

CALL FOR PROPOSALS

DUBE CITY

OVERVIEW

A unique opportunity exists for property developers and tenants within a 12 hectare commercial property development at Dube City, adjacent to King Shaka International Airport, Durban.



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Dube TradePort Corporation Profile

Dube TradePort Corporation, operator of Dube TradePort Industrial Development Zone

Dube TradePort Corporation, a business entity of the KwaZulu-Natal Provincial Government, is charged with the responsibility to develop the province's biggest infrastructural project. Considered one of South Africa's top 10 investment opportunities, this recently named Industrial Development Zone (IDZ) is geared to promote foreign and local investment.

Strategically located 30km north of the important coastal city of Durban, in KwaZulu-Natal, on South Africa's eastern seaboard. This 2 840 hectare development is home to the state-of-the-art King Shaka International Airport and is ideally positioned 30 minutes from Durban, Africa's busiest general cargo port and home to one of the largest and busiest container terminals in the Southern Hemisphere, and 90 minutes from Richards Bay Harbour, which on average has a throughput of over 80 million tonnes annually, representing an impressive 60% of South Africa's total seaborne cargo.

Dube TradePort takes advantage of its prime location as the only facility in Africa combining an international airport, dedicated cargo terminal, warehousing, offices, retail, hotels and agriculture.

Dube TradePort, a highly competitive business-operating environment, forms the heart of an emerging aerotropolis. The first purpose-built aerotropolis in Africa and destined to become a premier business and trade hub, its coastal location makes logistics a cost-effective proposition.

Dube TradePort's air logistics platform together with burgeoning seaport infrastructure, access to numerous global destinations and linkages to SADC countries, combine to position KwaZulu-Natal as a key business point in South and Southern Africa.

Dube TradePort Corporation Profile - continued



Dube TradePort comprises a world-class passenger and airfreight hub and is surrounded by development zones, namely:

- **Dube Cargo Terminal:** A state-of-the-art cargo facility, purpose-built to be the most secure in Africa. With digital tracking and secure cargo flow through on-site statutory bodies, Dube Cargo Terminal prides itself on 0% cargo loss since inception in 2010.
- **Dube TradeZone:** A 77 hectares growing to 300 hectares of specialised, prime and fully-services industrial estate within Dube TradePort IDZ. In close proximity to Dube Cargo Terminal, this zone is ideally positioned for new-generation warehousing, manufacturing, assembling, air-related cargo distribution and more.
- **Dube City:** 12 hectares of premium office, retail and hospitality space - all located in an ultra-modern urban 'green' hub just 3 minutes from the passenger terminal.
- **Dube AgriZone:** Part of Dube TradePort IDZ, this zone provides world-class facilities and technical support for propagating, growing, packing and distributing high-value perishables and horticultural products through an efficient supply chain.
- **Dube iConnect:** All these zones are supported by Dube iConnect, the precinct's dedicated IT and telecommunications provider and KZN's only locally-hosted cloud service, making it the premier offering for regional data recovery.

Dube City - The Opportunity



A unique opportunity exists for property developers, tenants and operators through the launch of sites and development opportunities at Dube City, adjacent to King Shaka International Airport 30km north of Durban.

Dube City is the first purpose built planned aviation-related city in Africa and forms an integral part of the Dube TradePort aerotropolis.

Dube TradePort's own headquarters, 29° South, is situated in the heart of Dube City. It sets the standard for a minimum 4-star green rating by the Green Building Council of South Africa. Already established on the ground floor of 29° South is Latitude Conference Centre and Chill@ restaurant.

Dube City, currently in its first phase of development, comprises a 12-hectare site, increasing to 24 hectares on completion. Land use has been planned to include a mix of hotel, conference, entertainment, retail and knowledge-intensive companies and company head offices,

The whole site is fully reticulated with fiber-optic cabling that delivers unparalleled voice and data connectivity to businesses operating in the building. Together with fully reticulated fibre-optic cabling to deliver unparalleled voice and data connectivity.

