-work interviews shall be conducted after every instance of unauthorized and unplanned absence, without exception, irrespective of the length of an employee's absence;

10.3.3 Line managers must ensure that all employees are treated equally

10.3.4 The purpose of the return-to-work interview shall be to indicate to the employee that his or her absence was noticed, to identify the cause of the absence and to explore any particular problems the employee may have. It will also determine any appropriate corrective action, where required.

11. TIME ADMINISTRATION & RECORDS MANAGEMENT

11.1 It is the responsibility of each line manager to ensure that all employees record their daily arrival and departure times, using either an electronic system or a manual system where there is system failure or no electronic system available.

11.2 It is the responsibility of each line manager to monitor and report on attendance on a daily basis and administer all related functions.

- 11.3 It is each line manager's responsibility to ensure that each absence or failure to report for duty is accounted for in terms of the BCEA and the Municipality's administrative procedures for managing leave.
- 11.4 The Line Manager must make corrections on the Electronic time & attendance registers where employees, for any acceptable reason, did not or could not clock in or out and further, where such employees do not have access to Employee Self Service. Such corrections shall be made timeously.
- 11.5 Weekly printouts of time reports for individual employees should be checked for cases where there is short time or clocking errors.
- 11.6 Employees will be provided with monthly time statements either in hard copy or printed format.
- 11.7 Records must be retained for audit purposes, either in electronic or hard copy format.
- 11.8 Employees shall have personal responsibility for verifying the information contained in the weekly time reports and reporting any errors, via either leave applications or clocking corrections. This shall be done either manually or via employee self-service and shall be submitted to their managers for approval timeously.
- 11.9 Employees shall have personal responsibility for verifying and submitting their monthly time statements to their line managers.
- 11.10 Line Managers are responsible for approving leave applications or clock corrections timeously and for returning such approvals for capturing in the case of employees using manual forms or online in the case of employees using Employee Self Service.
- 11.11 Line managers shall approve the monthly time statements. They shall use these statements to record formal approval of any off-setting and or flexi-time arrangements.
- 11.12 Employees must report all inconsistencies to the manager above the manager to whom the employee reports

12 ATTENDANCE RECORDS

- 12.1 All employees shall record their daily attendance using an approved time and attendance system.
- 12.2 Working hours shall be recorded by a time and attendance system where each employee either clocks in and out using an electronic clocking system or where the latter is not operational, signs a manual attendance register.

- 12.3 All employees shall clock in and out using an electronic clocking system on daily basis where such a system has been installed. Employees may clock in and out more than once a day, to record actual time worked, provided that matching in-out clocking occurs.
- 12.4 Clause 12.3 shall apply to all employees who are required to either report for duty or end their workday at a workstation other than their regular one. In such situations, employees shall not be required to return to their normal clock stations in order to clock out, unless operational requirements require this.
- 12.5 In the case of non-electronic attendance registers, or failure of the electronic clocks, time shall be recorded using a manual recording system. This will also apply for overtime worked where the employee reports from home to the incident he/she has been called out to.
- 12.6 Where practical, the electronic system shall support multiple work station clocking options for individual employees.
- 12.7 The manual time recorded shall be verified and approved by the line manager where applicable.
- 12.8 Employees who persistently fail to comply with this policy may face disciplinary action.
- 12.9 Employees shall be at their work station, ready to work at the correct scheduled starting time and work activity shall commence at approved starting times and continue until the normal designated stopping times for breaks, lunch, or the end of work.
- 12.10 Any leave taken shall be reflected on the attendance record of the employee and the hours reported or recorded shall accurately reflect the actual time that employees report to and leave the workplace each day.
- 12.11 Attendance registers and/ or work order control sheets where applicable shall be completed accurately by the employee and any falsification of information shall lead to disciplinary action.
- 12.12 Employees are specifically prohibited from recording time or clocking for another employee. Any proof thereof shall lead to disciplinary action.

13. MONITORING AND EVALUATION

Managers shall on a regular basis report to their respective Directors on their employees' attendance trends and where necessary on progress achieved in managing defaulters and actions taken. This information shall be made available to HR on a quarterly basis.

Note:– Replace Attendance and Punctuality Policy (2015).

DRAFT

5.2.3	PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502AX, AY AND BC WITH HELDERVALLEY FARMING ASSOCIATION
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 12 September 2018

1. SUBJECT: PROPOSED CONCLUSION OF LEASE AGREEMENTS: LEASE FARMS 502AX, AY AND BC WITH HELDERVALLEY FARMING ASSOCIATION

2. PURPOSE

To obtain Council approval for the cancelation of the lease agreements with HC Myburgh Boerdery, and the in-principle approval of a lease agreement for the identified properties to be concluded with Heldervalley Farming Association.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

Stellenbosch Municipality concluded three (3) long-term Lease Agreements with HC Myburgh Boerdery on 1 April 1991.

During 2013 Mr Myburgh approached the Municipality with a written request to cede the lease agreements to the Heldervalley Farming Association. Before a formal agreement in this regard could be reached, Mr Myburgh passed away. Although the ceding was never formalised, the Heldervalley Farming Association used the land for farming purposes as from 2008. The lease agreements with HC Myburgh Boerdery have not been formally terminated nor has the estate chosen to take over the rights and responsibilities in terms of the agreements.

The Heldervalley Farming Association, through the Heldervalley Community Forum, has now requested that the matter be finalised. The Heldervalley Farming Association is not an established entity and will have to establish a legal entity (NGO) before any lease agreement(s) can be entered into. In the meantime they remain on the farm, using it and not paying rent.

Council determined in 2016 that upcoming farmers may rent land at 20% of the market value, and established the market value at R 2194.23 ph/per annum. A determination in this regard is made every 5 years.

The matter served before the Executive Mayoral Committee on 18 July 2018 and was referred to Council. The item was withdrawn from the Council agenda and referred back to the department for refinement. The matter is now resubmitted to Council.

5. RECOMMENDATIONS FROM THE EXECUTIVE MAYOR IN CONSULTATION WITH THE EXECUTIVE MAYORAL COMMITTEE

- (a) that the current lease agreements with HC Myburgh Boerdery in regard to the lease agreements in 5(b) below, be cancelled;
- (b) that the following properties be identified as land **not needed for own use** during the period for which such rights are to be granted, as provided for in Regulation 36 of the Asset Transfer Regulation 5:

Property description	Size	Water rights
Farm 502 AX	6.96 ha	2.3ha
Farm 502AY	4.28 ha	1.3ha
Farm 502 BC	8.5 ha	2.5ha

- (c) that Council approves, in principle, the leasing of the properties to Heldervalley Farming Association (to be established) on a private treaty basis as provided for in Regulation 34 (1) (b), for a period of 9 years and 11 months subject thereto that Council's intention to lease the properties be advertised for public inputs/comments/alternative offers, as provided for in paragraph 9.2.2 of the Property Management Policy;
- (d) that the Heldervalley Farming Association provides proof that they are an established NGO before Council makes a final resolution on the matter;
- (e) that Council determines the rental at 20% of market value (R2194.23) i.e. R438.85ha/annum, as provided for in paragraph 22.1.4 of the Property Management Policy (below market value rental);
- (f) that the matter be referred back to Council after the public participation process indicated in 5(c) above;
- (g) that the possibility of either recovering the outstanding debt or writing it off, be investigated by the Accounting Officer; and
- (h) that the Heldervalley Farming Association be informed that they are liable for the payment of rent from 1 October 2018, irrespective of the date of the signing of the lease agreement, should they wish to continue using the land for farming purposes.

6. DISCUSSION / CONTENTS

6.1 Background

On 1 April 1991 Stellenbosch Municipality concluded three (3) long term Lease Agreements with HC Myburgh Boerdery in relation to the following properties:

Property description	Size	Water rights	Contract period
Lease Farm 502 AX	6.96 ha	2.3ha	1991-04-01 to 2041-03-31
Lease Farm 502AY	4.28 ha	1.3ha	1991-04-01 to 2041-03-31
Lease Farm 502 BC	8.5 ha	2.5ha	1991-04-01 to 2041-03-31

The Lease Areas form part of the bigger Farm 502, situated to the South of the Annandale Road, as shown on Fig 1 and 2, below.

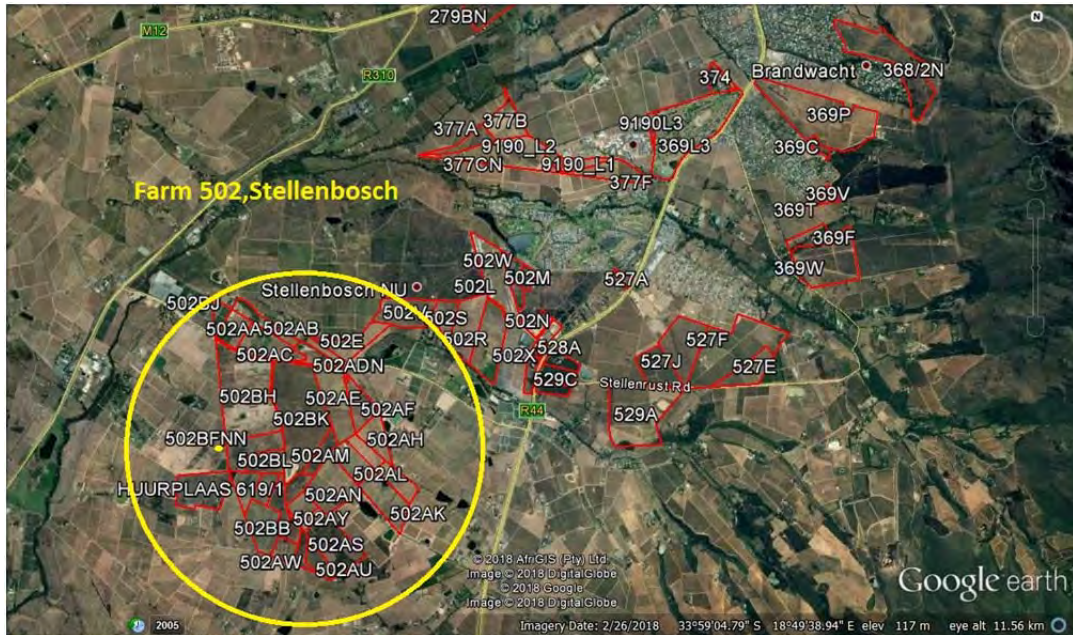


Fig 1: Location



Fig 2: Extent of properties

6.2 Discussion

During 2013 a written request was received from Mr Johan Myburgh, on behalf of HC Myburgh Boerdery, to cede the above-mentioned lease agreements to the Heldervalley Farming Association. At the time of the request, members of the Heldervalley Farming Association were already using the leased land. They concluded an agreement with Mr Myburgh and the Provincial Department of Agricultural. The sub-lease was never approved by Stellenbosch Municipality.

There was rent not paid to the Municipality and the lessee (HC Myburgh Boerdery) disputed the outstanding rent. There was a dispute between the parties with regard to outstanding monies. Mr Myburgh indicated that he cannot be held responsible for the outstanding rental, as the Farming Association was benefitting from the land and should be liable and the municipality held the Lessee liable for the rent in terms of the agreement. Before the matter could be resolved, Mr Myburgh passed away.

This department later met with the Attorney handling the estate of the late Mr Myburgh, explaining that the proposed ceding was never concluded, and that they should indicate in writing whether they would like to proceed with the process. Notwithstanding a number of follow-up requests, they never responded.

During 2015 further attempts were made by involving the late Mr Myburgh's brother to finalise the matter, but without success. From the above it can only be assumed that the estate did not want to continue with the lease agreements nor did they formally indicate that they want to continue with the ceding thereof. It is our understanding that the estate has in the meantime been wrapped up, without making any payments to the Municipality. The Municipality did not put in a claim against the estate. The contracts have not been formally terminated and it is proposed that the contracts with H C Myburgh Boerdery be terminated.

A letter was received from the Heldervalley Farming Association, hereto attached as **APPENDIX 1**, requesting that the lease agreements be ceded to them, as they are utilising the land from 2008. This would enable them to approach Government for financial assistance and would provide them with legal certainty.

The legal concept of a cession or assignment of a lease agreement is where, by agreement, and after obtaining the written consent of the landlord (Lessor), the Lessee (cedent) surrenders or transfers its rights and/or obligations to a third party (cessionary). Once the cession is effected, the cedent falls out of the picture and the cessionary effectively becomes the (new) Lessee.

The legal requirements for a valid cession are:

- a) Written consent by the landlord, if the Lease Agreement provided therefor;
- b) Agreement * between the cedent and the cessionary to give and accept transfer of the rights (and obligations); and
- c) Compliance with any formalities in law;

*Although an agreement for a cession or assignment need not to be in writing, it is always preferable. The only requirement is that the parties must have consensus (*wilsooreenstemming*) on the terms and conditions of such an agreement.

In the circumstances under discussion:

- a) The Lessee (Myburgh) indeed requested the written consent of the Lessor (Stellenbosch Municipality);
- b) Consensus on the proposed ceding was indeed reached, but agreement was never reached on the issue of taking over the obligations (outstanding debt) of the Lessee. For this reason no agreement was ever concluded.
- c) The lessee has passed away before an agreement was reached and his estate has not taken up the rights and responsibilities under the leases and the state has been finalised.

It is recommended that a lease be concluded with the Heldervalley Farming Association on the basis of a private treaty agreement* i.e. without following a public competitive tender process. Members of the association had been farming on the land since 2008. The new Property Management Policy allows Council to dispense with a competitive process under certain circumstances, subject to certain conditions as set out in the legal implications below.

6.3. Legal Implications:

Asset Transfer Regulations

In terms of Section 34 (1) of the ATR a Municipality may grant a right to use, control or manage a capital asset only after-

- a) The Accounting officer has concluded a public participation process*; and
- b) The municipal council has approved in principle that the right may be granted.

*Sub regulation (1) (a) (public participation process), however, must be complied with only if-

- a) The capital asset in respect of which the right is to be granted has a value in excess of R10M*; and
- b) A long-term right is proposed to be granted (i.e. longer than 10 years).

*None of the land parcels has a value in excess of R10M.

In terms of Regulation 36, the municipal council must, when considering such approval, take into account:

- a) whether such asset may be required for the municipality's **own use** during the period for which such right is to be granted;
- b) the extent to which any compensation to be received will result in a significant economic or **financial benefit** to the municipality;
- c) the **risks and rewards** associated with such right to use; and
- d) the **interest of the local community**.

In terms of Regulation 41, if an approval in principle has been given in terms of regulation 34 (1)(b), the municipality (read Mayco) may grant the right only in accordance with the **disposal management system*** of the municipality, irrespective of:-

- a) the value of the asset; or
- b) the period for which the right is granted.

*The Policy on the Management of Council-owned property is deemed to be Stellenbosch Municipality's Disposal Management System.

Policy on the Management of Council owned property

In terms of paragraph 9.2.2 of the Policy, the Municipal Council may **dispense** with the prescribed, **competitive process**, and may enter into a **private treaty agreement** through any convenient process, which may include **direct negotiations**, but only in **specific circumstances**, and only after having **advertised** Council's intentions.

One of the circumstances listed in (l) is **lease contracts with existing tenants**. In the current circumstances, however, the Heldervalley Farming Association is not the legal tenants, although they are occupying the land since 2008.

Another condition is listed in paragraph 9.2.2.1 (e), and reads as follows:

”(e) *in exceptional cases where the Municipal Council is of the opinion **the 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 the policy provides for such exception, is permitted, and where they are not in conflict with any provision of the policy. In such cases reasons for preferring such out-of hand sale or lease to those by public competition, must be recorded”.*

Under the circumstances described above, this Department is of the view that a direct Lease Agreement with the Heldervalley Farming Association would fall into this criteria. For this reason it is recommended that Council approves, in principle, the conclusion of a lease agreement with the Heldervalley Farming Association on a private treaty basis, subject thereto that Council’s intentions be advertised for public inputs/objections.

Further, in terms of paragraph 9.2.2.2, the reasons for any such deviation from the competitive process must be recorded.

In terms of paragraph 22.1.4 the fair market rental will be determined by the average of the valuations sourced from two service providers, **unless determined otherwise** by the Municipal Manager, taking into account the estimated rental(s) *vis-à-vis* the cost of obtaining such valuations.

In the current circumstances it is important to note that Council has already approved a tariff of 20% of the fair market rental (as approved by Council from time to time) for other emerging farmers. It is therefore recommended that the rental be determined at 20% of market rental, i.e. R 438.85/ha per annum.

6.4 **Financial Implications**

The current outstanding debt on the three Lease Agreements is as follows:

• Lease Farm 502 AY:	R122 116.45
• Lease Farm 502 AX:	R141 566.34
• Lease Farm 502 BC:	<u>R219 784.20</u>
Total	R483 466.99

Should Council agree to lease the portions indicated above to the Heldervalley Farming Association, it is recommended that the outstanding rental of Mr Myburgh be written off. Although the Heldervalley Farming Association used the land leased to HC Myburgh Boerdery, there is no legal agreement with them and there is no legal claim against them. With the conclusion of the Myburgh estate without a claim been lodged by the Municipality, the Municipality lost its right to claim for this outstanding debt.

The proposed loss of 80% of market rental can be justified, as other emerging farmers already receive this benefit, and it is in line with our Property Management Policy, authorising a below market value/rental “*where the plight of the poor*” demands as such.

6.5 **Staff Implications**

This report has no staff implications for the municipality.

6.6 **Risk Implications**

It is necessary to comply with Council Policies and applicable legislation.

6.7 Comments from Senior Management:**6.7.1 Director: Infrastructure Services**

I notice that some of these farm portions are close to Annandale Road. They seem to be mostly south of this road but it must be noted that the intended Western Bypass is to originate from Annandale Road. We need to ensure that should the Western Bypass become live and when WCG decides to promulgate this road, that those properties upon which the Road Reserve is to be placed must understand that we reserve the right to allow a promulgation on the applicable properties regardless of this lease and should the construction of such road commence upon any of these properties that such construction will be allowed with, say, a 12-month warning. Apart from the above and therefore the impact on recommendation (a), I support the other recommendations.

Please note that the properties under consideration are located to the south of Annandale Road, and will therefore not be affected by the proposed western bypass.

6.7.2 Director: Planning and Economic Development

No comments received

6.7.3 Chief Financial Officer

No comments received

6.7.4 Municipal Manager

Supports the recommendations

ANNEXURES

Annexure 1: Letter received from Heldervalley Farming Association

FOR FURTHER DETAILS CONTACT:

NAME	ANNALENE DE BEER
POSITION	DIRECTOR: CORPORATE SERVICES
DIRECTORATE	CORPORATE SERVICES
CONTACT NUMBERS	021-808 8106
E-MAIL ADDRESS	Annalene.deBeer@stellenbosch.gov.za
REPORT DATE	2018-09-06

ANNEXURE 1



Tel: 072 943 4682

Est. 1995

E-mail: heldervalleycommunityforum@gmail.com

Klein-Helderberg Farm
R44 Strand Road
Stellenbosch
7600

“Together we can make a difference”

10 November 2017

Die Burgermeester
Stellenbosch Munisipaliteit
Pleinstraat
7599

Geagte Rdl Adv. Gesie van Deventer

SEDERING VAN GROND: PLAAS 502 (AW,AX,AY+BC)

Die vorige samesprekings met Stellenbosch Munisipaliteit rakende bogenoemde aangeleentheid het betrekking,

Hiermee rig ons graag hierdie versoek as 'n aansoek om die sedering van bogenoemde eiedom na Heldervalley Farming Association.

1. Agtergrond van Heldervalley Community Forum

Die Heldervalley Community Forum (HCF) was gestig in die jaar 1995 met die doel om sosiale en ekonomiese probleme te adresseer van agtergeblewene gemeenskappe en plaaswerkers in die Helderberg kom en Stellenbosch. Dit word gedoen deur verskillende programme wat fokus op Jeug ontwikkeling, Sports en kultuur, Boerdery en Vaardigheidsontwikkeling. Die organisasie het suksesvol n "Computer Learning Centre" by Avontuur Wine Estate wat ingerig is met 25 kompers and n Boerdery besigheid bekend as Helderbergvalley Farming te Klein-Welmoed Plaas Moddergat Pad naby Raithby.

2. Agtergrond Helderberg Farming te Klein-Welmoed Plaas Moddergat

Gedurende die jaar 2000 het die Heldervalley Community Forum (HCF) begin met n boerdery projek (Heldervalley Farming) op verskeie plase naamlik Zandberg en Blaauwklippen. Die 30ste September 2008 gaan ons in n meer formele ooreenkoms met wyle Mnr Johan Myburg te Klein-Welmoed Plaas Moddergat vir Sederling van Plaas 502 (AW,AX,AY+BC) en n aansoek was ingedien (09 Februarie 2009) deur wyle Mnr Johan Myburg na Stellenbosch Munisipaliteit vir sedering van grond. Befonsing was ook verkry vanaf Departement Lanbou waarmee ons die plaas toe kon inrug met; besproeiing stelsels, 3x containers vir pakstoor, yskas asook kantoor, Trekker, wa, Hyundai Bakkie en nog kleiner toebehore.

Die sedering van Plaas 502 (AW,AX,AY+BC) het tot stilstand gekom met die ontydige dood van Mnr Myburg en so kon onderhandelinge nie voort gaan met Stellenbosch Munisipaliteit nie. Dit dien ook gemeld te word dat daar was verskeie gespreke met Mnr Piet Smit maar voor dinge afgehandel kon word is Mnr Myburg oorlede. Ons is tans besig sederd 2008 op die grond met organise groente boerdery met verskeie markte en in die proses om ooreenkoms aantegaan met n Tee maatskappy maar weens die feit dat die grond nog nie op ons naam is nie maak dit vir ons baie moeilik om groter te groeie asook om ondersteuning te kry van ander besighede asook Staat instansies.