All stands are level, fully-serviced and are competitively priced to attract development. Sites are available on long-term leases, of 49 years with a right to renew for another 49 years. Options to lease current and future premises are also available.

Dube City provides a secure world class business and trade environment, with direct links to the port of Durban and the CBD, the passenger terminal, Dube Cargo Terminal, Dube AgriZone and Dube. It enables international and domestic business activity.

The ultimate development of Dube City will consist of approximately 220,000m² of bulk. Approximately 5735 parking bays are required to support the development, of which 3884 will be provided in parkades. Developers are required to provide for parking on site as per the Dube City Urban Design Framework.

The remainder of the necessary parking will be accommodated in external parking garages and where necessary, in internal courtyards between specific buildings. A limited amount of street parking will be provided in phase 1 along the vehicular boulevard.

Summary of the Proposal Call Process

Dube TradePort Corporation (DTPC), as the Master Developer, invites interested parties to submit proposals for:

- the long-term lease and development of sites within Dube City
- leasing and operation of DTPC current and future developments for up-market retail, office and hotel developments.

The process seeks to elicit innovative proposals from property developers, tenants and operators who provide competitive financial offers, and meet the Master Developer's clearly defined objectives.

Developers will conclude development agreements and lease sites from the Master Developer through long-term notarial leases. They will be required to develop the sites allocated to them at their cost, in line with their development proposal or as otherwise agreed, and must do so within specified time frames.

Tenants and Operators will conclude Final Lease agreements. They will be required to lease/operate the premises allocated to them at their cost, in line with their proposal or as otherwise agreed, and must do so within specified time frames.

Developers and tenants will be required to comply with the Master Developer's Commercial Policy, Development Framework Plan for the Dube TradePort site, Precinct Plan, Tenant and Rental Policy, Development Manual, Urban Design Framework and Urban Design Guidelines and Rules for Dube City.

The proposal call process will involve 6 stages:

In **stage 1** the proposal call is issued.

In **stage 2** the developer/tenant will submit a preliminary proposal.

In **stage 3** the Master Developer and Developer/tenant conclude a Memorandum of Agreement to take the process forward.

In **stage 4** the developer/tenant submits its final detailed proposal. Proposals will be evaluated on a commercial basis, with an emphasis on market-related value for money. These will form the Master Developer's initial point of reference, and proposals will be specifically assessed against the Development Framework plan and Master Developer's criteria. There is no closing date for the submission of proposals; however as a general rule proposals will be assessed on a "first come – first served" basis.

Proposals will be assessed by DTPC and in **stage 5** DTPC commences negotiations with developers/tenants who have submitted suitable proposals. DTPC, however, reserves the right to enter into negotiations with, and to accept any proposal from any developer/tenant that offers the best commercial terms, and best achieves DTPC's

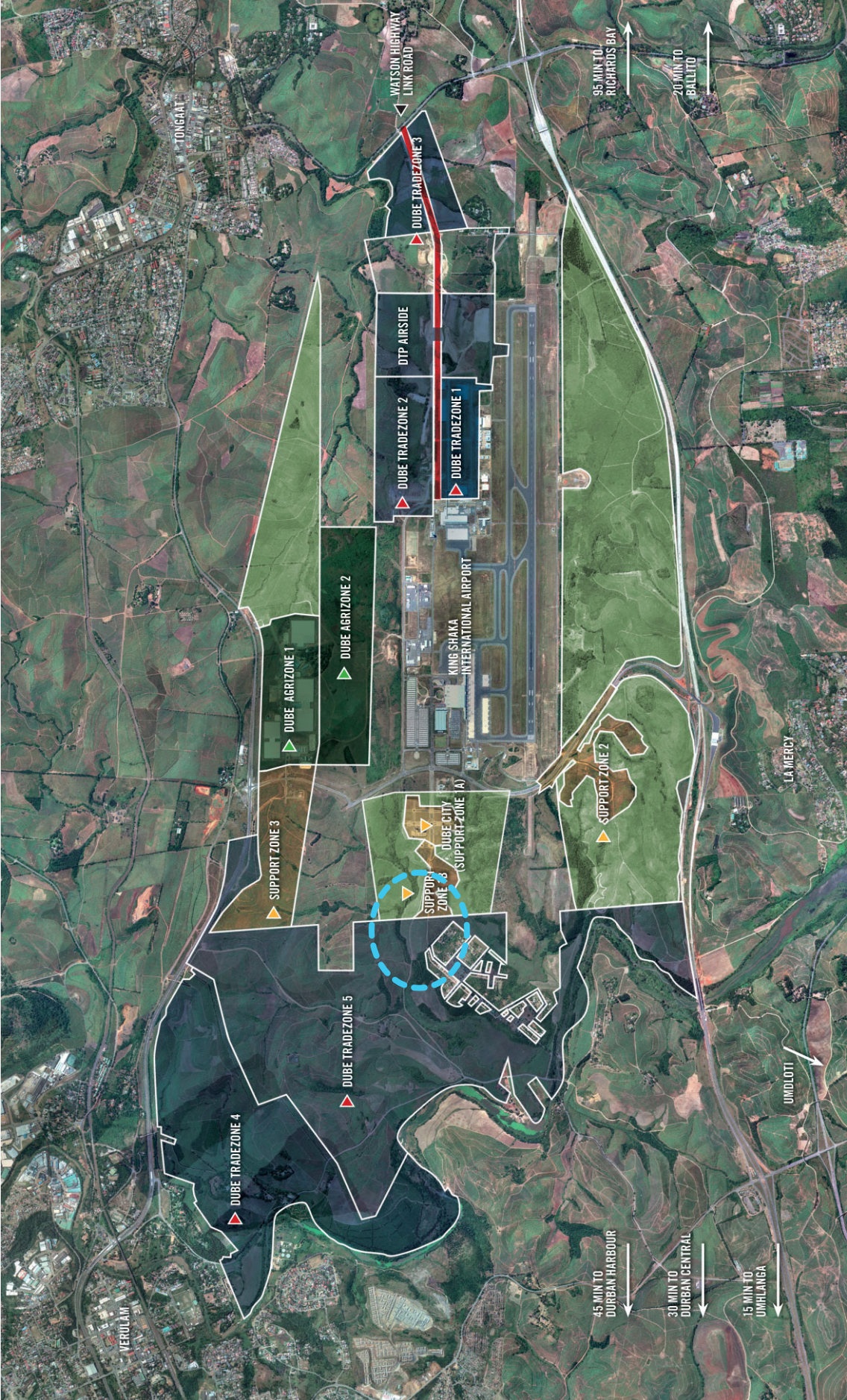
development framework and vision for the Dube City. During stage 5 the relevant development agreements and leases are finalised. Then the business concept and plans are reviewed and approved by the Dube TradePort Design and Review Panel. The developer is then able to submit to plans to the municipality.

In **stage 6**, once the above is complete, the developer may commence with the construction phase, which must be commenced and completed within the agreed upon period and where applicable the tenant/operator can commence operations.

The Master Developer reserves the right to:

- Accept or reject any proposal;
- Cancel this process;
- Reject all proposals at any time prior to the conclusion of any binding property transaction without incurring any liability to any party;
- Shorten the process where it deems appropriate.

Dube TradePort Master Plan



Phased Release of Dube City

The Master Developer is releasing sites on a phased basis. This call for proposals is for phase 1 of Dube City.