Members

Chairperson: Jeremy Johannes Tel.: 072 943 4682 Vice-chairperson: Christian Roman Tel: 079 248 0335
Secretary: Patricia Stoffels Tel: 073 119 5597 Vice Secretary: Genewade Manuel Tel: 062 390 4026
Treasurer: Valentine Solomons Tel: 079 677 4970 Additional Member Vice: Sarah Fortuin Tel: 078 347 7410

3. Wie is die Heldervalley Farming Association

Die Heldervalley Farming Association is 'n ter stigte nie-regeringsorganisaie wat deur Heldervalley Community Forum geïnisieer is met die doel om boerdery ontwikkelingsgeleenthede te vestig vir voorheenbenadeelde en werklose persone wat binne die bediensgebied van Stellenbosh munisipaliteit resorteer.

Die Heldervalley Farming bestaan uit 4 lede, naamlik, Jeremy Johannes, Jakob Olivier, Irwin Julius en Enrico Muller wat tans nog funksioneer onder die vaandel van Heldervalley Community Forum tot en met die boerdery entiteit gevestig is.

Daar is reeds boerdery bedrywighede op die perseel aan die gang wat namens die entiteit bestuur word deur Jakob Olivier. Laasgenoemde het in afwesigheid van die ter stigte entiteit en met goedkeuring van die lede reeds verantwoordelikheid geneem vir die oornome van die munisipale verpligtinge. Hierdie verpligtinge sal dan deur die ter stigte entiteit oorgeneem en nagekom word sodra die registrasie dokumentasie ontvang.

Die rede waarom die entiteit se registrasie verdrag was, was as gevolg van afsterwe van Mnr Johan Myburgh en die finalisering van sy boedel, die onsekerheid van die status van die eiendom en van die herhaalde samesprekings met Stellenbosch munisipaliteit, veral met Mnr Piet Smit, wat die organisasie baie behulpsaam was met leiding en advies oor die beste moontlike oplossings vir die benutting van die grond. Alvorens die voorafgaande nie gefinaliseer kon word nie, sou dit op daardie stadium nutteloos wees om 'n entiteit te registreer wat nie sekerheid gehad het of die eiendom aan hom toegeken sou word, al dan nie.

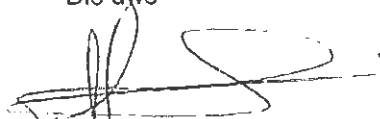
4. Aansoek

Die aansoek van Heldervalley Farming Association is dus dat die bogenoemde eiendom tot sy beskikking gestel word in oorleg met die terme en voorwaardes van Stellenbosch Munisipaliteit.

Ons vertrou dat hierdie versoek en aansoek gunstig oorweeg en spoedig geproseseer sal word.

U samewerking word waardeer.

Die uwe



JEREMY JOHANNES
VOORSITTER

5.2.4	PROPOSED EXCHANGE OF LAND: A PORTION OF REMAINDER FARM 387, STELLENBOSCH FOR A PORTION OF LEASE AREA 377A: VREDENHEIM (PTY) LTD
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Collaborator No:

IDP KPA Ref No:

Meeting Date: 12 September 2018

1. SUBJECT: PROPOSED EXCHANGE OF LAND: A PORTION OF REMAINDER FARM 387, STELLENBOSCH FOR A PORTION OF LEASE AREA 377A: VREDENHEIM (PTY) LTD

2. PURPOSE

To obtain Council's decision in regard to the proposed exchange of land.

3. DELEGATED AUTHORITY

The Municipal Council must decide on the matter, as this involves the disposal of municipal land.

4. EXECUTIVE SUMMARY

On 2017-11-29 Council mandated the Municipal Manager to conclude an agreement with the owner(s) of Remainder Farm 387 (Vredenheim), with the view of securing an access servitude(s) or to purchase/exchange of land for this purpose and/or for additional housing. Following various discussions with Elzabé Bezuidenhout of Vredenheim, an agreement, subject to Council approval, was reached to exchange a portion of Farm 387, Stellenbosch (Vredenheim property) for a portion of Lease Area 377A (municipal land).

The agreement is subject to a suspensive condition that the Stellenbosch Municipal Council must approve the land exchange of the said portion of Lease Farm 377A in terms of Section 14 of the MFMA.

There was also an offer made to purchase the land for an amount of R1 207 500.00. The owner indicated that she is not interested in selling the property. The offer is attached as **APPENDIX 9**.

The piece of land is needed to enable the Longlands project to continue, and if the parties cannot reach agreement on the acquisition of the land at a fair price, the Municipality will have to follow the process in section 25 Of the Constitution read with section 9(3) of the Housing Act (Act 107/1997) and read with section 1,6,18-23 of the Expropriation Act (Act no 63 of 1975).

Council must now consider how to proceed to acquire the land for the access road and additional housing.

5. RECOMMENDATIONS

- (a) that Council does not approve the agreement to exchange municipal land in exchange for the land needed for the securing of an access route for the development at Longlands;
- (b) that the owner be informed that Council is not willing to exchange land and that, should parties not be able to reach agreement on the sale of the property, the process in section 25 of the Constitution will have to be invoked; and

- (c) that, should Ms Bezuidenhout not be willing to sell the land at fair value, the Municipal Manager be authorised to follow the provisions of section 25 of the Constitution read with section 9(3) of the Housing Act (Act 107/1997) and read with section 1,6,18-23 of the Expropriation Act (Act no 63 of 1975).

6. DISCUSSION / CONTENT

6.1 Background

On 2017-11-29 Council considered a report dealing with various property issues in the Vlottenburg area. Having considered the report, Council resolved as follows:

RESOLVED (majority vote with abstentions)

- (a) that the Municipal Manager be mandated to conclude an agreement(s) with the new owner of Longlands regarding the development of the envisaged low-income housing project, either by way of a new Deed of Donation or by way of a Ceding Agreement(s); and
- (b) that the Municipal Manager be mandated to conclude agreements with the owner(s) of Remainder Farm 387 (Vredenheim) and Portion 2 of Farm 1307 (Ash Farmers) with the view of securing an access servitude(s) or the purchase/exchange of land for this purpose and/or land for additional housing.

A copy of the agenda item is attached as **APPENDIX 1**.

6.2 Discussions

Following the above resolution, a meeting was scheduled with Mrs Elsabé Bezuidenhout of Vredenheim. During this meeting she indicated that:

- a) They would be willing to dispose of a portion of Farm 387, to enable Stellenbosch Municipality to gain access to the Longlands Development, but also to use a portion of the land for affordable housing; and
- b) They would prefer to do it on an exchange of land basis, i.e. that they would like to acquire Lease Portion 377A, which was previously leased by them, and is situated directly adjacent to their property.

Following the above meeting Cassie Gerber Property Valuers cc and Pendo Property Valuers were appointed to determine the fair market value of:-

- a) A portion of Remainder of Farm 387, Stellenbosch;
- b) Lease Farm 377A, Stellenbosch

Hereto attached as **APPENDICES 2-5** are copies of the valuations received from the above valuers.

They valued the properties as follows:

Name of Valuer	Lease Farm 377A(9.42ha)	Portion of Remainder Farm 387
Cassie Gerber Property Valuer cc	R100 000.00/ha (Excluding of VAT)	R875 00/ha (excluding of VAT)
Pendo Property Valuers	R159 235.67/ha (excluding of VAT)	R850 00*/ha (excluding of VAT)
Weighed average	R129 617.83/ha (excluding of VAT)	R862 500/ha (excluding of VAT)

Following the receipt of the valuations and after obtaining the necessary mandate from the Municipal Manager, a formal Offer to Purchase/exchange of land was presented to Vredenheim. They have subsequently signed the agreement, a copy of which is attached as **APPENDIX 6**. This agreement is however subject to Council approval.

Lease Farm 377A

Lease Farm 377A is owned by Stellenbosch Municipality by virtue of Title Deed T STF-34/1883, a copy of which is attached as **APPENDIX 7**. The property, measuring 9.42 in extent is situated to the West of Techno Park, as shown on Fig 1 and 2 below.



Fig 1: Location and context

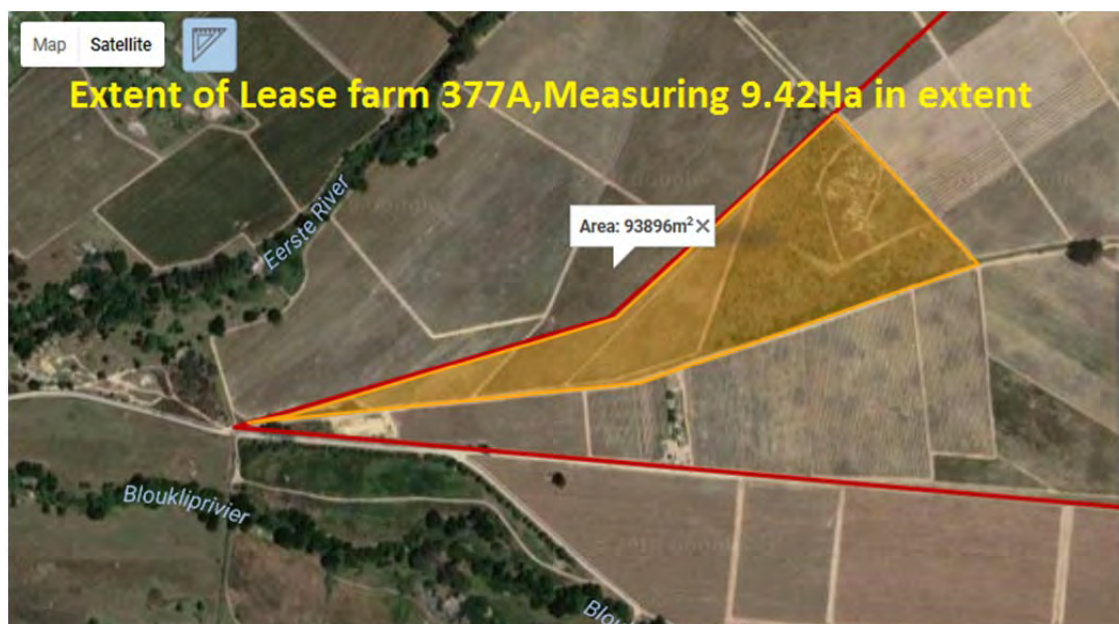


Fig 2: Extent of Lease Farm 377A

Farm 387

Farm 387 is owned by Vredenheim (Pty) Ltd by virtue of Title Deed T17126/2010, a copy of which is attached as **APPENDIX 8**.

The property, measuring approximately 14137m² in extent, is situated off the Vlotenburg road, as shown on Fig 3 and 4 respectively.



Fig 3



Fig 4: Area measuring 14137m²

Property Values

Based on the estimated sizes* and weighed average market value/ha of the respective properties, the estimated market value of the properties are as follows:

- Lease Farm 377A: R122 099.95 (Say R1 221 000.00)
- Portion of Remainder Farm 387: R1 207 500.00

* The ultimate price can only be determined once the property has been sub-divided and approved diagrams are available. The Department is in the process of appointing a land surveyor for this purpose.

6.3 Legal Requirements

Local Government, Municipal Finance Management Act, No 56 /2003

In terms of section 14(1) a municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic municipal services.

In terms of subsection (2), a municipality may transfer ownership or otherwise dispose of a capital asset other than those contemplated in subsection (1) but only after the municipal council, in a meeting open to the public-

- a) has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- b) has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

Asset Transfer Regulations (ATR)

In terms of Regulation 5(1) (b) a municipal Council may transfer or dispose of a non-exempted capital asset only after-

- a) the municipal council-
 - i) has made the determination required by Section 14(2)(a) and (b) of the MFMA; and
 - ii) has, as a consequence of those determinations approved in principle that the capital asset may be transferred or disposed of.

Policy on the Management of Council-owned Property

In terms of paragraph 9.2.3 of the policy Stellenbosch Municipality may dispose of land by way of an exchange of land.

Disposal by exchange of land will be appropriate when it is advantageous to the Municipality and other parties to exchange land in their ownerships and will achieve best consideration for the municipality.

The Municipal Council must authorise the disposal of land by exchange with another land owner for alternative land. Reasons for justifying this manner of disposal must be recorded in writing.

The exchange will usually be equal in value. However, an inequality in land value may be compensated for by other means where appropriate. In such circumstances the Municipality must seek an independent valuation to verify that “*best consideration*” will be obtained.

Under the circumstances it is indeed advantages to the municipality in that no rate-payers money would have to be used to acquire the portion of Farm 387 and the values are almost equal. Although not prescribed in the policy, it is recommended that Council's intention so to act (exchange of land) be advertised for public inputs.

Section 25 of the Constitution provides that for the expropriation of land for public purpose of in the public interest subject to compensation as determined by a court or as agreed between parties. The process of expropriation must be read with section 9(3) of the Housing Act No 107/1997 and read with 1,6,18-23 of the Expropriation Act.

6.4. Financial Implications

Estimated value around R1 207 500.00. Money has been allocated on the budget for the acquisition of land.

6.5. Legal Implications

The recommendations in this report comply with Council's policies and applicable legislation, as set out in paragraph 6.3 above.

6.6. Staff Implications

None

6.7. Previous / Relevant Council Resolutions

Council resolution on 2017-11-29.

6.8. Risk Implications

The biggest risk is that the Longlands project would not be able to take off due to us not acquiring access.

6.9. Comments from Senior Management

6.9.1. Director: Infrastructure Services

Agree with the recommendations.

6.9.2. Director: Planning and Economic Development

No comments received.

6.9.3. Chief Financial Officer

Finance supports the recommendations.

6.9.4. Municipal Manager

Supports the recommendations.

ANNEXURES:

- Appendix 1:** Council resolution
Appendices 2-5: Copies of valuation report
Appendix 6: Offer to purchase/exchange of land
Appendix 7: Windeed report
Appendix 8: Windeed report
Appendix 9: Offer to purchase

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Annalene de Beer
<i>POSITION</i>	<i>Director: Corporate Services</i>
<i>DIRECTORATE</i>	<i>Corporate Services</i>
<i>CONTACT NUMBERS</i>	021-808 8106
<i>E-MAIL ADDRESS</i>	Annalene.deBeer@stellenbosch.gov.za
<i>REPORT DATE</i>	2018-09-06

APPENDIX 1

7.5.3	VARIOUS ISSUES: VLOTTENBURG HOUSING PROJECTS: WAY FORWARD
-------	--

Collaborator No: 551717

IDP KPA Ref No:

Meeting Date : 14th Council: 29 November 2017

1. SUBJECT: VARIOUS ISSUES: VLOTTENBURG HOUSING PROJECTS: WAY FORWARD

2. PURPOSE

The purpose of this item is twofold, i.e.:-

- a) To provide Council with a report on the progress (or the lack thereof) on the various housing projects in Vlottenburg; and
- b) To authorise the Municipal Manager to:-
 - i) conclude the necessary agreement (s) with the (new) owner of Longlands; and
 - ii) to negotiate the acquisition of a portion of Remainder Farm 387 and/or registration of an access servitude over a portion of Remainder Farm 387 and Portion 2 of Farm 1307.

3. DELEGATED AUTHORITY

(FOR DECISION BY MUNICIPAL COUNCIL)

Although the Municipal Manager and/or the Executive Mayor have the delegated authority to:-

- a) conclude agreement(s) on behalf of Stellenbosch Municipality; and
- b) acquire land or rights in land (see delegations 526 and 527, respectively),

agreement was reached between the Executive Mayor and the Municipal Manager to obtain a fresh mandate from the municipal council on a way forward.

4. EXECUTIVE SUMMARY

Although three (3) low-income housing projects were approved in the Vlottenburg Area, none of the developments have an approved access. For this (and other) reason (s) very little or no progress were made with the development of the Longlands project.

In an effort to take this matter forward, Council is requested to authorise the Municipal Manager to:-

- a) conclude the necessary contract(s) with the new owner of Longlands, and
- b) to negotiate a deal with the owner(s) of Remainder Farm 387 and Portion 2 of Farm 1307 regarding the acquisition of land and / or the registration of a servitude that will allow access to the various developments.

14TH COUNCIL MEETING: 2017-11-29: ITEM 7.5.3

Cllr DA Hendrickse requested that it be minuted that, in his view, these recommendations are illegal.

RESOLVED (majority vote with abstentions)

- (a) that the Municipal Manager be mandated to conclude an agreement(s) with the new owner of Longlands regarding the development of the envisaged low-income housing project, either by way of a new Deed of Donation or by way of a Ceding Agreement(s); and
- (b) that the Municipal Manager be mandated to conclude agreements with the owner(s) of Remainder Farm 387 (Vredenheim) and Portion 2 of Farm 1307 (Ash Farmers) with the view of securing an access servitude(s) or the purchase/exchange of land for this purpose and/or land for additional housing.

The following Councillors requested that their votes of dissent be minuted:

Cllrs F Adams; DA Hendrickse and LK Horsband (Ms).

FOR FURTHER DETAILS CONTACT:

NAME	Piet Smit
POSITION	Manager: Property Management
DIRECTORATE	Human Settlement & Property Management
CONTACT NUMBERS	021-8088189
E-MAIL ADDRESS	Piet.smit@stellenbosch.gov.za
REPORT DATE	2017-11-06

APPENDIX 2

**CASSIE GERBER
PROPERTY VALUERS CC**

CK 98/22188/23

C.L. Gerber, Registered Professional Valuer in Terms of Section 19 of Act 47 of 2000, Registration
No: 1717/4

P.O. Box 2217
DURBANVILLE
7551

Telephone: (021) 9757240
Fax: 086 558 6933
Cell phone: 082 416 2987
E-mail -caslg@mweb.co.za

VALUATION REPORT

**MARKET VALUE OF A PORTION OF THE REMAINDER OF
FARM 387, STELLENBOSCH RD**

OWNER: VREDENHEIM PTY LTD



Market value: As per report
Date: 27 February 2018

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VALUATION REPORT

**MARKET VALUE OF A PORTION OF THE REMAINDER OF
FARM 387, STELLENBOSCH RD**

OWNER: VREDENHEIM PTY LTD

1. Instructions

- 1.1 The Director of Housing of the Municipality of Stellenbosch instructed me to value the above-mentioned property.
- 1.2 The present market value of the above-mentioned property is required. The value must be determined as a price per ha.
- 1.3 Market value is defined in this report as a price, which the property might reasonably be expected to sell for in a transaction between a willing, able and informed buyer and a willing, able and informed seller.

2. Date of valuation

27 February 2018

3. Description of property

Remaining extent of the Farm Number 387, Stellenbosch RD

4. Owner

Vredenheim Pty Ltd (Title deed:T17126/2010)

5. Extent

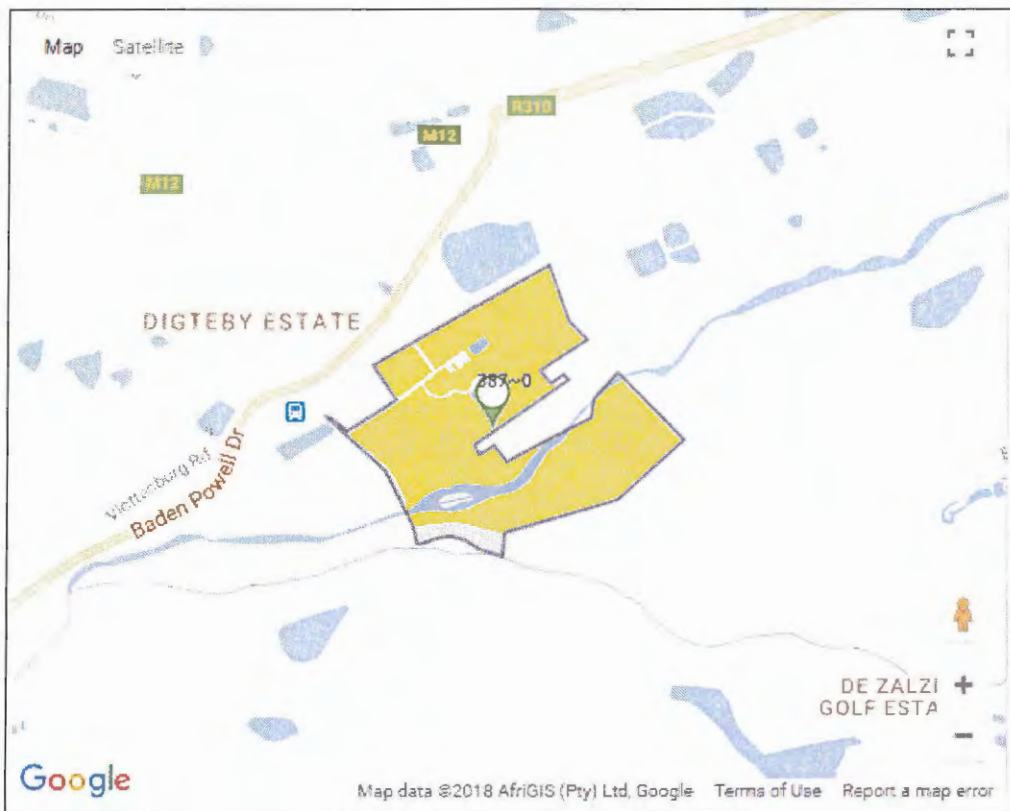
Developable portion of land 1.15ha

6. Municipal value

Not valued

7. Situation and physical aspects

The property is situated in Vlottenberg adjacent to the school, the existing houses and the river. Map page 3 below refers:



Location map



Aerial photo

8. Zoning

The property is presently zoned for agricultural purposes. The owners are busy with the rezoning of the property for residential use.

9. Servitudes or other rights

The 50 year flood-line affects the development on the site.

10. Highest and best use

The highest and best use of the property is to have it rezoned for low-cost housing.

11. Improvements

There are a few unoccupied cottages which will have to be demolished.



Subject property



12. Services

There are municipal services available in the in the existing township.

13. Method of valuation

The comparable method of valuation has been applied to determine the market value of the subject property.

14. Comparable transactions

1313.1 Transaction no.1

Property: Erf 27040, Bellville at Belhar
 Extent: 9.8021ha
 Purchase price: R7 850 000.00
 Dale of sale: January 2016 (Not registered)
 Location: The property is situated on Belhar Drive, Belhar.
 General: The Government of the Western Cape purchased the land from the City of Cape Town for clinic purposes. The purchase price amounts to ±R800 000 per ha.

13.2 Transaction no. 2

Property: Erf 29654 & 29655, Blue Downs
 Extent: 21.4377ha
 Purchase price: R16 000 000.00
 Dale of sale: 07.11.2014
 Location: The property is situated in Fountain Village, Blue Downs and zoned for agricultural use.
 General: The City of Cape Town purchased the land for State subsidized housing purposes. The purchase price amounts to ±R746 348.00 per ha.

13.3 Transaction no.3

Property: Unregistered Erf 1666, Greenville Garden City
 Extent: 1.4405ha
 Purchase price: R1 225 000.00
 Dale of sale: 30.09.2015
 Location: The property is situated on Lucullus Road, Greenville Garden City.

General: The City of Cape Town purchased the serviced site from Garden Cities for a community clinic. The purchase price amounts to ±R850 000.00 per ha. Map below refers:



Map Erf 1666, Greenville Garden City

13.4 Transaction no. 4

The City of Cape Town purchased the following properties during 2015:

No.	Description/Stellenbosch RD	Extent/ha	Date	Purchase price/Price/ha
1	Farm 794/38	261.2562	03.06.15	R167 334 923.00/±R640 000
2	Farm 791/6	0.1538	03.06.15	R98 509.00/±R640 000
3	Farm 792/0	58.8057	03.06.15	R37 665 124.00/±R640 000
4	Farm 791/5	13.2862	03.06.15	R8 509 827.00/±R640 000
5	Farm 791/4	36.6118	03.06.15	R23 449 903.00/±R640 000
6	Farm 787/11	84.4847	03.06.15	R54 112 556.00/±R640 000
7	Farm 794/40	4.3047	03.06.15	R2 757 265.00/±R640 000
8	Farm 787/10	61.9575	03.06.15	R39 684 856.00/±R640 000
9	Farm 794/44	1.3760	03.06.15	R881 329.00/±R640 000
10	Farm 794/43	99.8553	03.06.15	R63 957 444.00/±R640 000
11	Farm 794/37	37.4146	03.06.15	R23 964 098.00/±R640 000
		659.5065		

The properties are situated in the Firgrove rural area, between Macassar and Somerset West. The City of Cape Town purchased the properties from Paardevlei Property (Pty.) Ltd. for future residential and other mixed development uses. The properties are about 659ha in extent and the purchase price amounts to R640 000.00 per ha.

The properties are presently zoned for agricultural purposes, but are much better situated than the subject property. During inspection it was established that about 20% of the 659ha of land consists of wetlands and are not developable. The adjusted purchase price of the developable land amounts to about R768 000.00 per ha and the rate per ha does not differ as far as the extent of the sites are concerned.

13.5 Transaction no. 5

Property: A portion of Erf 33683, Strand
 Extent: 21.0669ha (Portion required for the Sir Lowery Pass River flood alleviation upgrade ±5.1550ha)
 Asking price: R3 866 250.00 (R750 000.00 per ha)
 Dale of sale: May 2017 (Not registered)
 Location: The property is situated off the N2 Main Road, adjacent to the Sir Lowry River half way between Broadlands Industrial area and Firlands.
 General: The property is presently zoned for rural purposes.

13.6 Transaction no. 6

Property: Remainder of Phesantekraal No. 1165 Cape RD (Extension of the Okavango Road, Graanedal. Durbanville)
 Extent: ±5.5800ha
 Purchase price: R8 370 000.00
 Dale of sale: December 2013 (Not registered)
 Location: The property consists of the extension of Okavango Road to Klipheuwel.
 General: The City of Cape Town purchased the land from Groot Phesantekraal Trust for the extension of the road. The purchase price of the land for the road amounted to ±R1 500 000 per ha at the time.

14. Increases of land prices in the low-cost housing development areas over time

14.1 Some of the transactions and their market values listed below are dated and provision for efflux in time is necessary.

14.2 A market research was carried out and school sites in low cost housing development areas, like Khayalitsha, Mfuleni,

Nyanga, Guguletu, Strand and Delft, sold for R650 000.00 per ha during 2014 and increased to R750 000.00 per ha in 2017, an increase of about 4.5% per annum over the past 3 years.

14.3 An increased rate of 4.5% to adjust the dated prices is therefore market related.

15. Summary list of transactions

No.	Property	Extent	Date	Purchase price/price/ha Adjusted prices/ha
1	Erf 27040. Belhar	9.8021ha	Jan 2016	R7 850 000.00/R800 000.00 ±R865 000.00
2	Erven 29654 and 29655, Blue Downs	21.4237 ha	Nov. 2014	R16 000 000.00/R746 348.00 ±R 847 640.00
3	Erf 1666, Grenville Garden City	1.4405ha	Sept. 2015	R1 225 000.00/±R850 000.00 ±R928 220.00
4	Farms 794/39 and others	659.5065ha	July 2015	R640 000.00/±R768 000 ±R850 000,00
5	Portion of Erf 33683, Strand	5.1550ha	May 2017	R3 866 250.00/R750 000.00 Asking price
6	Portion of the Farm, Groot Phesantekraal No. 1165, Cape RD	5.5800ha	Dec.2013	R8 370 000.00/R1 500 000.00

16. Conclusions

16.1 Transaction 1 is situated in Belhar. The houses in the area are all single and double story low-cost houses. The Provincial Government of the Western Cape purchased the land for hospital purposes. The market value of the property was determined on prices paid for low-cost housing in the area and, therefore, comparable. The site is better situated close to the University of the Western Cape and a downward adjustment on the adjusted purchase price is necessary.

16.2 Transaction no. 2 is situated in Blue Downs in between two serviced roads. The property was zoned for agricultural purposes at the time the sale took place. The houses in the area consist of low-cost GAP type of houses.

16.3 Transaction no. 3 is situated in Greenville, Fisantekraal. The City of Cape Town purchased the property from Garden Cities for clinic purposes. The site is about the same size as the subject property but fully serviced and a downward

adjustment in the adjusted purchase rate per ha is necessary.

- 16.4 Transaction 4 is large and small portions of land located between Macassar, the Strand and the sea. The adjusted rate per ha of the developable land after allowing for the wetlands, amounts to R850 000.00 per ha. My information is that the land will be utilized for mixed development purposes, which will include low-cost, GAP and economic housing.
- 16.5 Transaction 5 is situated in the Strand and belongs to Asla Devco Pty Ltd. My information is that the property is not registered in the Deeds Office but the asking price amounts to R750 000.00 per ha. The asking price is based on a well-motivated valuation report, prepared by a professional valuer. Asla plans to use the remainder of the land for residential purposes. The property still has to be rezoned and an upward adjustment in the rate per ha of the subject property is, therefore, necessary.
- 16.6 Transaction 6 is the market value of the land paid for the extension of the Okavango Road over the farm Groot Phesantekraal No. 1165. The market value made provision for the time before development will start to take place. This is an upper income group area where the vacant sites are selling for about R1 500 000.00. Below is a list of serviced sites sold in the Groot Phesantekraal development area:

No.	Description of property	Extent	Date	Price
1	Erf 18641, Durbanville	700m ²	19.04.17	R1 400 000.00
2	Erf 18639, Durbanville	701m ²	04.05.17	R1 500 000.00
3	Erf 18596, Durbanville	843m ²	19.04.17	R1 550 000.00

- 16.7 Based on the above-mentioned comparable transactions with the necessary adjustments for time and location a price of R875 000.00/ha for the subject property is market related.

17 Market value calculations

1.15ha @ R875 000.00/ha: R1 006 250.00

Market value, rounded: R1 000 000.00 (Excluding VAT)

18. Valuation Certificate

I inspected the subject property described herein. I have no present or prospective interest in the property.

The valuation is independent and impartial and complies with all the ethical standards of the South African Institute of Valuers of which I am a member.

All suppositions and data in this report are to the best of my knowledge, true and correct and I have not attempted to conceal any information.

The valuation has been made to the best of my skill and ability.

I, Casper Louis Gerber, consider the rates per ha as in paragraph 17, above to be fair and market related.



C.L. GERBER

Signed at Durbanville on 27 February 2018

QUALIFICATION TO VALUE

I, Casper Louis Gerber, certify with this my qualifications and experience as follows:

- Professional Valuer registered with the South African Council of Valuers in terms of Act 47 of 2000.
- Member of the South African Institute of Valuers since 1974.
- Served as a member on various valuation boards.
- I have been involved in valuing fixed properties since 1965. At present, I am making an average of 15 valuations per month spread over the whole spectrum of the property market.

APPENDIX 3

**CASSIE GERBER
PROPERTY VALUERS CC**

CK 98/22188/23

C.L. Gerber, Registered Professional Valuer in Terms of Section 19 of Act 47 of 2000, Registration
No: 1717/4

P.O. Box 2217
DURBANVILLE
7551

Telephone: (021) 9757240
Fax: 086 558 6933
Cell phone: 082 416 2987
E-mail -caslg@mweb.co.za

VALUATION REPORT

**MARKET VALUE OF A PORTION OF FARM 377A,
STELLENBOSCH RD**

OWNER: MUNICIPALITY STELLENBOSCH



Market value: As per report
Date: 27 February 2018

=====

VALUATION REPORT

**MARKET VALUE OF A PORTION OF FARM 377A,
STELLENBOSCH RD**

OWNER: MUNICIPALITY STELLENBOSCH

1. Instructions

- 1.1 The Director of Housing of the Municipality of Stellenbosch instructed me to value the above-mentioned property.
- 1.2 The present market value of the above-mentioned property is required. The value must be determine as a price per ha.
- 1.3 Market value is defined in this report as a price, which the property might reasonably be expected to sell for in a transaction between a willing, able and informed buyer and a willing, able and informed seller.

2. Date of valuation

27 February 2018

3. Description of properties

Farm Number 377 A, Stellenbosch RD

4. Owner

Municipality Stellenbosch

5. Extent

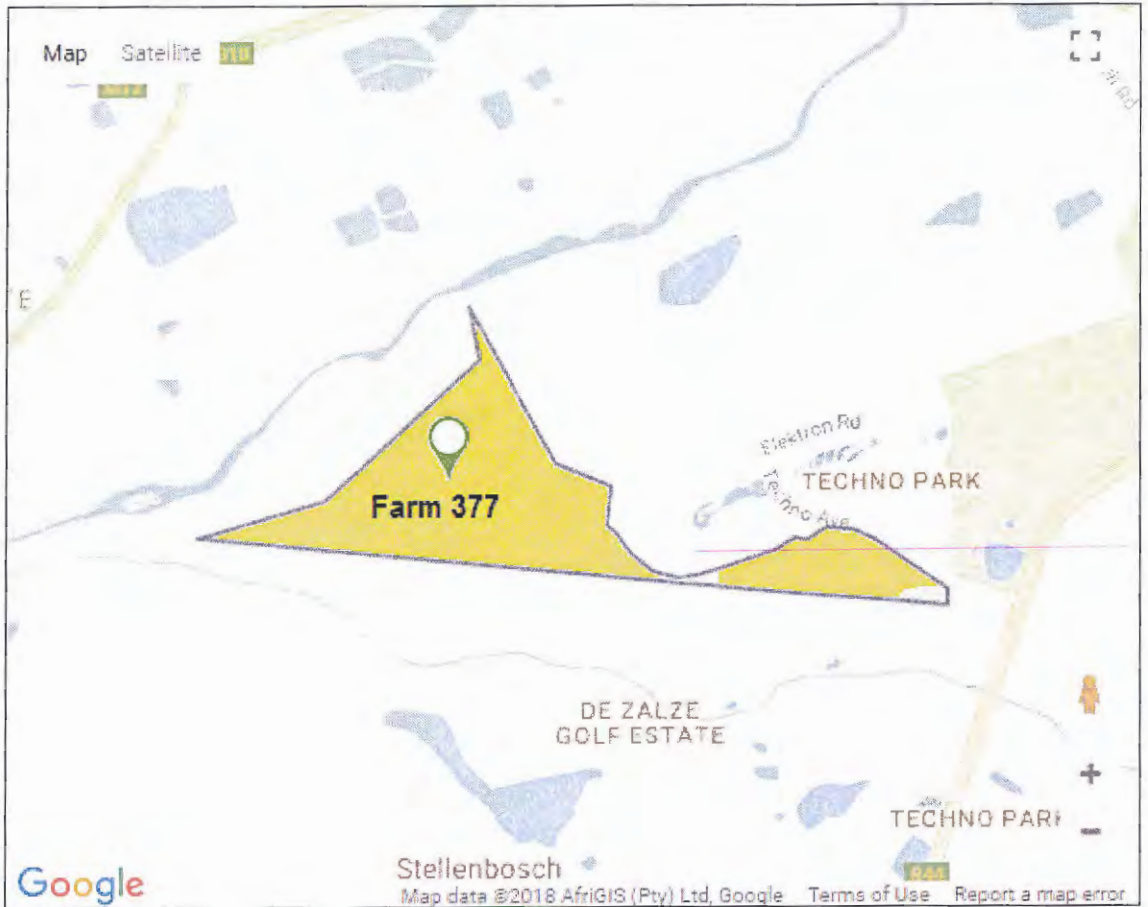
78.6700ha (Portion required ±10.0000ha)

6. Municipal value

Not valued

7. Situation and physical aspects

The property is situated behind Techno Park, about 6km from Stellenbosch. Map page 3 below refers:



Location map



Aerial photo

8. Zoning

The property is zoned for agricultural purposes.

9. Improvements

The portion of land required to be valued consists of the following;

- ±4.5 Vineyards and
- ±5.5ha Renoster bush.

10. Services

Road: Access to the property is via a gravel road, off the Stellenbosch/ Muizenberg Road;
No other Municipal services are available.

11. Method of valuation

The comparable method of valuation is carried out to determine the market value of the subject property.

12. Comparable transactions

No.	Property	Extent/ha	Date	Price/price/ha
1	Farm 653/12, Stellenbosch RD	161.8600	15.03.15	R16 280 000.00/ R100 580/ha
2	Farm 1378/3, Stellenbosch RD	29.9279	05.09.16	R4 500 000.00/ R150 361/ha
3	Farm1312, Stellenbosch RD	59.4577	28.11.16	R20 520 000.00/ R345 119/ha
4	Farm 468/24, Stellenbosch RD	35.4925	24.08.16	R13 500 000.00 R380 362/ha
5	Farm 643 Stellenbosch RD	30.6414	28.07.15	R10 500 000/ha R342 673/ha
6	Farm 491/2 Stellenbosch RD	105.9642	04.09.17	30 000 000.00/ R283 114/ha

13. Conclusions

13.1 Comparable transaction 1 is situated between the old Bellville/Somerset West and the N2. The improvements on the land consist of a mixture of vineyards, arable land and veld. The subject property is better situated. The selling price amounts to ±R100 000/ha including the improvements.

- 13.2 Transaction 3 is situated about 10km from subject property on the Stellenbosch/Kuils River Road. The land consists of irrigable land. There are also 3 laborers' cottages on the land. The purchase price amounts to ±R150 000.00/ha.
- 13.3 Transaction 3 is situated close to Banhoek. The property is well developed with all the necessary Municipal services on site. The property also has a good infra-structure.
- 13.4 Transaction 4 is situated close to Lynedoc. The property is well improved and has a very good infra-structure. The purchase price including the improvements amounts to ±R380 000.00/ha. The subject property has little services and a downward adjustment is necessary.
- 13.5 Transaction 5 is situated opposite Wijnlanden and my information is the property was purchased by a property developer. The price paid for the developable land is ±R342 000.00/ha.
- 13.6 Transaction 6 is situated opposite Spier Estate and consists mainly of irrigable land. The purchase price amounts to ±R283 000.00/ha
- 13.7 Based on the above-mentioned comparable transactions, with the necessary adjustments for time, location, availability of services and extent of the subject properties, the following norm rates per ha is market related:
- Vineyards: R275 000.00/ha (Excluding VAT)
 - Veld (Renoster bush): R100 000.00/ha (Excluding VAT)

14. Valuation calculations

The subject property consists of a vacant portion of lease farm. All the agricultural improvements on the farm were carried by the tenant. The market value of the property must be based on vacant agricultural land value.

Market value: ±10ha @ R100 000/ha = R1 000 000.00

The market value of the property does not include VAT.

15. Valuation Certificate

I inspected the subject property described herein. I have no present or prospective interest in the property.

The valuation is independent and impartial and complies with all the ethical standards of the South African Institute of Valuers of which I am a member.

All suppositions and data in this report are to the best of my knowledge, true and correct and I have not attempted to conceal any information.

The valuation has been made to the best of my skill and ability.

I, Casper Louis Gerber, consider the rates per ha as in paragraph 14, above to be fair and market related.



C.L. GERBER

Signed at Durbanville on 27 February 2018

QUALIFICATION TO VALUE

I, Casper Louis Gerber, certify with this my qualifications and experience as follows:

- Professional Valuer registered with the South African Council of Valuers in terms of Act 47 of 2000.
- Member of the South African Institute of Valuers since 1974.
- Served as a member on various valuation boards.
- I have been involved in valuing fixed properties since 1965. At present, I am making an average of 15 valuations per month spread over the whole spectrum of the property market.

APPENDIX 4



VALUATION REPORT

DETERMINATION OF THE MARKET VALUE OF:

FARM 377A,

STELLENBOSCH REGISTRATION DIVISION,

WESTERN CAPE

Client:

STELLENBOSCH MUNICIPALITY

6 March 2018

Compiled by:

Johan Klopper

Professional Valuer

Member of the SA Institute of Valuers

BCom Law (University of Stellenbosch), NDip: Property Valuation (UNISA)



6 March 2018

Mr. Piet Smit
 Stellenbosch Municipality
 Property Management
 Plein Street
 Stellenbosch
 7600

VALUATION CERTIFICATE

I, the undersigned, Johan Klopper, Professional Valuer registered in terms of the Property Valuer's Profession Act, 2000 (Act No 47 of 2000) do hereby certify that I have inspected and valued the following immovable property namely:

<p>FARM 377A, STELLENBOSCH REGISTRASION DIVISION, in the WESTERN CAPE Measuring approximately 9.42 hectares</p>

I consider the market rate of the abovementioned property to be as follows:

<p>R 1 500 000</p>	<p>One Million Five Hundred Thousand Rand (Excluding VAT)</p>
---------------------------	--

As at: **1 March 2018**

Signed at Stellenbosch this 6th day of March 2018.

A handwritten signature in black ink, appearing to read "J. Klopper", written over a horizontal line.

J. Klopper
 Professional Valuer
 Registration Number: 6372/0

PENDO PROPERTY SERVICES CC T/A PENDO PROPERTY VALUERS
 Reg. No. 2009/230603/23 • VAT Reg. No. 4530269028
 Member: J. Klopper

Verified Level 4 B-BBEE Contributor

Tel: 083 305 3252 • Fax: 086 611 1511 • Email: info@propertyvaluer.co.za • Postal address: PO Box 81, Stellenbosch, 7599

VALUATION REPORT

1. GENERAL

1.1 INSTRUCTIONS

Instructions were received from Stellenbosch Municipality to determine the fair and reasonable market value of Farm No. 377A Stellenbosch Registration Division, measuring approximately 9.42 hectares. This valuation is undertaken to inform the Stellenbosch Municipality of the market value, in light of possible disposal to the adjoining owner.

1.2 EFFECTIVE DATE OF VALUATION

1 March 2018

1.3 INSPECTION DATE

21 February 2018

1.4 DEFINITION OF MARKET VALUE

As per the International Valuation Standards Council, market value can be defined as follows:

The highest price that a willing and informed purchaser will pay a willing and informed seller in a normal open market transaction, when neither party is under the anxiety or compulsion to sell or purchase, other than their normal desire to transact.

1.5 CAVEATS

The valuer has assumed that the subject property and their values were unaffected by any statutory notice or condition of title where the title deeds have not been inspected.

Information regarding the subject property and comparable properties was received from local authorities and third parties. This information was received in good faith and it is assumed that the supplied information is correct, but no warranty as to the accuracy of this information can be made.

All plans included in this document are supplied for identification purposes only and are not necessarily to scale.

We have not carried out a structural survey, nor have we tested the service installations, woodwork or other parts of the structure which are covered, unexposed or inaccessible and are therefore unable to report that such parts of the property are free of rot, beetle or other defects. This valuation is therefore based on the assumption that the building is in a reasonable state of repair, unless expressly stated otherwise in this report.

In this report, the market value and any other values referred to exclude VAT.

Any possible contamination of the subject property as a result of an environmental incident has also not been taken into account, nor have we examined the cost of any remedial measures involved.

Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principles through advertising, public relations, news sales or any other media without the written consent of the author. This valuation was performed for the purpose as stated in this report and should not be used for any other purpose.