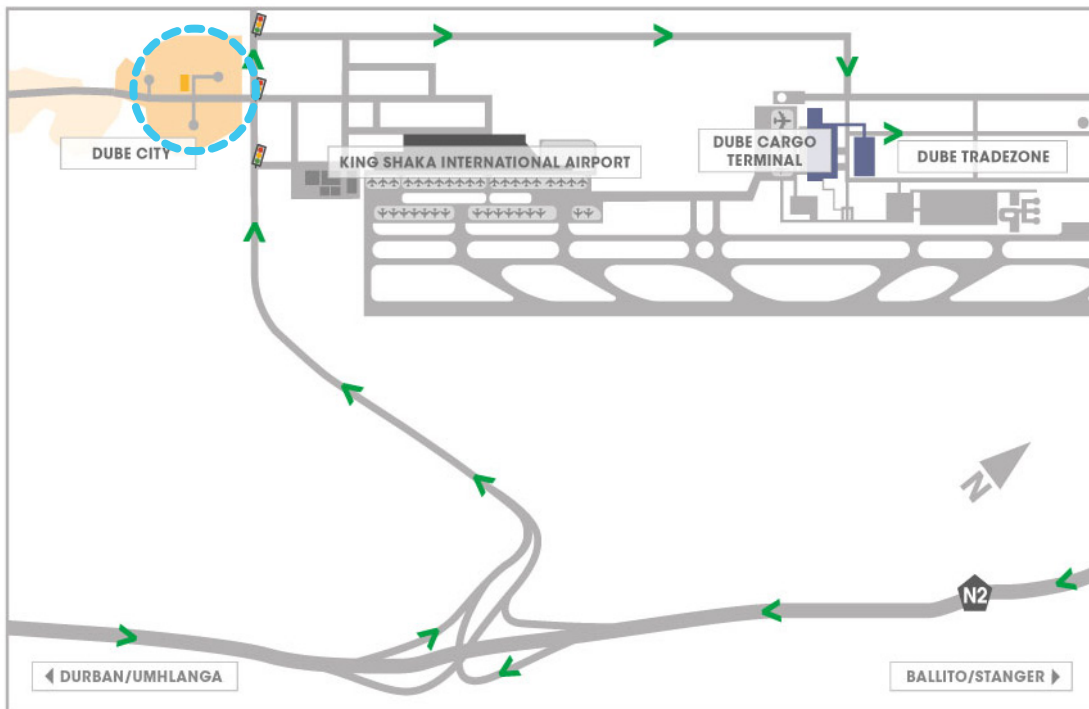
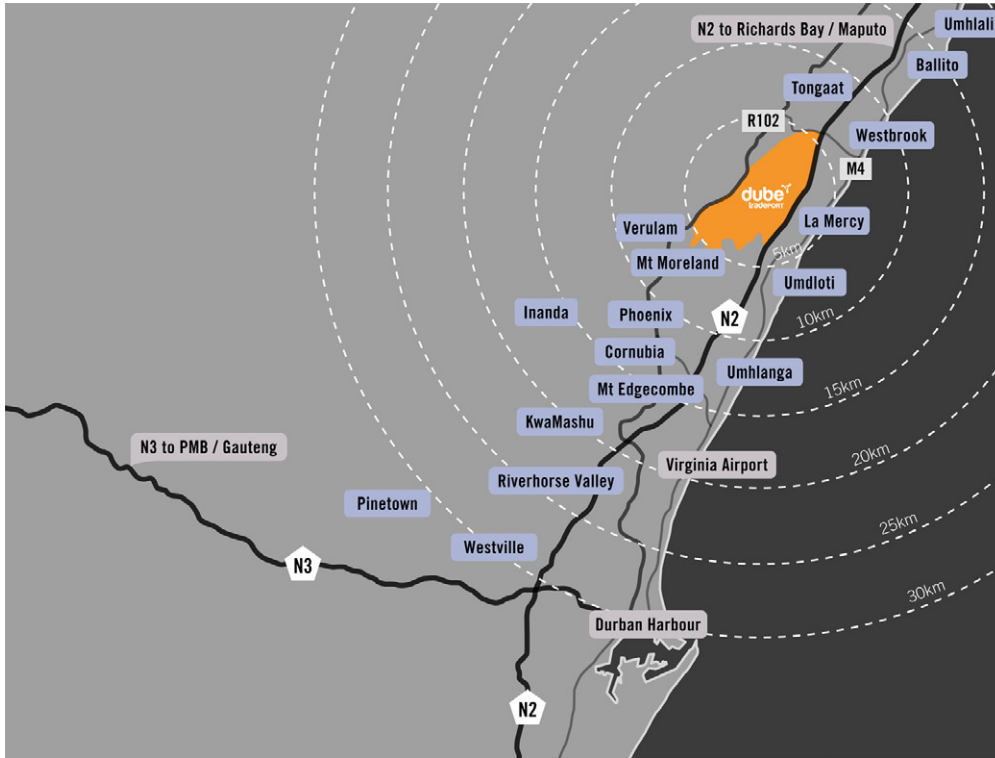
	Proposed storeys once zoning has been amended	Site area (m ²)	Full masterplan bulk	Current bulk
Parking				
A	7	8,148	-	-
B	7	4,104	-	-
J1	7	1,938	-	-
Parking Total		14,190	-	-
Buildings				
C	4	7,038	17,097	9,262
D	6 and 13	8,995	37,653	20,397
E	4	8,017	19,754	10,701
F	6 and 9	16,077	47,650	25,812
H	6 and 9	12,927	51,096	27,679
I	4	6,185	14,621	7,920
J2	4	1,910	5,039	2,730
K	6, 9 and 13	5,105	28,612	15,499
Building Total		66,254	221,522	120,000
Overall Total		80,444	221,522	120,000