2. PROPERTY AND OWNERSHIP DESCRIPTION

2.1 TITLE DEED INFORMATION

Description	FARM VLOTTENBURG NO. 377, STELLENBOSCH REGISTRATION DIVISION, in the PROVINCE of the WESTERN CAPE
Registered extent	78.6779 Hectares
Extent to be valued	± 9.42 Hectares
Registered owner	STELLENBOSCH MUNICIPALITY
Title Deed No	STF5-34/1883 & T36696/2010
Date of Registration	1883/09/20
Purchase Price	N/A
Endorsements / Conditions of title	None noted that materially affect the area to be valued.
Mortgage bond(s)	None
S.G. Diagram(s)	S.G. No. 9131/1957 S.G. No. 12119/1957 S.G. No. 686/1996 S.G. No. 778/1999 S.G. No. 3983/2010 S.G. No. 2706/2012
LPI Code	LPI code: C06700000000037700000

2.2 MUNICIPAL INFORMATION

Local Authority	Stellenbosch Municipality
Zoning	Agriculture
Description	Farm 377A
Municipal Valuation	GV2017: R 942 000

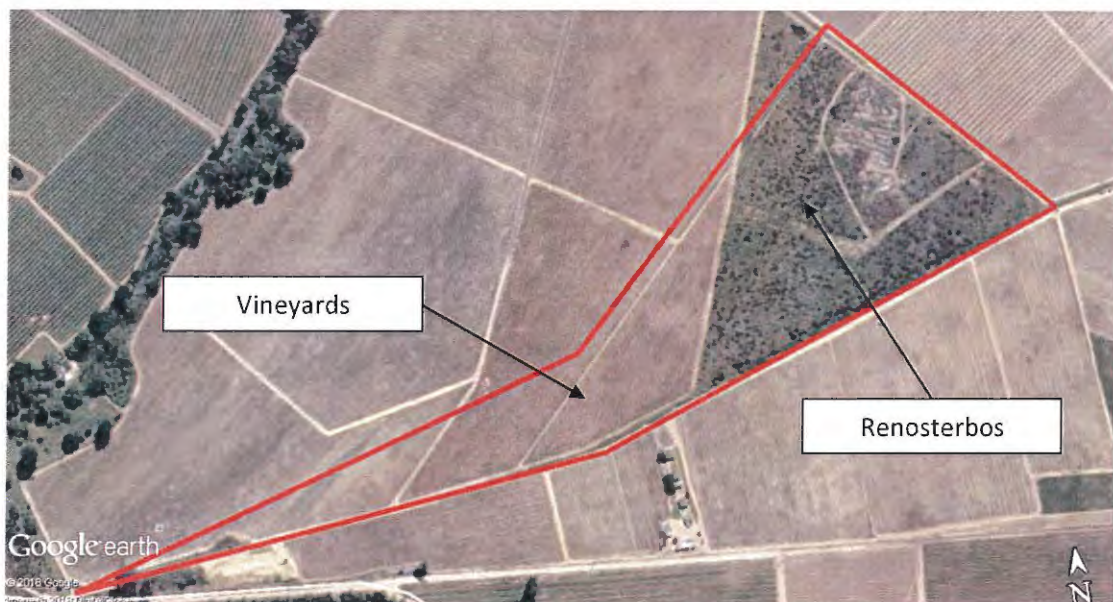
3. PROPERTY LOCATION

Farm 377A is located in a rural node of Stellenbosch approximately 1 kilometre west of Technopark. The subject property is surrounded by agricultural land, while the De Zalze Golf Estate is located in relative close proximity, approximately 1 kilometre to the southeast. Refer to the location map below.



4. DESCRIPTION OF THE SUBJECT PROPERTY

The area to be valued represents an oblong shaped tract of land measuring roughly 9.42 hectares. The tract of land slopes down in a westerly direction. It is leased from the Stellenbosch Municipality by Vredenheim Pty Ltd for agricultural purposes. Approximately 4.1 hectares represent arable land with vineyards under irrigation. No water rights are attached to the land and current water for irrigation purposes is provided by the lessee. The remaining 5.32 comprises protected renosterveld.



Also refer to **Annexure C** for photographs of the area to be valued.

5. HIGHEST AND BEST USE

Highest and Best Use is defined under the International Valuation Standards (IVSC) as “The most probable use of an asset which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued”.

The area to be valued is located in a rural node west of Stellenbosch. It represents municipal owned land leased to private farmers for agricultural purposes. Based on the location, current ownership status and surrounding uses, the valuer is of the opinion that agricultural uses represents the highest and best use of the subject property.

Note was taken of the existing renosterveld portion and the protected status which inhibits development or utilisation of this portion of farm 377A. Furthermore, the valuer took cognisance of the fact that the existing vineyards were planted and established by the prospective purchaser of the land. In this regard, the valuer is of the opinion that this portion should be valued as vacant arable land.

6. VALUATION APPROACH

The **Comparable Sales Method** is deemed the most appropriate valuation method to determine the market value of agricultural land. This approach is based on the principle of comparability and substitution. The assumption is that if similar assets in a similar market place have been sold at a particular value, then the comparable asset will also sell at a similar price.

The area to be valued forms part of a 78 hectare tract of land, and can only be sold to an adjoining owner. It is therefore valued as part of the whole. The valuation was therefore based on sales of properties with similar utility, potentialities and locality features.

7. MARKET INFORMATION


We liaised with the Cape Town Deeds Office to determine the sales and transfers in the vicinity of the subject properties. Comparisons were then made in terms of size, improvements, utilisation and potential of the land and date of sale, after which the necessary adjustments were made.

The following transactions were registered in the Deeds Office and serve as good comparisons in determining the market rate of the area to be acquired:


No	Description	Sale Date	Extent	Price (Ex VAT)	Rate/ha
1	Portions 21 & 22 of Farm 402 Stellenbosch RD	2017/04/21	12.7557	R 6 000 000	R 470 378
2	Portion 4 of Farm 1505 Stellenbosch RD	2017/01/26	41.5710	R 6 570 000	R 158 043
3	Portion 4 of Farm 1471 Stellenbosch RD	2016/11/12	14.8056	R 7 200 000	R 486 302
4	Portion 18 of Farm 730 Paarl RD	2016/06/17	13.2554	R 3 000 000	R 226 323
5	Farm 1519 Paarl RD	2016/02/01	101.8932	R 3 700 000	R 36 316
6	Farm 1369 Paarl RD	2013/08/02	27.7170	R 5 000 000	R 180 395
7	Farm 1226 Malmesbury RD	2013/07/18	46.4121	R 2 000 000	R 43 092

Comments and analysis of sales:


SALE 1: Portions 21 & 22 of Farm 402 Stellenbosch RD		
Land size: 12.7557 Ha	Purchase Date: 2017/04/21	Purchase Price: R 6 000 000
	This tract of land is located in the Polkadraai node between Stellenbosch and Kuils River. It comprises vacant land with approximately 10.7 hectares vineyards, while the remainder represented fallow land. The tract of land compares well with the subject property in terms of size and location. Analysis of the sale indicates to a vacant land rate of approximately R 300 000 per hectare (excluding vineyards). This sale serves as a very good indication of the rate to be applied to the arable component of the subject property.	

SALE 2: Portion 4 of Farm 1505 Stellenbosch RD		
Land size: 41.5710 Ha	Purchase Date: 2017/01/26	Purchase Price: R 6 570 000
	This tract of land is located approximately 8 kilometres north of Stellenbosch. It represents mountainous vacant land comprising natural veld. The land is uncultivated which suggests an upward adjustment would be justified for arable component of the subject property. On the other hand a downward adjustment would be justified for the renosterveld component.	

SALE 3: Portion 4 of Farm 1471 Stellenbosch RD		
Land size: 14.8056 Ha	Purchase Date: 2016/11/12	Purchase Price: R 7 200 000
	This tract of land is located in relative close proximity to the subject property, along Stellenbosch Kloof Road. It offers approximately 5.7 hectares vineyards, while the remainder represents fallow land and a dam. This property offers a sought-after location with lifestyle appeal. The valuer is of the opinion that a significant downward adjustment would be justified for the subject property.	

SALE 4: Portion 18 of Farm 730 Paarl RD		
Land size: 13.2554 Ha	Purchase Date: 2016/06/17	Purchase Price: R 3 000 000
	This tract of land is located in close proximity to the subject property, adjacent to the N1, approximately 7 kilometres west of Klapmuts. It represents vacant, predominantly fallow land, with approximately 3 hectares of vineyards. Analysis of the sale indicates a vacant land rate of roughly R 200 000 per hectares. An upward adjustment would be justified for the subject property due to a perceived superior location and utilisation.	

SALE 5: Farm 1519 Paarl RD		
Land size: 101.8832 Ha	Purchase Date: 2016/02/01	Purchase Price: R 3 700 000
		<p>This relatively large tract of land is located in close proximity to the subject property, approximately 2 kilometres east of Klapmuts along the N1. It represents fallow natural veld with no water allocation. This sale serves as an indication of the base rate for the fallow land component of the subject property, but an upward adjustment would be justified for the significant difference in size and locational factors.</p>

SALE 6: Farm 1369 Paarl RD		
Land size: 27.7170 Ha	Purchase Date: 2013/08/02	Purchase Price: R 5 000 000
		<p>This property is located in very close proximity to the subject property, adjacent to the R304. It comprises vacant arable land of 27.7170 hectares, including dam area of approximately 4 hectares and road reserve of approximately 3.2 hectares. Assuming that no value was attached to the road reserve, and effective area of approximately 24.5170 hectares indicates to a rate of approximately R 203 940 per hectare, which is indicative of arable land values of similar units. An upward adjustment would be justified for the efflux of time and perceived superior location of the subject property.</p>

Sale 7: Farm 1226 Malmesbury RD		
Land size: 46.4121 Ha	Purchase Date: 2013/07/18	Purchase Price: R 2 000 000
		<p>This vacant tract of land of 46.4121 hectares is located approximately 21 kilometres northwest of Stellenbosch along the R304. It comprises uncultivated natural veld. The selling price of R 2 000 000 represents a rate of R 43 092 per hectare. This sale is indicative of the rate to be applied to fallow land component of the subject property, with an upward adjustment justified for the efflux of time.</p>

1.1 Conclusion on Comparable Sales

The comparable properties listed above generally comprise small farms with similar utility to the subject properties, or components thereof. The location of these properties compare relatively well with the subject property. Based on analysis of the sales, and after making adjustments for the improvements and other value forming characteristics, a rate of R 300 000 per hectare was deemed appropriate to the arable land components, while a rate of R 50 000 per hectare can be applied to the renosterveld component. These rates are considered in keeping with the market and can be applied in the various land components, while the depreciated value of improvements can be added as per calculations hereunder.

8. VALUATION CALCULATION

Based on the market information listed in paragraph 7, the valuer is of the opinion that a rate of R 300 000 can be applied to the arable land component, while a rate of R 50 000 per hectare would be justified for the protected renosterveld. The value of the subject property can therefore be calculated as follows:


Description	Size (Ha)	R / Ha	Value
Arable land	4.10	R 300 000	1 230 000
Renosterveld	5.32	R 50 000	266 000
TOTAL	9.42		1 496 000
TOTAL (ROUNDED)	9.42		R 1 500 000

9. DECLARATION

I, Johan Klopper a registered Professional Valuer, declare that I have inspected the area to be valued and that I have conducted this valuation assignment to the best of my knowledge and skills. I have no present or contemplated interest in this property, and accordingly certify that this valuation was undertaken on a completely independent basis.

Based on the available information I am of the opinion that the fair and reasonable market value of the of Farm 377A Stellenbosch RD measuring approximately 9.42 hectares, as at 1 March 2018, amounts to **R 1 500 000**.

Signed at STELLENBOSCH on this the 6th day of March 2018.



J. Klopper
Professional Valuer (Reg. No. 6372/0)
Member of the SA Institute of Valuers

ANNEXURE A: TITLE DEED INFORMATION:

Printed: 2018/02/21 13:48

Deeds Office Property

windeed
A LexisNexis® Product

FARM 377, 377, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION	
Deeds Office	CAPE TOWN
Date Requested	2018/02/21 13:48
Information Source	DEEDS OFFICE
Reference	-

PROPERTY INFORMATION	
Property Type	FARM
Farm Name	FARM 377
Farm Number	377
Portion Number	0 (REMAINING EXTENT)
Local Authority	STELLENBOSCH MUN
Registration Division	STELLENBOSCH RD
Province	WESTERN CAPE
Diagram Deed	STFH5-34/9/1863
Extent	78.6779H
Previous Description	-
LPI Code	CD6700000000037700000

OWNER INFORMATION	
Owner 1 of 2	
Company Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	-
Title Deed	STF5-34/1863
Registration Date	1883/09/20
Purchase Price (R)	SECT 16
Purchase Date	-
Share	-
Microfilm Reference	2008 1551 1422
Multiple Properties	NO
Multiple Owners	NO
Owner 2 of 2	
Company Type	LOCAL AUTHORITY
Name	MUN STELLENBOSCH
Registration Number	-
Title Deed	T36606/2006
Registration Date	-
Purchase Price (R)	TRANSFER BY ENDO
Purchase Date	-
Share	-
Microfilm Reference	2008 1569 1425
Multiple Properties	NO
Multiple Owners	NO

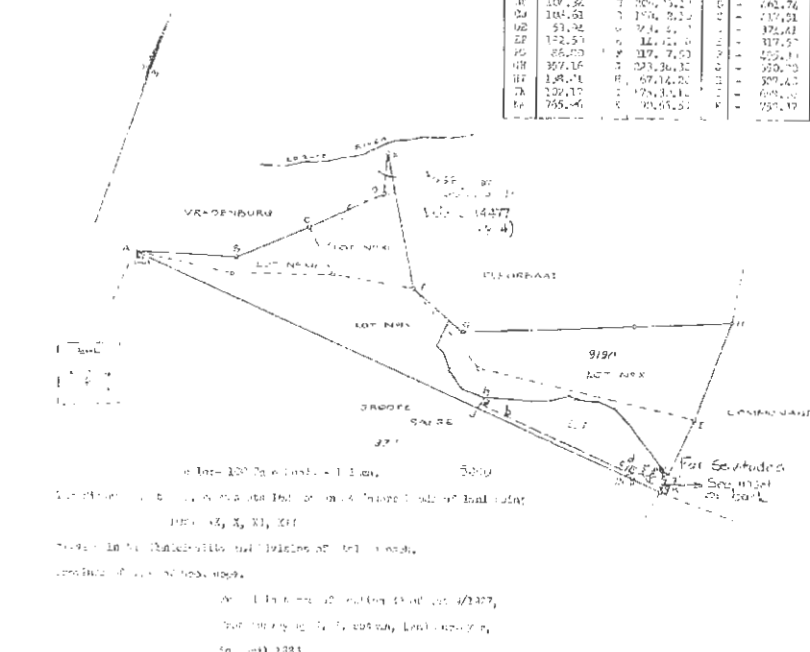
ENDORSEMENTS (4)				
#	Document	Institution	Amount (R)	Microfilm
1	I-823/1957LG	-	UNKNOWN	
2	K782/1999S	-	UNKNOWN	1999 0471 2241
3	VA5685/2006	MUN STELLENBOSCH	UNKNOWN	2008 1569 1399
4	FARM ST 377	-	UNKNOWN	1985 0071 1745

ANNEXURE B: S.G. DIAGRAM(S):

9131/67

Handwritten signature and date: 16/10/19/17

Point	X	Y	Order	Area
1	121.35	111.17	0	
2	107.30	109.52	1	
3	104.51	109.21	2	
4	91.94	109.21	3	
5	132.57	111.17	4	
6	86.23	117.71	5	
7	107.16	123.30	6	
8	128.71	127.14	7	
9	152.17	129.31	8	
10	155.46	130.55	9	
11	121.35	111.17	10	



Scale 1:1000

File 11/17

Signature of Surveyor

16/10/19/17

SUBJECT	SUBJECT NO.	EXPLANATION	REF	REMARKS
E12241/12706/1Z	1/2	1:250,000 30' x 30' Aerial Photo 1964		
	1/3	1:250,000 30' x 30' Aerial Photo 1964		
	1/4	1:250,000 30' x 30' Aerial Photo 1964		
	1/5	1:250,000 30' x 30' Aerial Photo 1964		
	1/6	1:250,000 30' x 30' Aerial Photo 1964		
	1/7	1:250,000 30' x 30' Aerial Photo 1964		
	1/8	1:250,000 30' x 30' Aerial Photo 1964		
	1/9	1:250,000 30' x 30' Aerial Photo 1964		
	1/10	1:250,000 30' x 30' Aerial Photo 1964		
	1/11	1:250,000 30' x 30' Aerial Photo 1964		
	1/12	1:250,000 30' x 30' Aerial Photo 1964		
	1/13	1:250,000 30' x 30' Aerial Photo 1964		



The line 's' represents the 450/3820 44'2" wide line of an electric line. One service

Esselbe 680/120 The line abutting E. R 17231 94'4" h. 51 represents the centre line of a sewer line. (approx. 300mm wide)

2 200/000 120/000

E 1748/10 3883 10 The boundary line of the adjacent property is shown. The proposed site is shown. The proposed site is shown.

1:250,000 30' x 30' Aerial Photo 1964

1:250,000 30' x 30' Aerial Photo 1964

1:250,000 30' x 30' Aerial Photo 1964

I.M.P. Scale 1/1000.
 0 50 100



Area	Cape Feet	ANGLE OF DISTANCE	SYSTEM OF CO-ORDINATES		No. 10112/7
			x	y	
1	07.03	214.14	8.00	1150.00	Approved <i>[Signature]</i> Surveyor-General 1958
2	07.03	214.14	8.00	1150.00	
3	07.03	214.14	8.00	1150.00	
4	07.03	214.14	8.00	1150.00	
5	07.03	214.14	8.00	1150.00	
6	07.03	214.14	8.00	1150.00	

NOTES:
 1. The land is to be surveyed.
 2. The land is to be divided into 20 lots.
 3. The land is to be divided into 20 lots of equal area.

The figure A B C D represents 1000 Square Feet of land being

situate in the Division of Stellenbosch Province of Cape of Good Hope.

This diagram is annexed to the original diagram is No. 710/27 annexed to 2/1195/270 12451 Register of Deeds. LPI C0670004

File No. 2/1195/270 S.R. No. E. 1235/56 24 BABC

[Signature]
 Local Surveyor.

CHAS. B. 400
 Security 35/11
 Farm

SERWITUUTKAART				KANTOORAFSKRIF			
SYE Meter		RIGTINGS -HOEKE		KООORDINATE Stelsel L _o 19°		L.G. No.	
		<u>Konstantes</u>		Y		X	
				0,00		+3 700 000,00	
AB	95,17	278 11 50	A	+ 15 713,65	+ 59 856,03	L.G. No. 686/1996 Goedgekeur <i>Alfredus</i> Landmeter-generaal 1996 - 2 - 19	
BC	801,16	274 59 10	B	+ 15 619,46	+ 59 869,60		
CD	43,43	194 14 10	C	+ 14 821,33	+ 59 939,23		
DE	78,77	280 41 30	D	+ 14 810,65	+ 59 897,13		
EF	45,56	319 06 00	E	+ 14 733,24	+ 59 911,74		
FG	83,55	276 28 40	F	+ 14 703,41	+ 59 946,17		
			G	+ 14 620,40	+ 59 955,60		
AH	23,28	187 46 10	H	+ 15 710,51	+ 59 832,97		
AJ	6,34	358 58 00	J	+ 15 713,54	+ 59 862,37		
JK	4,78	95 06 10	K	+ 15 718,29	+ 59 861,94		
		(538) B.S.I.	Δ	+ 14 773,37	+ 59 243,79		
		(397) R	Δ	+ 10 477,40	+ 58 228,52		

BAKENBESKRYWINGS:
 B Middel van 'n 300mm asbespyp met metaaldeksel
 D 100mm Asbespyp gevul met beton, in beton
 Alle ander 16mm Ysterpen

Skaal: 1 / 7 500

Die figuur stel voor die middellyn van 'n Serwituutpyplyn, 3,00m wyd behalwe waar die Eiendomsgrens nader is as genoemde afstand vanaf die lyn, die wydte strek tot by die eiendomsgrens soos aangetoon oor die RESTANT VAN PLAAS No. 377 geleë in die Plaaslike Oorgangsraad en STELLENBOSCH Administratiewe Distrik Opgemeet in Des. 1995 deur my. Provinsie Wes-Kaap N Loubser 0892 Landmeter

Hierdie kaart is geheg aan No. K 762/99 gedateer t.g.v. Registrateur van Aktes	Die oorspronklike kaart is. No. 9121/1957 geheg aan Transport/Grondbrief No. Stel. F. 5-34	Lêer No. Stel. 377 M.S. No. E 255/96 Komp. BHSZ-31 IM31697
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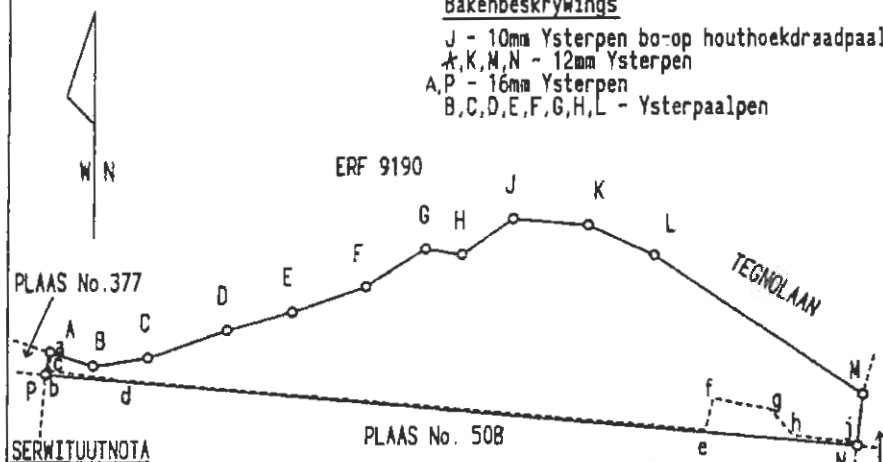
HUURKONTRAKKAART

KANTOORAFSKRIEF

SYE Meter	RIGTINGS -HOEKE	KONSTANTE		KООORDINATE Y Stelsel Lo19 X		L.G. No. 77B/1999 Goedgekeur <i>T. J. van</i> nms Landmeter-generaal 1999-03-02
				+0,00	+3 700 000,00	
AB	61,04	287 42 00	A	+15 712,15	+59 832,44	
BC	75,66	262 24 20	B	+15 654,00	+59 851,00	
CD	113,84	251 33 50	C	+15 579,00	+59 841,00	
DE	92,18	254 54 30	D	+15 471,00	+59 805,00	
EF	105,30	251 44 10	E	+15 382,00	+59 781,00	
FG	94,34	237 59 40	F	+15 282,00	+59 748,00	
GH	50,64	279 05 20	G	+15 202,00	+59 698,00	
HJ	84,38	235 25 30	H	+15 152,00	+59 706,00	
JK	102,07	274 52 20	J	+15 082,52	+59 658,12	
KL	97,91	294 38 10	K	+14 980,82	+59 666,79	
LM	337,90	303 08 00	L	+14 891,83	+59 707,60	
MN	68,45	6 01 40	M	+14 608,87	+59 892,29	
NP	1 106,62	95 06 09	N	+14 616,06	+59 960,36	
PA	30,13	191 45 00	P	+15 718,29	+59 861,94	
		B. S. I.	Δ	+14 773,37	+59 243,79	
		BOTTELARY	Δ	+20 487,90	+53 160,17	

Bakenbeskrywings

- J - 10mm Ysterpen bo-op houthoekdraadpaal
- *K,M,N - 12mm Ysterpen
- A,P - 16mm Ysterpen
- B,C,D,E,F,G,H,L - Ysterpaalpen



SERWITUUTNOTA

Die stippellyn acb en cdefghj stel voor die middellyn van 'n SERWITUUTPYLYN, 3,00m wyd behalwe waar die eiendomsgrens nader is as genoemde afstand van die lyn, die wydte strek tot by die eiendomsgrens. Sien Diagram L.G. No. 686/1996

SKAAL 1: 7500

Die figuur A B C D E F G H J K L M N P

stel voor 16.2241 Hektaar grond, synde

HUURKONTRAKGEBIED No. 1 oor die Restant van PLAAS No. 377

Geleë in die Plaaslike Oorgangsraad en Administratiewe Distrik Stellenbosch
Opgemeet in Aug.1998 en Febr.1999
deur my

N. Loubser
N Loubser 0892 Pr. Landmeter

Provinsie Wes-Kaap

GOEDGEKEUR INPASTIGS ART. 25
VAN ORD. 15/1985
VERWYSING...ERF...9190
DATUM...1999-02-05

Hierdie kaart is geheg aan No. gedateer t.g.v.

Die oorspronklike kaart is No. 9131/1957 geheg aan Grondbrief No.Stel.F.5-34

Lêer No. Stel.377
M.S. No. 329/1999
Komp. BHSZ-31 (M3169)

Registrateur van Aktes

HUURKONTRAKKAART

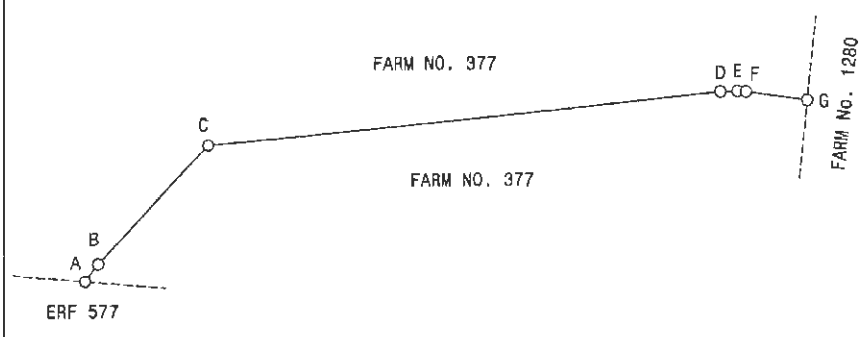
SERVITUDE DQM.

Friedlaender, Burger & Volkmann - Land Surveyors

SIDES Metres	ANGLES OF DIRECTION	CO-ORDINATES System WG 19°			S.G. No. 3983/2010
		Y	X		
Constants :		0,00		0,00	Approved. <i>[Signature]</i> for Surveyor - General Date : <i>29-11-2010</i>
AB	5,89	216 59 10	A + 14867,99	+ 3760242,80	
BC	43,93	222 49 20	B + 14864,44	+ 3760238,10	
CD	139,54	264 30 40	C + 14834,58	+ 3760205,88	
DE	4,67	268 56 40	D + 14695,68	+ 3760192,53	
EF	2,29	273 15 10	E + 14691,01	+ 3760192,44	
FG	16,79	278 02 10	F + 14688,73	+ 3760192,57	
			G + 14672,11	+ 3760194,92	
	404	PARADYS	△ + 10183,10	+ 3759563,40	
	538	B S I	△ + 14836,26	+ 3759543,11	

Beacon Descriptions

A G 12mm Iron peg
 All other beacons Planted concrete block



SCALE 1 : 1500

The line ABCDEFG represents the centre line
 of an electrical cable servitude 1,00 metres wide
over FARM NO. 377, STELLENBOSCH

Situate in the Stellenbosch Municipality
 Administrative District of Stellenbosch
 Surveyed in September 2010
 by me

Province of Western Cape
[Signature]
 D P Burger Pr Land Surveyor

PLS 0080

This diagram is annexed to No. Dated i.f.o. Registrar of Deeds	The original diagram is No. 9131/1957 Annexed to Stel.F. 5-34	File No. Stel.377 (V2) S.R. No. 1749/2010 Comp. BHSZ-31 (M3169) -BH-88GD (M3785) LPI C0670000
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SERVITUDE DQM.

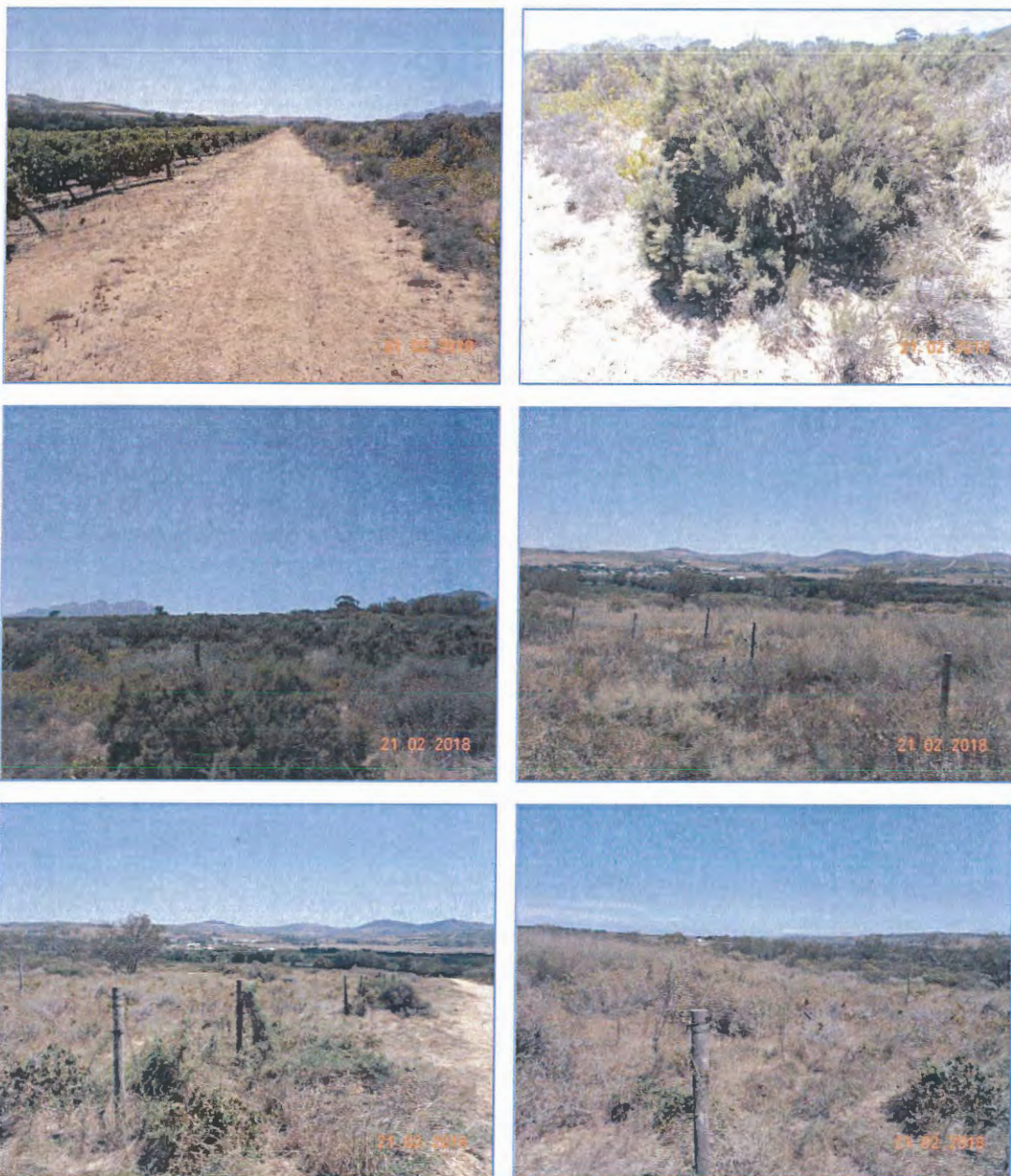
SERVITUDE DIAGRAM

SIDES Metres		ANGLES OF DIRECTION	CO-ORDINATES System WG 19°		S.G. No.	
		Constants :	Y	X	2706/2012	
AB	147,88	264 43 20	A + 14843,09	+ 3760197,47	Approved. <i>[Signature]</i> for Surveyor - General Date : 2012.12.10	
BC	7,25	235 42 20	B + 14695,84	+ 3760183,87		
CD	21,64	303 08 00	C + 14689,85	+ 3760179,78		
DE	5,14	6 01 40	D + 14671,73	+ 3760191,61		
EF	24,65	97 55 00	E + 14672,27	+ 3760196,73		
FG	136,92	84 37 20	F + 14696,69	+ 3760193,33		
GH	18,58	45 32 10	G + 14835,00	+ 3760206,35		
HJ	25,26	11 27 30	H + 14848,26	+ 3760219,36		
JK	14,59	95 06 10	J + 14853,28	+ 3760244,11		
KL	5,49	218 35 40	K + 14867,81	+ 3760242,82		
LM	25,67	191 27 30	L + 14864,39	+ 3760238,53		
MA	22,70	225 32 10	M + 14859,29	+ 3760213,37		
INDICATORY DATA						
ND	18,94	6 01 40	N + 14669,74	+ 3760172,78		
	9	HELD8G	Δ + 11049,63	+ 3767146,93		
	148	HELDW	Δ + 12058,73	+ 3767943,05		
Beacon Descriptions						
B Hole in paving						
D Not beacons						
All other beacons 12mm Iron peg						
servitude pipeline 1,00m wide, vide Dgm. 686/1996						
FARM No. 377						
electrical cable servitude 1,00m wide vide Dgm. 3983/2010						
FARM No. 377						
ERF 527 DE ZALZE						
Remainder Erf 9190						
FARM No. 1280						
SCALE 1 : 1500						
The figure ABCDEFGHJKLM represents an access servitude area of 2197 square metres, as shown <u>over Remainder Farm No. 377</u>						
Situat in the Stellenbosch Municipality Administrative District of Stellenbosch Surveyed in March 2012 by me						
Province of Western Cape						
PLS 0080 D P Burger Pr Land Surveyor						
This diagram is annexed to No. Dated i.f.o. Registrar of Deeds	The original diagram is No. 9131/1957 Annexed to Stel.F. 5-34		File No. S.R. No. Comp. BHSZ-31 (M3169) LPI C0670000			

SERVITUDE DIAGRAM

ANNEXURE C: PHOTOGRAPHS OF AFFECTED AREAS





End of report

APPENDIX 5



VALUATION REPORT

DETERMINATION OF THE MARKET VALUE OF:
PORTION OF FARM 387,
STELLENBOSCH REGISTRATION DIVISION,
WESTERN CAPE

Client:

STELLENBOSCH MUNICIPALITY

28 February 2018

Compiled by:

Johan Klopper

Professional Valuer

Member of the SA Institute of Valuers

BCom Law (University of Stellenbosch), NDip: Property Valuation (UNISA)



28 February 2018

Mr. Piet Smit
 Stellenbosch Municipality
 Property Management
 Plein Street
 Stellenbosch
 7600

VALUATION CERTIFICATE

I, the undersigned, Johan Klopper, Professional Valuer registered in terms of the Property Valuer's Profession Act, 2000 (Act No 47 of 2000) do hereby certify that I have inspected and valued the following immovable property namely:

<p>Portion of FARM 387, STELLENBOSCHL REGISTRATION DIVISION, in the WESTERN CAPE Measuring approximately 2 hectares</p>

I consider the market rate of the abovementioned property to be as follows:

<p>R 640 000 / Ha</p>	<p>Six Hundred and Forty Thousand Rand per hectare (Excluding VAT)</p>
-----------------------	---

As at: **1 March 2018**

Signed at Stellenbosch this 28th day of February 2018.

A handwritten signature in black ink, appearing to read "J. Klopper", is written over a horizontal line.

J. Klopper
 Professional Valuer
 Registration Number: 6372/0

PENDO PROPERTY SERVICES CC T/A PENDO PROPERTY VALUERS
 Reg. No. 2009/230603/23 • VAT Reg. No. 4530269028
 Member: J. Klopper

Verified Level 4 B-BBEE Contributor

VALUATION REPORT

1. GENERAL

1.1 INSTRUCTIONS

Instructions were received from Stellenbosch Municipality to determine the fair and reasonable market value of a portion of Remainder Farm Vlottenburg No. 387 Stellenbosch Registration Division, measuring approximately 2 hectares, which is to be acquired from the land owner by the Stellenbosch Municipality.

1.2 EFFECTIVE DATE OF VALUATION

1 March 2018

1.3 INSPECTION DATE

21 February 2018

1.4 DEFINITION OF MARKET VALUE

As per the International Valuation Standards Council, market value can be defined as follows:

The highest price that a willing and informed purchaser will pay a willing and informed seller in a normal open market transaction, when neither party is under the anxiety or compulsion to sell or purchase, other than their normal desire to transact.

1.5 CAVEATS

The valuer has assumed that the subject property and their values were unaffected by any statutory notice or condition of title where the title deeds have not been inspected.

Information regarding the subject property and comparable properties was received from local authorities and third parties. This information was received in good faith and it is assumed that the supplied information is correct, but no warranty as to the accuracy of this information can be made.

All plans included in this document are supplied for identification purposes only and are not necessarily to scale.

We have not carried out a structural survey, nor have we tested the service installations, woodwork or other parts of the structure which are covered, unexposed or inaccessible and are therefore unable to report that such parts of the property are free of rot, beetle or other defects. This valuation is therefore based on the assumption that the building is in a reasonable state of repair, unless expressly stated otherwise in this report.

In this report, the market value and any other values referred to exclude VAT.

Any possible contamination of the subject property as a result of an environmental incident has also not been taken into account, nor have we examined the cost of any remedial measures involved.

Neither all nor any part of this report shall be conveyed to the public or anybody other than the addressee or their principles through advertising, public relations, news sales or any other media without the written consent of the author. This valuation was performed for the purpose as stated in this report and should not be used for any other purpose.

2. PROPERTY AND OWNERSHIP DESCRIPTION

2.1 TITLE DEED INFORMATION

Description	REMAINDER OF THE FARM VLOTTENBURG NO. 387, STELLENBOSCH REGISTRATION DIVISION, in the PROVINCE of the WESTERN CAPE
Registered extent	77.6355 Hectares
Extent to be valued	± 2 Hectares
Registered owner	VREDENHEIM PTY LTD
Title Deed No	T17126/2010
Date of Registration	2010/04/16
Purchase Price	2008/09/04
Endorsements / Conditions of title	None noted that materially affect the area to be valued, but approved servitude diagram S.G. No. 2218/2012 was noted, which indicates a 8 meter wide access servitude over the area to be valued. The access servitude area appears to be in use but is not registered.
Mortgage bond(s)	None
S.G. Diagram(s)	S.G. No. 279/1814 S.G. No. 6380/1957 S.G. No. 14/1981 S.G. No. 4653/1998 S.G. No. 1608/2010 S.G. No. 2218/2012 S.G. No. 2819/2012
LPI Code	LPI code: C06700000000038700000

2.2 MUNICIPAL INFORMATION

Local Authority	Stellenbosch Municipality
Zoning	Agriculture
Municipal Valuation	GV2017: R 23 963 500 R 2 813 400 <u>R 2 474 100</u> R 29 251 000

3. PROPERTY LOCATION

The portion of Farm 387 to be valued is located approximately 6 kilometres west of the Stellenbosch CBD in the Vlottenburg node. The tract of land abuts the Vlottenburg Road, while existing lower income residential uses is located directly to the west, and an existing school is located directly to the north. Refer to the location map below.



4. DESCRIPTION OF THE SUBJECT PROPERTY

The area to be valued represents an oblong shaped tract of land measuring roughly 2 hectares (size to be confirmed following negotiation with landowner). The eastern portion, which is traversed by the Sanddrif Riiver, is relatively flat, while the western portion slopes down in an easterly direction. Three dilapidated dwellings are located on the western periphery, but were excluded for valuation purposes due to their rundown state. Refer to the aerial photograph below.



The Sanddrif River traverses the eastern portion of the area to be valued. Based on specialist freshwater assessments undertaken for the proposed development of Farm 387, a setback line of 15m to 20m from the top of the river banks was proposed for the Sanddrif River. Based on the aforementioned development constraints, the valuer estimates that not more than approximately 75% of the site is developable.

Also refer to **Annexure C** for photographs of the area to be valued.

5. HIGHEST AND BEST USE

Highest and Best Use is defined under the International Valuation Standards (IVSC) as "The most probable use of an asset which is physically possible, appropriately justified, legally permissible, financially feasible and which results in the highest value of the asset being valued".

The area to be valued forms part of a proposed mixed use development of the subject property. Given the limitations resultant from Sanddrif River crossing the area to be valued, as well as the adjoining low income housing, the valuer is of the opinion that low to medium income housing development represents the highest and best use of the area to be valued.

6. VALUATION APPROACH

The **Comparable Sales Method** is deemed the most appropriate valuation method to determine the market value of agricultural land. This approach is based on the principle of comparability and substitution. The assumption is that if similar assets in a similar market place have been sold at a particular value, then the comparable asset will also sell at a similar price.

7. MARKET INFORMATION

We liaised with the Cape Town Deeds Office to determine the sales and transfers in the vicinity of the subject properties. Comparisons were then made in terms of size, improvements, utilisation and potential of the land and date of sale, after which the necessary adjustments were made.

The following transactions were registered in the Deeds Office and serve as good comparisons in determining the market rate of the area to be acquired:

No	Description	Sale Date	Extent	Price (Ex VAT)	Rate/ha
1	Erf 268 Blue Downs	2017/06/26	1,7261	R 1 343 000	R 778 055
2	Erf 1319 Hagley	2017/02/03	1,3499	R 2 300 000	R 1 703 830
3	Erf 2555 & 3378 Eerste River	2016/06/14	5,7777	R 7 400 000	R 1 280 786
4	Erf 9419 Eerste River	2016/05/12	0,7670	R 500 000	R 651 890
5	Erf 9417 Eerste River	2016/05/12	3,4828	R 2 000 000	R 574 251
6	Erf 29654 & 29655 Blue Downs	2014/11/07	21,4377	R 16 000 000	R 746 349
7	Erf 1958 Hagley	2014/08/04	1,7142	R 2 180 000	R 1 271 730
8	Portion 3 of Farm 520 Cape RD	2014/06/18	0,8920	R 710 000	R 795 964
9	Portion 15 of Farm 597 Cape RD	2013/11/08	3,1836	R 2 200 000	R 691 042
10	Erf 358 Blue Downs	2013/08/30	2,9458	R 2 625 000	R 891 099

Note was also taken of the following unregistered sales.

No	Farmname	Sale_Date	Extent	Price (Ex VAT)	Rate/ha
1	Portion of Erf 1 Greenville Garden City	2017/09	8,8412	R 7 575 000	R 850 000
2	Portion of Erf 33683 Strand	2017/05	5,1550	R 3 866 250	R 750 000
3	Erf 27040 Bellville	2016/01	9,8021	R 7 850 000	R 800 849
4	Erf 1666 Greenville Garden City	2015/09	1,4405	R 1 225 000	R 850 399

Remarks and conclusion on market sales:

The listed registered sales generally ranged between R 650 000 and R 900 000 per hectare for development properties with similar potential. Outliers were also observed for superior properties, with sales up to approximately R 1 700 000 per hectare. These sales were however considered superior to the area to be valued. The unregistered sales indicated a sales range of R 750 000 to R 850 000 per hectare, with the most recent transactions concluded at R 850 000 per hectare.

Based on the aforementioned, and taking not of the various value forming characteristics, the valuer is of the opinion that a market rate of R 850 000 per hectare would be fair and reasonable for the area to be valued.

8. VALUATION CALCULATION

Because the exact acquisition area has not been finalised, the valuer was instructed to express the value as a per hectare rate. Analysis of the market information listed in paragraph 7 suggests that a rate of R 850 000 per hectare would be justified for lower income development land. Given the development constraints due to the Sanddrif River, it is estimated that not more than approximately 75% of the site is developable. This suggests that a proportional downward adjustment to R 637 500 (rounded to R 640 000) per hectare would be justified for the area to be valued.


Note: The market rate of R 850 000 per hectare would apply if the river component was excluded from the acquisition area.

9. DECLARATION

I, Johan Klopper a registered Professional Valuer, declare that I have inspected the area to be valued and that I have conducted this valuation assignment to the best of my knowledge and skills. I have no present or contemplated interest in this property, and accordingly certify that this valuation was undertaken on a completely independent basis.

Based on the available information I am of the opinion that the fair and reasonable market rate of the portion of Farm 387 Stellenbosch RD to be valued, as at 1 March 2018, amounts to R 640 000 per hectare.

Signed at STELLENBOSCH on this the 28th day of February 2018.


 J. Klopper
 Professional Valuer (Reg. No. 6372/0)
 Member of the SA Institute of Valuers

ANNEXURE A: TITLE DEED INFORMATION:

Printed: 2018/02/21 13:47

Deeds Office Property

windeed
A LexisNexis® Product

VLOTTENBURG, 387, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION	
Deeds Office	CAPE TOWN
Date Requested	2018/02/21 13:40
Information Source	DEEDS OFFICE
Reference	-

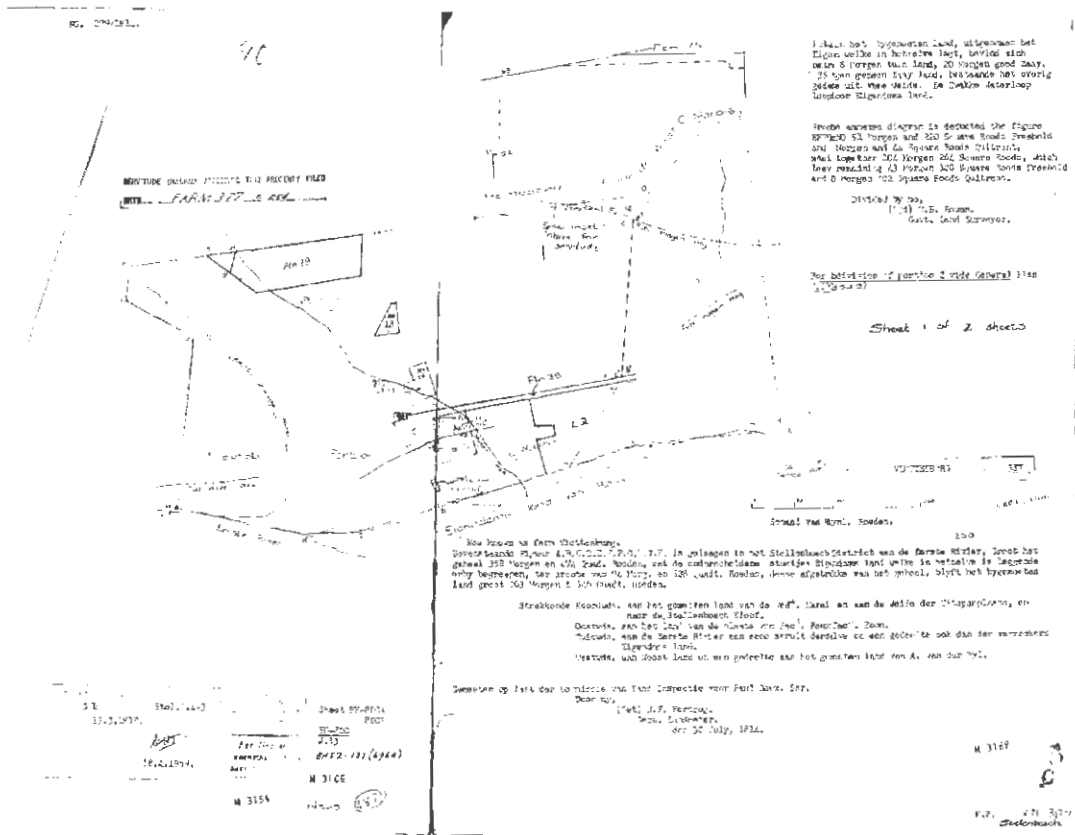
PROPERTY INFORMATION	
Property Type	FARM
Farm Name	VLOTTENBURG
Farm Number	387
Portion Number	0 (REMAINING EXTENT)
Local Authority	WINELANDS DC
Registration Division	STELLENBOSCH RD
Province	WESTERN CAPE
Diagram Deed	STQ4-3/1818
Extent	77.6365H
Previous Description	-
LPI Code	CD670000000038700000

OWNER INFORMATION	
Owner 1 of 1	
Company Type	COMPANY
Name	VREDENHEIM PTY LTD
Registration Number	199600737107
Title Deed	T17126/2010
Registration Date	2010/04/16
Purchase Price (R)	110,063,034
Purchase Date	2008/09/04
Share	
Microfilm Reference	2010 0074 0114
Multiple Properties	NO
Multiple Owners	NO

ENDORSEMENTS (8)				
#	Document	Institution	Amount (R)	Microfilm
1	EX117/1987-4/3/87-48	723/1986T (WOP)	UNKNOWN	
2	EX58/2015	VREDENHEIM PTY LTD	UNKNOWN	
3	I-2620/2015C	-	UNKNOWN	
4	K887/2011S	-	UNKNOWN	
5	K71/1999L	KIRSTEN EIENDOMSTRUST	UNKNOWN	1999 0068 5342
6	FARM ST 387	-	UNKNOWN	1985 0071 1773
7	GEN PROCD NAT MCNUME	NT 10/3/1975	UNKNOWN	
8	PTN'S OF ST RD 387/3	-12,14-29)	UNKNOWN	

HISTORIC DOCUMENTS (4)				
#	Document	Owner	Amount (R)	Microfilm
1	EX87/2013	-	UNKNOWN	
2	EX115/2013	-	UNKNOWN	
3	T36614/1973	VREDENBURG BOERDERY SELANGE	UNKNOWN	1986 1232 0779
4	T48723/1988	VREDENBURGH LANDGOED PTY LTD	1,400,000	2010 0074 0115

ANNEXURE B: S.G. DIAGRAM(S):



279/1814

THE FOLLOWING PRODUCTIONS HAVE BEEN MADE FROM THIS DRAWING

SURVEY NUMBER	DRAWING NO.	ELECTRICIAN	AREA	TEACHER NO.	INITIALS	REMARKS
556/2003	111/2013	Pin 34				
556/2013	108/213	Pin 35				

NO.	DATE	DESCRIPTION	AREA	TEACHER NO.	INITIALS	REMARKS
2.181/01	30/1/01	Section 1 (Part A)	77			101-11-210
2.182/01	30/1/01	Section 1 (Section 1/1/1)	53	LA		101-11-210
2.183/01	30/1/01	Section 1 (Part C)	1	33		101-11-210-11351
2.184/01	30/1/01	Section 1 (Part D)				
2.185/01	30/1/01	Section 1 (Part E)				
2.186/01	30/1/01	Section 1 (Part F)				
2.187/01	30/1/01	Section 1 (Part G)				
2.188/01	30/1/01	Section 1 (Part H)				
2.189/01	30/1/01	Section 1 (Part I)				
2.190/01	30/1/01	Section 1 (Part J)				
2.191/01	30/1/01	Section 1 (Part K)				
2.192/01	30/1/01	Section 1 (Part L)				
2.193/01	30/1/01	Section 1 (Part M)				
2.194/01	30/1/01	Section 1 (Part N)				
2.195/01	30/1/01	Section 1 (Part O)				
2.196/01	30/1/01	Section 1 (Part P)				
2.197/01	30/1/01	Section 1 (Part Q)				
2.198/01	30/1/01	Section 1 (Part R)				
2.199/01	30/1/01	Section 1 (Part S)				
2.200/01	30/1/01	Section 1 (Part T)				

SURVEY NUMBER	DRAWING NO.	DESCRIPTION	DEED	INITIALS
1982/2012	274/2012	The line 27.50 x 22.50m wide pipeline servitude of the line 34.20 x 22.50 x 22.50 x 22.50m wide pipeline servitude		

1982/2012 274/2012 The line 27.50 x 22.50m wide pipeline servitude of the line 34.20 x 22.50 x 22.50 x 22.50m wide pipeline servitude

1982/2012 274/2012 The line 27.50 x 22.50m wide pipeline servitude of the line 34.20 x 22.50 x 22.50 x 22.50m wide pipeline servitude

SURVEY NUMBER	DRAWING NO.	DESCRIPTION	DEED	INITIALS
1982/2012	274/2012	Withdrawn		
1982/2012	274/2012	Withdrawn		
1982/2012	274/2012	The line 27.50 x 22.50m wide pipeline servitude of the line 34.20 x 22.50 x 22.50 x 22.50m wide pipeline servitude	1982/2012	LA

I Continue on other side

Bladsy No ~~2~~ 2.....

LG No 279/1814.....

OPGAWE VAN HUURKONTRAKTE OOR:

~~ERF~~ / PLAAS VLOTTENBURG NR. 387.....

Toekenningsgebied / Administratiewe Distrik STELLENBOSCH.....

OPMETINGSTUK	KAARTNOMMER	HUURKONTRAK-NOMMER	MOEDER-HUURKONTRAK
E. 349/1967	1336/1967	L1	
E. 1973/1998	4653/1998	L2	K 71/99 ⁽²⁾

~~ERF~~ / PLAAS 387.....

Stellenbosch.

SERVITUDE DGM.

SIDES Metres	ANGLES OF DIRECTION	CO-ORDINATES System WG 19°		S.G. No. 2218/2012
		Y	X	
	Constants :	0,00	0,00	Approved. <i>N. Coffen</i>
AB	7,07	266 17 20	A + 18755,89	+ 3758886,93
BC	8,00	311 17 20	B + 18748,83	+ 3758886,48
CD	7,07	356 17 20	C + 18742,82	+ 3758891,75
DA	18,00	131 17 20	D + 18742,36	+ 3758898,81
CE	25,58	221 17 20	E + 18725,94	+ 3758872,53
EF	32,65	204 40 20	F + 18712,31	+ 3758842,86
FG	13,53	221 17 20	G + 18703,38	+ 3758832,69
GH	26,09	236 25 40	H + 18681,64	+ 3758818,27
HJ	8,81	197 06 00	J + 18679,05	+ 3758809,84
JK	26,70	157 46 00	K + 18689,16	+ 3758785,13
KL	50,04	252 32 40	L + 18641,42	+ 3758770,12
	148	HELDW	△ + 12058,73	+ 3767943,05
	334	STEL 11	△ + 6520,29	+ 3763434,19
<p>1. The figure ABCD represents an access servitude area 65 square metres, as shown</p> <p>2. The lines CE, EF, FG and GH represent the South-eastern boundary of a 8,00 metres wide access servitude, as shown</p> <p>3. The line HJ represents the Eastern boundary of a 8,00 metres wide access servitude, as shown</p> <p>4. The line JK represents the North-eastern boundary of a 8,00 metres wide access servitude, as shown</p> <p>5. The line KL represents the Southern boundary of a 8,00 metres wide access servitude, as shown</p> <p style="text-align: center;">over REMAINDER FARM VLOTTENBURG NO. 387</p> <p>Situate in the Stellenbosch Municipality Administrative District of Stellenbosch Surveyed in February 2011 by me</p> <p style="text-align: right;">Province of Western Cape <i>D. P. Burger</i> Pr Land Surveyor</p>				
This diagram is annexed to No. Dated i.f.o. Registrar of Deeds		The original diagram is No. 279/1814 Annexed to Stel. Q. 4-3		File No. Stel 387 S.R. No. 1010/2012 Comp. BHSY-42 (M3188) LP! C0670000

Servitude Dgm. No.2218/2012

SERVITUDE DGM.

Friedlaender, Burger & Volkmann - Land Surveyors

Beacon Description

All beacons are 12mm iron pegs

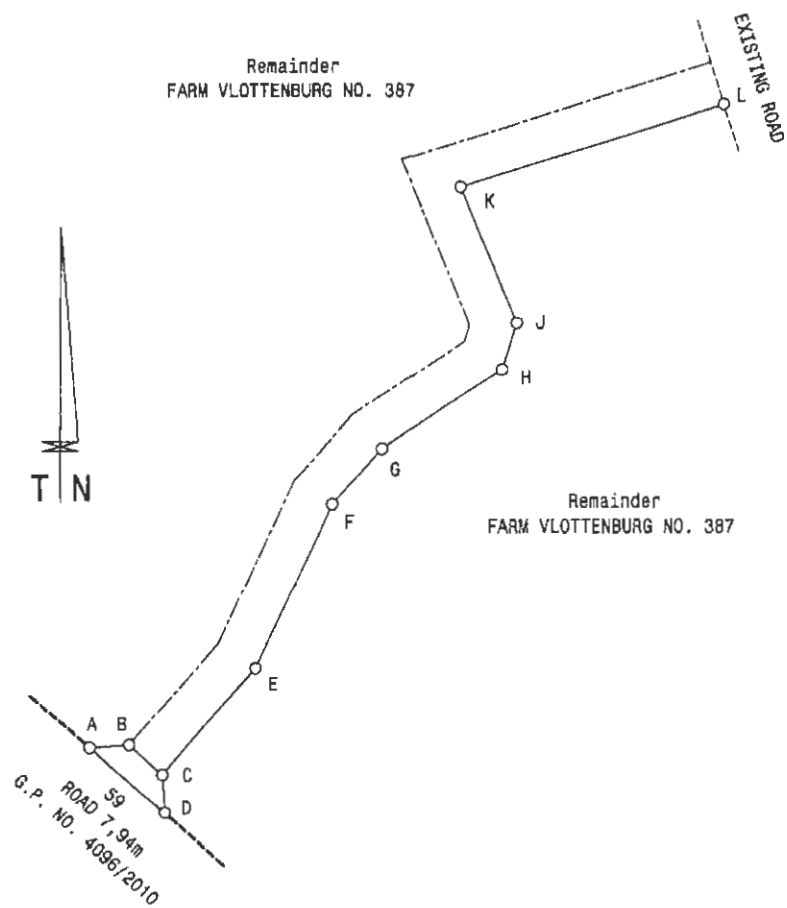
S.G. No.
2218/2012

Approved.

Nollen

for
Surveyor - General
Date : 18-10-2012

SHEET 2 OF 2 SHEETS



access servitude over REMAINDER FARM VLOTENBURG NO. 387

Administrative District of Stellenbosch

Surveyed in February 2011
by me

D Burger

PLS 0080 D P Burger Pr Land Surveyor

SCALE 1 : 1000

Servitude Dgm No.2218/2012

ANNEXURE C: PHOTOGRAPHS OF AFFECTED AREAS





End of report

APPENDIX 6



2018-04-05

The Owner
 Vredenheim (Pty) Ltd
 PO Box 369
 Vlottenburg
 7600

Attention: Elzabé Bezuidenhout

Dear Ms Bezuidenhout

OFFER TO PURCHASE/EXCHANGE OF LAND: A PORTION OF REMAINDER FARM 387, STELLENBOSCH AND LEASE AREA 377A, STELLENBOSCH

Following our recent discussions regarding the possible acquisition of a portion of Remainder Farm 387, Stellenbosch, refers. You would recall that you have indicated at the meeting that you would consider such transaction, but preferably on the basis of an exchange of land, i.e. that you would like to acquire Lease Farm 377A (or at least a portion thereof).

Following the above discussion, we have appointed two (2) independent valuers to determine the fair market value of the properties under consideration, i.e.:

- a) A portion of Remainder Farm 387, Stellenbosch, measuring approximately 1.4ha in extent; and
- b) Lease Farm 377A, Stellenbosch, measuring 9.42 ha in extent.

They valued the properties as follows:

Name of valuer	Lease Farm (9.42 ha)	Portion of Remainder Farm 387 (1.4 ha)
Cassie Gerber Property Valuer cc	R100 000.00/ha (Excluding of VAT)	R875 00/ha (Excluding of VAT)
Pendo Property Valuers	R159 235.67/ha (excluding of VAT)	R850 00*/ha (Excluding of VAT)
Value of property	R1 221 000.00	R1 207 500.00

Should the above be taken as the fair market value of the properties, it means that the properties are almost equal in value, and an exchange of land could therefor be considered.

Please find hereto attached copies of the valuation reports as well as an Offer to Purchase.



Should you agree to this, please sign the Offer to Purchase, whereafter we will attend to the subdivision and transfer of the land parcels.

I await your feedback on this regard.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Piet Smit', is written over a horizontal dotted line. The signature is stylized and includes a vertical line extending downwards from the end of the signature.

PIET SMIT
MANAGER: PROPERTY MANAGEMENT



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

Municipality - Munisipaliteit
Stellenbosch
25 APR 2018
Office of the Municipal Manager
Kantoor van die Munisipale Bestuurder

OFFER TO PURCHASE/EXCHANGE OF LAND AGREEMENT

Made and entered into by and between

STELLENBOSCH MUNICIPALITY

(Herein represented by **PETRUS DU PLESSIS SMIT**, in his capacity as Manager: Property Management, being duly authorised), hereinafter referred to as the **MUNICIPALITY**

And

VREDENHEIM (PTY) LTD

(Herein represented by Ekaab' Bezuidenhout, in his/her capacity as director, being duly authorised), hereinafter referred to as the **VREDENHEIM**

In relation to:

- a) A portion of Remainder Farm 387, Stellenbosch, measuring approximately 1.4ha in extent; and
- b) A portion of Lease Farm 377A, Stellenbosch, measuring approximately 9.42ha in extent.

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Adams

J. E. S.

ad
F. S.

PREAMBLE

WHEREAS VREDENHEIM is the owner of Remainder Farm 387, Stellenbosch;

WHEREAS the MUNICIPALITY is the owner of Lease Farm 377A, Stellenbosch;

WHEREAS the MUNICIPALITY has approach **VREDENHEIM** with the view of acquiring a portion of Remainder Farm 387, measuring approximately 1.4 ha in extent, to enable them to:-

- a) gain access to developments on Longlands and Digteby; and
- b) to develop the remainder portion with low-cost housing;

WHEREAS VREDENHEIM has indicated that they would consider such disposal to the **MUNICIPALITY**, but only on the basis on a exchange of land, that is for a portion of Lease Farm 377A, with more or less equal value, to be acquired by them;

WHEREAS the MUNICIPALITY has appointed two (2) independent valuers to advise them on the fair market value of the properties under consideration; and

WHEREAS the MUNICIPALITY would like to make a formal offer to **VREDENHEIM** to acquire a portion of Remainder Farm 387, Stellenbosch in exchange for a portion of Lease Farm 377A, Stellenbosch;

NOW THEREFOR the following offer is made:

1. Parties

- 1.1 The parties to this agreement are:
 - 1.1.1 Stellenbosch Municipality and
 - 1.1.2 Vredenheim (Pty) Ltd.

2. Definition and interpretations

In this contract, unless the context otherwise requires, the following terms have the following meanings assigned to them:

- 2.1 "*Seller*", in the relation to a portion of Remainder Farm 387, Stellenbosch means Vredenheim Estate (Pty) Ltd; and in relation to Lease Farm 377A, Stellenbosch means the Stellenbosch Municipality;
- 2.2 "*Purchaser*", in relation to apportion of Remainder Farm 387, Stellenbosch, means Stellenbosch Municipality; and in relation to Farm 377A, Stellenbosch, it means Vredenheim Estate (Pty) Ltd;
- 2.3 "*Properties*" means a portion of Remainder Farm 387, measuring approximately 1.4ha in extent, as shown on **APPENDIX 1** and Lease Farm 377A, Stellenbosch measuring approximately 9.42ha in extent, as shown on **APPENDIX 2**.
- 2.4 "*Date of occupation*" means the date of registration of transfer, or such other date that may be agreed upon between the parties
- 2.5 "*Acceptance date*" means a period which expires at 16:00 on the 21st day following the date of signature of this offer by **VREDENHEIM**, excluding the date of signature by the

Adams
 Digteby
 Wes

MUNICIPALITY, but including Saturdays, Sunday and Public Holidays, being the date and time by which **VREDEMHEIM** must accept the offer or it will lapse.

- 2.6 "The Contract" means the content of contract to be concluded between the parties following the acceptance by **VREDENHEIM** of this offer;
- 2.7 "MFMA" means the Local Government: Municipal Finance Management Act, No, 56 of 2003;
- 2.8 "Low Cost housing" means subsidised housing constructed with provincial funding to a standard not lower than the Digteby development;
- 2.9 The masculine gender included the feminine and neuter genders and *vice versa*
- 2.10 Words in the singular include the plural and *vice versa*; and
- 2.11 Headings are provided for reference purposes only and are not to be taken into account in the interpretation of any provision hereof.

3. PROPERTIES

- 3.1 The property to be acquired by the **MUNICIPALITY** is a portion of Remainder Farm 387, Stellenbosch, measuring approximately 1.4ha in extent; and
- 3.2 The property to be disposed of to **VREDENHEIM** is a portion of Lease Farm 377A, measuring approximately 9.42ha in extent; both properties still to be surveyed

4. OFFER

- 4.1 The **MUNICIPALITY** hereby offers to purchase the property, being a portion of Remainder Farm 387, Stellenbosch from **VREDENHEIM** for an amount of R852 500.00/ha; and
- 4.2 The **MUNICIPALITY** hereby offer to dispose of the property, being a portion of Lease Farm 377A, Stellenbosch, to **VREDENHEIM** at an amount of R129 617.83/ha.
- 4.3 It is specifically recorded that the final purchase prices will be determined once the properties has been surveyed and subdivided.
- 4.4 The sales prices of the properties will be set-off against each other; the owner of the property with the lowest rand value, based on the actual size of each property, will pay to the other party the difference in rand value on date of registration of such transfer to their name.
- 4.5 This offer is open for acceptance until 16:00 on the acceptance date, shall not be capable of withdrawal prior thereto and, if not accepted by such date, shall lapse.

5. POSSESSION AND OCCUPATION

5.1 Subject to the Purchaser:-

- 5.1.1 having paid all costs which the Purchaser is liable to pay in terms of this contract in order to take transfer, and
- 5.1.2 having signed all documents of transfer that may be required to be signed by the Seller's conveyance; and
- 5.1.3 not being in breach of any term of this contract,

the Purchaser shall be entitled to and shall be given occupation of the property on the date of occupation.

Handwritten signatures and initials at the bottom right of the page, including what appears to be 'Adams', 'J. Eby', and 'F. J. H.'.

- 5.2 The benefit, risk, profit and loss of the property shall pass to the Purchaser on occupation of transfer provided however that the liability for payment of rates and taxes and like charges levied upon and/or in respect of the property by the local authority having jurisdiction shall pass to the Purchaser on the date of registration of transfer.
- 5.3 The Purchaser shall reimburse the Seller for rates and taxes and other Imposts paid in advance upon the property beyond the date provided in 5.2
- 5.4 If the date of occupation precedes the date of transfer the Purchaser shall not be entitled to effect any changes, or improvements, to the Property before the date of transfer without the prior written consent of the Seller.
- 5.5 It is specifically recorded that no occupational interest will be payable by one party to the other.
- 6. TRANSFER COSTS**
- 6.1 The Purchaser shall be liable for all costs of transfer including Attorney's and Conveyance's charges, stamp and other duties, Deeds Office levies and all other charges and disbursements relating thereto and insofar as payable, VAT on all or any portion of the transfer costs and charges, and shall deposit such costs with the Seller's conveyance's upon demand but in any event by no later than the guarantee date.
- 7. TRANSFER OF THE PROPERTY**
- 7.1 The Seller shall transfer the property to the Purchaser within a reasonable time after the Purchaser has complied with all their obligations in terms of this contract. The **MUNICIPALITY'S** Conveyancers shall affect transfer of properties.
- 8. DEFINITIVE SALES AGREEMENTS TO BE CONCLUDED**
- 8.1 As soon as the respective properties have been surveyed and the parties have agreed on the exact sizes of the properties, the final purchase prices will be determined, based on the per square hectare prices set out in clause 4 of this agreement.
- 8.2 Following the determination referred to in paragraph 8.1, two (2) definitive Sales Agreements will be concluded by the parties for the respective properties.
- 8.3 The parties undertook to sign all such agreements and documents necessary to effect such transfers.
- 9. SPECIAL CONDITIONS**
- 9.1 The parties specifically agree on the following:
- 9.1.1 The **MUNICIPALITY** will not allow any squatting on the property acquired in terms of this agreement; it will only be used for the purpose of a low-cost housing development;
- 9.1.2 Following the successful development of the property **VREDENHEIM** will have the right of nominating three (3) beneficiaries for the project, insofar as they qualify for housing subsidy;

Adams
 J. E. B.
 R. S.
 F. W.

any financial shortfall will be for their account. Alternatively only serviced sites will be made available to them; and

9.1.3 With the development of the property the MUNICIPALITY will, at it's cost, erect a boundary fence on the Eastern boundary of the property, i.e. between the development and the river.

and maintain a cleavure or similar

10. **SUSPENSIVE CONDITIONS**

9.1.4 The provisions of clauses 9.1.3 and 2.8 are material conditions which goes to the root of the contract.

10.1 The parties agree that this agreement shall only take effect upon the fulfilment of the following suspensive conditions.

10.1.1 The Municipal Council of Stellenbosch must approve of the disposal of a portion of Lease Farm 377A to VREDENHEIM in terms of Section 14 of the MFMA; and

10.1.2 The sub-division of the properties referred to in par. 3 must be approved in terms of the relevant legislation.

11. **BREACH**

11.1 If a Party breaches a material provision of this agreement, and fails to remedy such breach within 10 days of the date of receipt of a written notice from the aggrieved Party requiring him to do so, the aggrieved Party will be entitled to any remedy available in law, without further notice, including the right of the Seller to:

11.1.1 Claim payment of the outstanding balance of the purchase price; or

11.1.2 cancel this agreement and keep all amounts paid by the Buyer as *roukoop* (damages), and the Buyer will not be entitled to compensation from the Seller for improvements he caused on the property, whether with or without the Seller's consent.

12. **MAGISTRATE'S COURT JURISDICTION**

Any action which a party may desire to institute for the enforcement of any right conferred by this agreement, may, at the option of the party instituting proceedings, be instituted in the Court of any Magistrate having jurisdiction in respect of the other party in terms of Section 28(1) of the Magistrate's Court Act, to the jurisdiction of which court all the parties hereto consent in terms of Section 45 of the said Act or of the provisions of any substituted or amended legislation.

13. **DOMICILIUM AND NOTICES**

13.1 For the purposes of any notices to be given to, or of any legal proceedings to be instituted the parties hereto hereby choose *domicilium citandi et executandi* as follows:

13.1.1 The **MUNICIPALITY**

Street Address:

The Civic Centre

Pleinstreet

Adams
ely
Adams

Adams
ely
Adams

Stellenbosch
7600
Postal address:
PO Box 17
Stellenbosch
7600

13.1.2 VREDENHEIM

PO Box 369..... and Vredenheim Farm
R310, Vlootenburg,
Stellenbosch
Stellenbosch
7600

13.2 Any notice in terms hereof may be delivered to the party to whom it is sent personally or by pre-paid registered post. In the event of the latter, the notice shall be deemed to have been received on the fourth day after posting of said notice to such party's chosen *domicilium citandi et executandi* unless earlier delivery is proved.

14. VOETSTOOTS

14.1 The Purchaser purchases the property to the extent such as it now lies "voetstoots" subject to such conditions and servitudes as are mentioned or referred to in the current Title Deeds or which have been imposed by law and which are otherwise of application thereto. The Seller shall not profit by any excess nor be answerable for any deficiency in the nature of extent of the property. The Seller, however, warrants and declares that it is not aware of any latent defects, material to this offer, in the property which have not been disclosed to the Purchaser.

15. DESCRIPTION OF BEACONS AND NO WARRANTY RE IMPROVEMENTS

15.1 If there is an error in the description of the property which is common to the parties such error shall not be binding on the parties who shall in such event be entitled to rectification hereof to describe the property as set out in the Seller's Title Deed.

15.2 The Seller shall not be required to indicate to the Purchaser the position of the beacons and/or pegs upon the land, and/or the boundaries thereof, nor shall the Seller be liable for the costs of location or relocating the same.

15.3 The Seller does not warrant that improvements erected on the property have been erected in accordance with approved building plans or those such improvements, generally comply with laws and regulations relating to such improvements.

16. WHOLE AGREEMENT

16.1 This contract constitutes the entire agreement between the parties and the parties who acknowledge that there have been no verbal warranties or representations other than such as are herein contained or referred to. Nothing at variance with the terms hereof shall be binding unless reduced to writing and signed by the parties or their representatives who shall in turn be properly authorized in writing. No waiver shall be of any force or effect unless in writing and signed by the party so waiving.

THUS DONE AND SIGNED at Stellenbosch on this the 18th day of April 2018
at 16:00 am/pm

AS WITNESSES

1. [Signature]
2. [Signature]

[Signature]
For and on behalf of the MUNICIPALITY

THUS DONE AND SIGNED at Stellenbosch on this the 03rd day of May 2018
at 12:00 am/pm

AS WITNESSES

1. [Signature]
2. [Signature]

[Signature]
For and on behalf of VREDENHEIM

N



Lease Farm 377A,
measuring 9.42 ha
377A

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Image © 2018 DigitalGlobe

Imagery Date: 10/29/2017

33°57'56.08" S 18°48'55.81" E elev 65 m eye alt

Google

Adam

[Handwritten signature]

[Handwritten signature]

Satellite



Area: 14137m² X

Adang

Edy

[Handwritten signature]

APPENDIX 7

WinDeed Database Deeds Office Property

windeed

A LexisNexis® Product

FARM 377, 377, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Date Requested 2018/05/04 12:33
 Deeds Office CAPE TOWN
 Information Source WINDEED DATABASE
 Reference -

**PROPERTY INFORMATION**

Property Type FARM
 Farm Name FARM 377
 Farm Number 377
 Portion Number 0 (REMAINING EXTENT)
 Local Authority STELLENBOSCH MUN
 Registration Division STELLENBOSCH RD
 Province WESTERN CAPE
 Diagram Deed STF5-34/9/1883
 Extent 78.6779H
 Previous Description -
 LPI Code C06700000000037700000

OWNER INFORMATION**Owner 1 of 2**

Type LOCAL AUTHORITY
 Name MUN STELLENBOSCH
 ID / Reg. Number -
 Title Deed STF5-34/1883
 Registration Date -
 Purchase Price (R) 0
 Purchase Date -
 Share 0.00
 Microfilm 2006 1881 1465
 Multiple Properties NO
 Multiple Owners NO

Owner 2 of 2

Type LOCAL AUTHORITY
 Name MUN STELLENBOSCH
 ID / Reg. Number -
 Title Deed T36696/2006
 Registration Date -
 Purchase Price (R) TRANSFER BY ENDO
 Purchase Date -
 Share 0.00
 Microfilm 2006 1869 1425
 Multiple Properties NO
 Multiple Owners NO

ENDORSEMENTS (4)

#	Document	Institution	Amount (R)	Microfilm
1	I-623/1957LG	-	UNKNOWN	-
2	K762/1999S	-	UNKNOWN	1999 0471 2241
3	VA5665/2006	MUN STELLENBOSCH	UNKNOWN	2006 1869 1399
4	FARM ST 377	-	UNKNOWN	1985 0071 1745

HISTORIC DOCUMENTS

No documents to display

DISCLAIMER

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APPENDIX 8

Printed: 2018/05/04 13:00

Deeds Office Property



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VLOTTENBURG, 387, 0 (REMAINING EXTENT) (CAPE TOWN)

GENERAL INFORMATION

Deeds Office CAPE TOWN
Date Requested 2018/05/04 13:00
Information Source DEEDS OFFICE
Reference -



PROPERTY INFORMATION

Property Type FARM
Farm Name VLOTTENBURG
Farm Number 387
Portion Number 0 (REMAINING EXTENT)
Local Authority WINELANDS DC
Registration Division STELLENBOSCH RD
Province WESTERN CAPE
Diagram Deed STQ4-3/1818
Extent 77.6355H
Previous Description -
LPI Code C0670000000038700000

OWNER INFORMATION

Owner 1 of 1

Company Type COMPANY
Name VREDENHEIM PTY LTD
Registration Number 199500737107
Title Deed T17126/2010
Registration Date 2010/04/16
Purchase Price (R) 110,083,034
Purchase Date 2008/09/04
Share
Microfilm Reference 2010 0074 0114
Multiple Properties NO
Multiple Owners NO

ENDORSEMENTS (8)

#	Document	Institution	Amount (R)	Microfilm
1	EX117/1987-4/3/87-48	723/1986T (WOP)	UNKNOWN	
2	EX56/2015	VREDENHEIM PTY LTD	UNKNOWN	
3	I-2620/2015C	-	UNKNOWN	
4	K687/2011S	-	UNKNOWN	
5	K71/1999L	KIRSTEN EIENDOMSTRUST	UNKNOWN	1999 0086 5342
6	FARM ST 387	-	UNKNOWN	1985 0071 1773
7	GEN PROCD NAT MONUME	NT 10/3/1976	UNKNOWN	
8	PTN'S OF ST RD 387(3	-12,14-29)	UNKNOWN	

HISTORIC DOCUMENTS (4)

#	Document	Owner	Amount (R)	Microfilm
1	EX87/2013	-	UNKNOWN	
2	EX115/2013	-	UNKNOWN	
3	T36614/1973	VREDENBURG BOERDERY BELANGE	UNKNOWN	1986 1232 0779
4	T48723/1986	VREDENBURGH LANDGOED PTY LTD	1,400,000	2010 0074 0115

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APPENDIX 9



STELLENBOSCH
STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNICIPALITY • UMASIPALA • MUNISIPALITEIT

OFFER TO PURCHASE

which constitutes a

DEED OF SALE

when accepted

ENTERED INTO BY AND BETWEEN

STELLENBOSCH MUNICIPALITY

herein duly represented by Petrus Du Plessis Smit in his capacity as Manager:
Property Management, being duly authorised

(hereinafter referred to as "the Purchaser")

and

VREDENHEIM (PTY) LTD

Herein duly represented by Elzabé Bezuidenhout, in her capacity as Director of the
company being duly authorised

(hereinafter referred to as "the Seller")

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1 RECORDAL

It is recorded that

- 1.1 the Seller is the registered and beneficial owner of Remainder Farm Vlottenburg No 387, Stellenbosch, in extent 77.6355 hectare (hereinafter referred to as "*the Farm*")
- 1.2 the Purchaser wishes to purchase a (un-subdivided) portion of Farm, 387 measuring $\pm 14137\text{m}^2$ in extent, as shown on **APPENDIX 1**. (hereinafter referred to as "*the Property*");
- 1.3 the Purchaser purchases and the Seller sells the Property on the terms and conditions contained herein.

2. CONDITIONS PRECEDENT

- 2.1 This Agreement is subject to the fulfilment of the following conditions precedent
 - 2.1.1 that by no later than 31 December 2018 the Stellenbosch Municipality Council passes a resolution authorising the acquisition of the Property on the terms and conditions set out herein;
 - 2.1.2 the consent and approval to the subdivision of the Farm into 2 portions, as set out hereinabove, by the Minister of Agriculture and/or any other relevant authority or entity be obtained, on such terms as are to the satisfaction confirmed in writing by both the Seller and the Purchaser, by no later than 31 December 2019
- 2.2 The conditions precedent will be fulfilled by not later than the dates set forth in clauses 2.1.1 and 2.1.2 above (or within such extended period as may be agreed to by the parties). In the event of all the aforesaid conditions precedent not being fulfilled by the due dates of fulfilment thereof, this Agreement shall be of no force or effect.
- 2.3 Should this Agreement become of no force or effect by virtue of the provisions of clauses 2.1.1 and 2.1.2 above, then the parties shall be restored, as near as may be possible, to the position in which they would have been had this Agreement not been entered into and no party shall have any claim against any other as a result of or arising out of the failure of the said conditions precedent, save for such damages as may be sustained as a consequence of a breach of the provisions of clause 2.4 below.
- 1.1 2.4 The parties shall use their best endeavours to procure the fulfilment of the said conditions precedent.

2.5 All costs of and incidental to the fulfillment of the conditions precedent referred to in clause 2.1.1 and 2.1.2 above shall be borne by the Purchaser.

3. PURCHASE PRICE

3.1 The purchase price payable by the Purchaser to the Seller for the Property is the sum of R1 207 500.00 (One million two hundred and seven thousand five hundred rand) exclusive of VAT. The purchase price is payable by the Purchaser free of exchange and without deduction or set off as follows:

3.1.1 The Purchaser must pay the Purchase Price to the conveyancer within 10 days of fulfilment of the Conditions Precedent or when the conveyancer requests payment thereof, whichever is the earlier.

3.1.2 The money will be paid into the trust account of the herein nominated Conveyancer (as defined in terms of clause 5.1 below) who is hereby authorised to invest the amount on behalf of the Purchaser in a separate interest bearing trust account, interest to accrue for the benefit of the Purchaser.

3.2 The Purchase Price shall be paid to the Seller against registration of transfer.

4. COST OF TRANSFER

4.1 The Purchaser shall on demand pay all transfer costs incurred in connection with the registration of transfer of the property, including but not limited to, Transfer Duty or VAT, whichever is applicable, the Conveyancer's fees and disbursements which amounts shall be paid immediately upon request of the Conveyancer.

4.2 The Seller shall pay his own bond cancellation costs or any costs associated thereto and/or incidental thereto, if applicable.

5. TRANSFER

5.1 Registration of transfer of the Property shall be passed by Yvette Cloete & Associates ("the Conveyancer"), and shall be given by the Seller and taken by the Purchaser as soon as judicially possible on condition that the Purchaser's obligations in terms hereof have been complied with.

5.2 Transfer shall be effected by the Conveyancer as soon as possible following the fulfilment of the conditions precedent contemplated in clause 2.1 above.



6. POSSESSION, RISK AND BENEFIT

Possession and vacant occupation of the Property shall be given to the Purchaser on registration of transfer from which date the Property shall be at the sole risk, loss or profit of the Purchaser.

7. RATES AND TAXES

The Purchaser shall as from and including the date of registration of transfer referred to in Clause 5 above be liable for the payment of all rates, taxes, levies, insurance premiums and other charges in respect of the Property and shall refund to the Seller any such monies which may have been paid in advance beyond such date, which refund shall be paid by the Purchaser to the Conveyancers upon their request.

8. VOETSTOOTS AND WARRANTY

8.1 Save for the warranties specified herein, the Property shall be sold voetstoots.

8.2 The Property is sold as described in the existing Title Deed(s) and diagram(s). The Seller shall not be liable for any deficiency in the extent which may be revealed on any re-survey, nor shall the Seller benefit by any surplus in such extent.

8.3 The Seller shall not be required to indicate to the Purchaser that the position of the beacons or pegs upon the property and/or boundaries thereof, nor shall the Seller be liable for the costs of locating same.

8.4 The Seller warrants to the Purchaser that as at date of transfer:

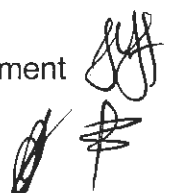
8.4.1 the Property shall not be subject to any servitude or any agreement of lease;

8.4.2 no person shall have any right of acquisition (including options, rights of pre-emption) in respect of the Property and nor will any person have any right to alienate, encumber or otherwise deal with the Property other than the Seller;

8.4.3 the Seller is the sole registered owner of the Property;

8.4.4 no builder's or other lien exists in regard to any part of the improvements on the Property;

8.4.5 the Seller has not prior to the date of execution of this agreement



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entered into any agreement/s with any third party/ies for the sale of the Property which have not been validly cancelled;

8.4.6 there is no litigation pending, whether at the instance of the Seller or any other interested party, in regards to the Property and there is no legal impediment to the sale of the Property to the Purchaser;

8.4.7 the Seller is not aware of any facts or circumstances which may give rise to any change in the present zoning of the Property;

8.4.8 no notice of expropriation of the Property has been received by the Seller nor is the Seller aware of any steps or proposals which may give rise to any such expropriation;

8.4.9 the Property is not subject to any servitude or other similar real rights not reflected in the title deed thereof;

8.4.10 the Seller shall not register or commit itself to the registration of any bonds, leases, servitudes or other encumbrances of whatsoever nature or description over the Property without the written consent of the Purchaser which consent shall not be unreasonably withheld;

8.4.11 no claim will lie in respect of the Property in terms of the restitution of Land Rights Act of 1994;

8.4.12 there is no existing informal settlement rights to the Property as provided for in the interim protection of informal Land Rights Act of 1996.

9. RECTIFICATION

If the Property is incorrectly described in this Agreement such fault shall not be binding on the parties and the parties shall be bound by the property description as set out in the Title Deed of the Property and the parties agree to the rectification of this Agreement to reflect the true intention of the parties.

10. BREACH

10.1 Should the Purchaser fail to pay any portion of the purchase price referred to in Clause 3 above or fail to comply with any other obligations imposed on it in terms of this Agreement on due date, and remain in default for a period of 10 (TEN) days after the date of delivery or despatch by prepaid registered post of a written notice requiring the Purchaser to make such payment or carry out the obligation in question, the Seller shall be entitled (in addition to and without prejudice to any other rights available to the Seller at law):

Handwritten signatures in black ink, appearing to be initials or names, located in the bottom right corner of the page.

7

10.1.1 to cancel the sale by registered post or e-mail addressed to the Purchaser and recover such damages as the Seller may be able to prove that the Seller has sustained, in which event the Seller shall be entitled to retain all amounts paid by the Purchaser until the actual amount of damages has been determined by a Court and thereupon to set-off such damages against the amounts retained; or

10.1.2 to enforce performance of the terms hereof including, without derogating from the generality hereof, payment of the full balance of the purchase price of all other amounts payable in terms hereof.

10.2 Should the Seller fail to comply with any terms and conditions of this Agreement on due date, and remain in default for a period of 10 (TEN) days after the date of delivery or despatch by prepaid registered post of a written notice demanding the Seller comply therewith the Purchaser shall be entitled (in addition to and without prejudice to any other rights available to the Purchaser at law):

10.2.1 to cancel the sale by registered post or e-mail addressed to the Seller and recover such damages as the Purchaser may be able to prove that the Purchaser has sustained; or

10.2.2 to enforce performance of the terms.

11. DOMICILIUM AND NOTICES

11.1 It is agreed by the parties that they each select their respective addresses, fax numbers and e-mail addresses set out hereinbelow as their respective *domicilia citandi et executandi* which shall be the address, fax numbers and e-mail addresses to which all notices or other documents arising out of or in connection with this Agreement may be sent and at which all processes be served.

11.1.1 STELLENBOSCH MUNICIPALITY:

Office of the Municipal Manager, 3rd Floor, Main Building, Plein Street, Stellenbosch

Tel: (021) 808 8025

E-Mail: mm@stellenbosch.gov.za

11.1.2 VREDENHEIM (PTY) LTD

.....

Tel

E-Mail:

- 11.2 It is specifically agreed that the parties may change their respective addresses, fax numbers and e-mail addresses by way of written notice to the other party provided that it may only be changed to a South African address or fax number and that it is not a post office box or poste restante.
- 11.3 Any notice given in terms of this Agreement shall be in writing and shall:
- 11.3.1 if delivered by hand be deemed to have been duly received by the addressee on the date of delivery:
 - 11.3.2 if posted by prepaid registered post be deemed to have been received by the addressee on the 8th (Eighth) day following the date of such posting;
 - 11.3.3 if given by telegram be deemed to have been received by the addressee 1 (One) day after despatch;
 - 11.3.4 if transmitted by telefax or facsimile be deemed to have been received by the addressee 1 (One) day after despatch;
- 11.4 Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one of the parties from another including by way of telefax, facsimile or e-mail transmission shall be adequate written notice or communication to such party.

12. GENERAL

- 12.1 The Purchaser and Seller shall expeditiously do all things necessary to fulfil the provisions herein and shall timeously sign documents as and when required including furnishing of guarantees if necessary.
- 12.2 This Agreement constitutes the whole agreement between the parties and no variation, waiver, cancellation, modification or alteration with the terms hereof including the provisions of this clause shall be valid and binding unless it is reduced to writing and signed by or on behalf of both of the parties.
- 12.3 No latitude, extension of time or other indulgence which any party may allow the other shall be deemed to be a waiver by the former of its rights to require the latter to comply with its obligations strictly in accordance with the provision of this Agreement.
- 12.4 In this Agreement, words importing the singular shall include the plural and vice versa, words importing the masculine gender shall include the feminine gender and words importing persons shall include bodies corporate.



13. JURISDICTION

The parties hereby consent in terms of Section 45 of the Magistrate's Court Act No 32 of 1944, or any amendment thereof, or any substituted legislation, that either party may, at its option, institute any legal proceedings howsoever arising from the provisions hereof, irrespective of the amount involved in any such proceedings, in the Magistrate's Court which has jurisdiction over the party against whom such proceedings are instituted in terms of Section 28 of the aforesaid Act provided that, notwithstanding the foregoing, any party shall have the right at its option, to institute any such proceedings in any other Court of competent jurisdiction.

14. EXPIRATION

The acceptance hereof by the Seller must be agreed upon before midnight on 31 August 2018, and until then is irrevocable by the Purchaser.

15. ACCEPTANCE

This Offer shall become a final and binding sale upon acceptance hereof by the Seller. Acceptance of this Offer by the Seller shall be effected by the Seller signing one copy of this agreement and before the date and time mentioned above, either handing such copy to the Purchaser or his authorised representative or else posting such copy to the Purchaser by prepaid registered post addressed to him at the address appearing beneath his name at the commencement hereof.

16. SEVERABILITY

Each of the provisions of this agreement shall be considered as separate terms and conditions and in the event that this agreement is affected by any legislation or any amendment thereto, or if the provisions herein contained are by virtue of that legislation or otherwise, held to be illegal, invalid, prohibited or unenforceable, then any such provisions shall be ineffective only to the extent of the illegality, invalidity, prohibition or unenforceability and each of the remaining provisions hereof shall remain in full force and effect as if the illegal, invalid, prohibited or enforceable provision was not a part hereof.



17. CONSUMER PROTECTION ACT

The Seller herein warrants that he or she is an ordinary Seller who does not sell property in the ordinary course of business. The Consumer Protection Act therefore does not apply to the sale of this property.

18. ENTIRE CONTRACT

The parties hereby agree that this agreement contains the entire contract and that no warranties or representations expressed or implied have been made other than as set out herein, and acknowledge that the practical and legal implications of this agreement have been explained to them in full and are acceptable to them.

19. SPECIAL CONDITIONS

19.1 The parties specifically agree on the following:

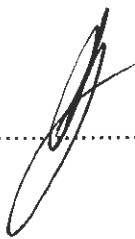
9.1.1 The Purchaser will not allow any squatting on the property acquired in terms of this agreement; it will only be used for the purpose of a low-cost housing development;

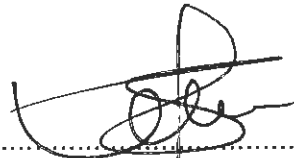
9.1.2 Following the successful development of the property the Seller will have the right of nominating three (3) beneficiaries for the project, insofar as they qualify for housing subsidy; any financial shortfall will be for their account. Alternatively only serviced sites will be made available to them; and

9.1.3 With the development of the property the Purchaser will, at its cost, erect and maintain a clearview or similar boundary fence on the Eastern boundary of the property, i.e. between the development and the river to safeguard children from the river.


SIGNED at Stellenbosch on the ¹¹31st day of July 2018.

AS WITNESSES:

1. 



.....
STELLENBOSCH MUNICIPALITY: PURCHASER
Duly represented by Petrus Du Plessis Smit in his capacity
as Manager: Property Management, duly authorised

2. 

SIGNED at on the day of July 2018.

AS WITNESSES:

1.....

.....

VREDENHEIM (PTY) LTD: SELLER
Duly represented by Elzabé Bezuidenhout
duly authorised.

2.....



Area: 14137m² X

Handwritten signature and initials in the bottom right corner.

From: Elzabe Bezuidenhout <elzabe@vredenheim.co.za>
Sent: 15 August 2018 12:42 PM
To: Geraldine Mettler; mm
Cc: Piet Smit
Subject: [EX] Grond ooreenkoms
Attachments: Untitled_03052018_115924.pdf

Goeiedag Me Mettler

U het seker reeds kennis geneem dat 'n kooptransaksie wat nie gekoppel is aan die ruil van grond, nie vir ons aanvaarbaar is nie.

Die getekende ooreenkoms tussen ons en die Munisipaliteit wat ek hierby aanheg, is dus steeds van krag. Die ooreenkoms is gesluit in terme van 'n besluit van 29 November 2017, in terme waarvan u 'n mandaat ontvang het om 'n ruiltransaksie met ons (Vredenheim) aan te gaan.

Ek het die aangeleentheid met my mede-Vredenheimers bespreek en ons versoek dat:

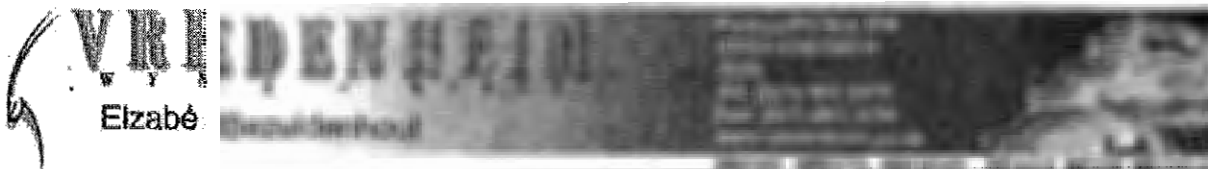
- a) Gehoor gegee moet word aan die getekende ooreenkoms tussen die partye (kopie hierby ingesluit);
- b) Indien enige ander stappe nog deur die Munisipaliteit geneem moet word, dit nou dringend geneem moet word. Soos ons dit sien, het die Raad reeds opdrag gegee en het u reeds die mandaat. Indien ons dit verkeerd interpreteer en dit weer na die Raad verwys moet word, versoek ons dat u dit sonder verwyl op die eersvolgende Raadsvergadering plaas vir bekragtiging.

Ons kan die aangeleentheid nie onbeperk laat aangaan nie, aangesien dit ons benadeel.

Uit Munisipale oogpunt ontsluit die transaksie talle voordele wat in aggeneem is met die besluit om die mandaat aan u te gee.

Ek verneem graag van u.

Groete
Elzabé



5.2.5	PROPOSAL ON APPOINTMENT OF TEMPORARY EMPLOYEES (RESTRUCTURING PROCESS)
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File No: 4/1/2
Collaborator No:
IDP KPA Ref No: Good Governance / Institutional Development
Meeting Date: 12 September 2018

1. SUBJECT: PROPOSAL ON THE APPOINTMENT OF TEMPORARY EMPLOYEES – RESTRUCTURING PROCESS

2. PURPOSE

To inform Council of the agreement reached by the trade unions and the employer on the appointment of temporary employees within the restructuring process.

3. DELEGATED AUTHORITY

The Municipal Manager appoints staff except the staff in terms of sections 56 and 57 of the Systems Act.

4. EXECUTIVE SUMMARY

Over the years temporary employees were appointed to perform functions in the organisation instead of filling permanent positions. Employees earning salaries above the threshold are excluded from the provisions of section 198B(3) of the Labour Relations Act. The Act also provides for exemptions, and the employer regards the appointment of temporary employees whilst we dealt with the restructuring process, as such an exemption. The employer has invested time and effort in the temporary employees and it would be a loss to the municipality if we do not try to retain the skills that have been developed.

The employer indicated at the start of the placement process that we will make a proposal on a process of how temporary employees, who adhere to certain criteria, can be appointed without a recruitment and selection process. The employer tabled the proposal at the LLF, and after consultation, reached agreement with the unions on the guidelines of the appointment of temporary employees without following the normal recruitment processes.

The temporary employees not complying with all the criteria can apply for the positions they are currently temporary appointed in, when the posts are advertised.

5. RECOMMENDATION

that Council notes the guidelines that will be used to appoint temporary employees in the restructuring process.

6. DISCUSSION / CONTENTS

6.1 Background

Over the years temporary employees were appointed to perform functions in the organisation instead of filling permanent positions. When recruiting permanent employees the recruitment and selection policy applies.

6.2 Discussion

Employees earning salaries above the threshold are excluded from the provisions of section 198B(3) of the Labour Relations Act. The Act also provides for exemptions, and the employer regards the appointment of temporary employees whilst we dealt with the restructuring process, as such an exemption. The employer has invested time and effort in the temporary employees and it would be a loss to the municipality if we do not try to retain the skills that have been developed.

The employer indicated at the start of the placement process that we will make a proposal on a process of how temporary employees, who adhere to certain criteria, can be appointed without a recruitment and selection process. The employer tabled the proposal at the LLF, and after consultation, reached agreement with the unions (SAMWU and IMATU) on the guidelines of the appointment of temporary employees without following the normal recruitment processes.

The temporary employees not complying with all the criteria can apply for the positions they are currently temporary appointed in, when the posts are advertised.

6.3 Financial Implications

As per the approved budget.

6.4 Legal Implications

The Municipal Manager appoints staff except the staff in terms of sections 56 and 57 of the Systems Act.

Section 66(3) of the Local Government: Municipal Systems Amendment Act 7 of 2011 prescribes the following:

"No person may be employed in a municipality unless the post to which he or she is appointed is provided for in a staff establishment of that municipality".

Section 198B of the Labour Relations Act confers rights onto employees employed in a temporary position for longer than three months, unless the employee earns more than the threshold or there is an exemption applicable.

The recommendation complies with legislation.

6.5 Staff Implications

Temporary employees being placed in appropriate permanent posts on the new staff structure.

6.6 Previous / Relevant Council Resolutions:

None

LLF resolution 29 May 2018:

"That the Municipal Manager accepts the proposal".

6.7 Risk Implications

Employees may declare disputes.

6.8 Comments from Senior Management:

Comments from the Management Team solicited at a Management meeting have been incorporated.

ANNEXURES

Annexure 1: PROPOSAL ON APPOINTMENT OF CERTAIN TEMPORARY EMPLOYEES DURING THE RESTRUCTURING PROCESS.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Annelene de Beer
<i>POSITION</i>	<i>Director: Corporate Services</i>
<i>DIRECTORATE</i>	<i>Corporate Services</i>
<i>CONTACT NUMBERS</i>	<i>021-808 8106</i>
<i>E-MAIL ADDRESS</i>	Annalene.deBeer@Stellenbosch.gov.za
<i>REPORT DATE</i>	<i>2018-09-06</i>

ANNEXURE 1



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

PROPOSAL ON APPOINTMENT OF CERTAIN TEMPORARY EMPLOYEES DURING THE RESTRUCTURING PROCESS.

Background:

Stellenbosch Municipality employed temporary staff in positions prior to the new structure that was accepted in October 2017 to ensure service delivery and for a number of other reasons.

The Municipality started with a restructuring process that led to the acceptance of a new organizational structure on 25 October 2017.

The employer also approved a placement process and in accordance with the guidelines consulted with the unions placements will provide certainty to permanent employees whose positions have no change or minor changes. Employees with major changes to their posts or whose posts have been taken off the in the new structure will be offered suitable alternative positions where at all possible.

The employer indicated from the start that these processes should not hamper the filling of critical positions and some of these positions have been filled or are in the process of being filled.

Stellenbosch Municipality has however employed a number of temporary employees in vacant positions which positions also exists on the new organogram. The employer recognizes that most of these employees on temporary contracts did not go through any or a thorough recruitment and selection process. They have however over the years gained valuable experience and their contribution in the service delivery chain is recognized.

Qualification for permanent employment:

Management deliberated on the matter and wants to make the following proposal to in regard to the permanent employment of temporary employees:

All employees

1. Who have been temporary employed on fixed terms contract(s) continuously for 2 years or more 01 February 2018 (contract fixed term and not linked to project or EPWP); and

2. In a position that can be regarded as minor or no change on the new structure; and
3. The position that exists of the approved structure is vacant; and
4. The employee adhere to the minimum requirements of the post; and
5. The employee has not retired from service of Stellenbosch or any other municipality or its predecessors before the temporary contract was entered into; and
6. The post is not needed to accommodate an employee in the pool; and
7. The Director of the employee confirms that the employee has provided satisfactory work and has a good work record
 - a. Proof of attendance record, disciplinary record and leave record must be taken into account
 - b. Proof must be provided by the employer that action was taken on non-satisfactory work.¹;
8. The process not to start before alternative positions have been identified for employees in the Pool².

May be offered the permanent position on the new approved organogram.

Such appointment will at the T-Grade to be determined through TASK evaluation based on the functions of the post. An interim salary offer based on the minimum of the scale that is the norm for the position will act as a guideline and will be subject to the evaluation.

This proposal does not apply to:

- a) any temporary employees appointed from 1 February 2018 or any future temporary employees.
- b) any employees who are attached to projects aimed at job creation.
- c) positions who are linked to seasonal work.
- d) positions of the political staff that are linked to the term of the political incumbent.

After approval of this policy by the LLF temporary appointments in vacant permanent positions may only be made if consulted with the Unions. The following matters must be indicated during the consultation:

- Time-period needed of temporary employee
- Reasons for temporary appointment
- No family/ close friends in same unit/section

Notes:

Nepotism policy link

List of positions where employees work that will qualify to be submitted to unions :

¹ Proof of satisfactory attendance must be available on request by the union

² A reasonable alternative offer to an employee will satisfy this requirement

5.3	ECONOMIC DEVELOPMENT AND PLANNING: (PC: ALD JP SERDYN (MS))
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NONE

5.4	FINANCIAL SERVICES: (PC: CLLR S PETERS)
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5.4.1	MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR AUGUST 2018
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Collaborator No:

File No:

8/1

BUDGET KPA Ref No:

Good Governance and Compliance

Meeting Date:

12 September 2018

1. SUBJECT: MONTHLY FINANCIAL STATUTORY REPORTING: DEVIATIONS FOR AUGUST 2018

2. PURPOSE

To comply with Regulation 36(2) of the Municipal Supply Chain Management Regulations and Section 4.36.2 of the Supply Chain Management Policy 2017/2018 to report the deviations and ratifications to Council.

3. DELEGATED AUTHORITY

Noted by Municipal Council.

4. RECOMMENDATION

that Council notes the deviations and ratifications as listed for August 2018.

5. DISCUSSION / CONTENTS

5.1 Background/ Legislative Framework

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may allow the accounting officer—

(a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—

(i) in an emergency;

- (ii) if such goods or services are produced or available from a single provider only;
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
- (iv) acquisition of animals for zoos; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
- (b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.
- (2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

5.2 Discussion

Reporting the deviations as approved by the Accounting Officer for August 2018. The following deviations were approved with the reasons as indicated below:

DEVIATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE (R)
D/SM 04/19	07/08/2019	JVZ Construction	B/SM 04 Bulk water supply lines, pump stations and reservoir for the Dwarsrivier valley area (Pniel, Johannesdal and Kylemore)	<ul style="list-style-type: none"> Exceptional case and it is impractical or impossible to follow the official procurement process 	JVZ Construction is currently the appointed contractor on site and performing project related tasks. It will be impractical to appoint another contractor to complete the additional work	R 3 445 713.20
D/SM 05/19	09/08/2019	Liquid Telecom	Appointment of Liquid Telecom for the provision of voice services for a period not exceeding 6 months starting from 01 July 2018 - 31 December 2018	<ul style="list-style-type: none"> Exceptional case and it is impractical or impossible to follow the official procurement process 	<p>Stellenbosch Municipality approached Telkom SA SOC on the basis of sole provider and preferred bidder for the required pure PRI service to conduct a needs analysis and site visit. Based on the needs analysis, a proposal was submitted by Telkom SA SOC for a voice service solution that is highly configurable and scalable solution and that will deliver tailored PABX capabilities and features to individual end users through feature packages that are closely aligned to the requirements of the Stellenbosch Municipality.</p> <p>Upon enquiry about delivery and implementation timelines of the proposed solution above, on the 6th June 2018, Telkom SA SOC provided us</p>	R 515 959.60

					<p>with a formal letter stating that the required voice services for the Stellenbosch Municipality including t-carrier grade links between the Main office in Stellenbosch, Pniel and Franschoek will most likely take between 3 to 6 months to implement subject to onsite feasibility study and network installation.</p> <p>It is rather impractical under the current circumstances to go out on a normal procurement process. It is recommended that a contract is concluded for a period of six (6) months with Liquid Telecom to bridge the time for implementation of the preferred bidder process.</p>	
D/SM 06/19	07/08/2019	Interwaste Environmental Solutions	Operations and management of the Devon Valley Landfill site	<ul style="list-style-type: none"> • Exceptional case and it is impractical or impossible to follow the official procurement process 	<p>The Devon Valley Landfill site is still not in a position to follow the formal tender process, as the MSA 78(3) process is still not finalised. A service provider, JPCE has in the interim been appointed to finalise this process (anticipated to be 3 months). However, the current landfill remaining airspace is estimated at 11 months, and it is thus unreasonable to go through a formal tender process for such a short duration at the completion of the S78(3) process. The municipality is currently engaged in a process with Eskom to relocated overhead cables, which will unlock an estimated 18 years of landfill airspace, and when the new cells are developed, Stellenbosch Municipality will be better placed to go on a long-term tender process for the operation and management of the new cells.</p>	R 7 838 976.00
D/SM 07/19	03/08/2019	Resource Innovations	Collection of recyclables from appointed areas within the Stellenbosch municipal areas and the processing thereof at the mini-MRF situated in Adam Tas Road,	<ul style="list-style-type: none"> • Exceptional case and it is impractical or impossible to follow the official procurement process 	<p>The construction of the Material Recovery Facility (MRF) and Drop-off facility for Stellenbosch will commence and possibly be completed in the 2018/19 financial year. This will render the current mini-MRF site to be within a construction zone and it is therefore not practical to follow a formal tender process whilst construction is in progress.</p>	R 1 780 669.20

D/SM 08/19	03/08/2018	Aurecon Consulting Engineers	Aurecon - Klapmuts Taxi rank R 526 763,26	<ul style="list-style-type: none"> • Exceptional case and it is impractical or impossible to follow the procurement process 		R 526 081.89
D/SM 09/19	07/08/2019	Naele's Hydraulics	Urgent repairs of Wemmershoek Wastewater Treatment Plant Hydraulic pack unit	<ul style="list-style-type: none"> • Emergency • Exceptional case and it impractical or impossible to follow the official procurement processes. 	At time of contacting the service provider Stellenbosch municipality was under the impression the hydraulic unit was still under warranty as it was completely refurbished by Naele's Hydraulics' late last year	R 29 321.26
D/SM 11/19	01/08/2019	Sowerby Engineering WEC Projects	WH WWTW - Repair Roots RAM 400XLB Blower CL4665	<ul style="list-style-type: none"> • Emergency • Exceptional case and it impractical or impossible to follow the official procurement processes 	Sowerby Engineering Services (Pty) Ltd is the sole suppliers and distributor of dresser and Howden Roots Air Blow for the Sub Saharan African for the past 46 years and they installed and repaired it.	R 77 780.25 R 96 907.05 R 104 687.30
D/SM 15/19	22/08/2019	TSU Protection Services	Amendment of appointment of TSU Protection Services to prevent invasion of municipal land	<ul style="list-style-type: none"> • Emergency • Exceptional case and it impractical or impossible to follow the official procurement processes 	Evidence of illegal land invasion has necessitated the municipality to take immediate steps to address the occupying of municipal land in WC024 area of Stellenbosch and more specifically the informal areas such as Kayamandi, Klapmuts, Langrug area, etc. The appointment of TSU Protection Services is from a specialized tactical force team whom has the necessary skills and specialized resources to effectively deal with the situation at hand and to prevent further invasion of municipal land. TSU Protection Services has been recommended by the South African Police Services as they have on a regular basis assisted SAPS successfully in managing and prohibiting illegal land invasion. Their team members are registered peace officers, and as such minimize the risk factors for Stellenbosch Municipality.	R 932 650.00

The following ratification(s) were approved with the reasons as indicated below:

RATIFICATION NUMBER	CONTRACT DATE	NAME OF CONTRACTOR	CONTRACT DESCRIPTION	REASON	SUBSTANTIATION WHY SCM PROCESS COULD NOT BE FOLLOWED	TOTAL CONTRACT PRICE R
R/SM 01/19	07/08/2018	Orrie, Welby-Solomon & Associates	Orrie, Welby-Solomon & Associates - Bergzicht Taxi Rank for R 225 806,93	4.36.1(b) to ratify any minor breaches of the procurement processes	The nature of the breach was purely technical, not impacting in any way on the essential fairness, equity, transparency. OWS had demonstrated best value for money, when compared to other service providers, and had continued by default, rendering a consultancy service fulfilling all obligations stated in the FQ Letter of Appointment. The consultancy fees, including amounts in excess of R165 00 are based on the provisions stipulated in the FQ and letter of appointment, ensuring for money and essential and fair consulting.	R 225 806.93
R/SM 02/19	07/08/2019	CBI Electric	CBI Electric - R 75 879,05	4.36.1(b) to ratify any minor breaches of the procurement processes	The construction phase for the upgrading and realignment of Marais Street, between Merriman Circle and Van Riebieck Street, was implemented between 2014 and 2016. During this period, an electrical cable had incurred damage, resulting in a blackout, CBI was called out to undertake emergency repairs The nature of the breach is it therefore purely technical and has arisen from a need to provide essential services	R 75 879.05

5.3 Legal Implications

The regulation applicable is as follows:

GNR.868 of 30 May 2005: Municipal Supply Chain Management Regulations

Deviation from and ratification of minor breaches of, procurement processes

36. (1) A supply chain management policy may allow the accounting officer—

- (a) To **dispense with the official procurement processes** established by the policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only—
 - (i) in an emergency;
 - (ii) if such goods or services are produced or available from a single provider only;
 - (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - (iv) acquisition of animals for zoos; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) to ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of sub regulation (1) (a) and (b) and **report them to the next meeting of the council**, or board of directors in the case of a municipal entity, and include as a note to the annual financial statements.

5.4 **Staff Implications**

Not staff implications

5.5 **Previous / Relevant Council Resolutions:**

None.

5.6 **Risk Implications**

That the market might not be tested. The measures in place to deal with deviations mitigate the risk to an acceptable level. The Auditor-General also audits the deviations during the yearly audit.

6. **Comments from Senior Management:**

The item was not circulated for comment except to the Municipal Manager.

6.1 **Acting Municipal Manager**

Supports the recommendations.

FOR FURTHER DETAILS CONTACT:

<i>NAME</i>	Marius Wüst
<i>POSITION</i>	<i>CFO</i>
<i>DIRECTORATE</i>	<i>Finance</i>
<i>CONTACT NUMBERS</i>	<i>021 808 8528</i>
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<i>REPORT DATE</i>	<i>06 September 2018</i>

5.5	HUMAN SETTLEMENTS: (PC: CLLR PW BISCOBE)
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NONE

5.6	INFRASTRUCTURE: (PC: CLLR J DE VILLIERS)
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NONE

5.7	PARKS, OPEN SPACES AND ENVIRONMENT: (PC: CLLR N JINDELA)
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NONE

5.8	PROTECTION SERVICES: (PC: CLLR Q SMIT)
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NONE

5.9	YOUTH, SPORT AND CULTURE: (PC: XL MDEMKA (MS))
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NONE

6.	REPORTS SUBMITTED BY THE MUNICIPAL MANAGER
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NONE

7.	REPORTS SUBMITTED BY THE EXECUTIVE MAYOR
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NONE

8.	MOTIONS AND QUESTIONS RECEIVED BY THE MUNICIPAL MANAGER
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NONE

9.	URGENT MATTERS
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10.	MATTERS TO BE CONSIDERED IN-COMMITTEE
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NONE