Subject to change and ongoing review.



Location of Dube City

Dube City is located with Dube TradePort in La Mercy, approximately 30 kilometers



Directions

- From Umhlanga: Head North on the N2 towards Stanger/Ballito
- Or From Ballito: Head South on the N2 towards Umhlanga
 - Take exit 195 towards M65/Dube TradePort/King Shaka International Airport
 - Turn right at the third traffic lights to Dube TradeZone
 - Take the first left to Dube TradeZone

Urban Design Vision - An Overview

Architecture should be of an international standard and should comply with guidelines designed to ensure that the built environment is distinctive in its quality, responsive to the sub-tropical character and climate of Durban and the coast. The guidelines are intended to establish a cohesive, legible and identifiable precinct.

Dube City is structured around vehicular and pedestrian movement systems that link it to the Airport Terminal and, in the long term, to Mount Moreland. Internally the precinct prioritizes pedestrian movement and activity.

Buildings shall clearly define and shape open spaces and streets, and create a compact human scaled "urban" feel and vibrant ground floor level, particularly along the pedestrian boulevard.

Development in the precinct is to be integrated with the broader Dube TradePort and the Airport site. Urban form adjacent to the Dube TradePort open space system is to be of a massing and design that will be sensitive to the natural character of the open space system.

The platform for Dube City has been levelled and serviced.

The three proposed parkades are indicated as a, b and j1 in the figure on page 10. The proposed land use is indicated on page 11. In principle the Master Developer wishes to concentrate density and height around the pedestrian and vehicular boulevard.



Dube City Layout

- Parking (a, b)
- 29° South - DTPC Head Office (f)
- Integrative Hotel/Retail/Offices (d)
DTPC/Eureka Capital SA
20 397 m² bulk
- Data Centre/Innovation Hub (f)
12 000 m² bulk
- Offices/Retail (c)
9 262 m² bulk
- Offices/Retail (f)
5 000 m² bulk
- Corporate Offices/Entertainment (e)
10 701 m² bulk
- ACSA

This bulk allocation has the potential to be increased, as per the 60-year masterplan.



Land Uses

When formulating their proposals developers may also consider land uses that link generally and consistently to airports such as:

- Aviation related industries and services
- Auto components and accessories
- Business Process Outsourcing
- Cargo services
- Computer services
- Corporate offices
- IT and Knowledge Intensive companies
- Medical centres and services
- Transportation services
- Travel goods/services

The following development opportunities may be considered by developers in the first phase release of sites.

Block	Possible Uses
Block A	Parkades
Block B	Parkades
Block C	Offices and Retail
Block D	Integrative Hotel Complex and Offices
Block E	Offices and Retail
Block F	Offices and Retail
Block H	Offices and Retail
Block I	Offices and Retail
Block J1	Parkades
Block J2	Offices and Retail
Block K	Offices, Retail and Medical Centre



Architectural and Landscaping Framework



Developers will be required to comply with the Master Developer's architectural and landscaping framework provided for in:-

- the Development Framework Plan for the Dube TradePort Site;
- the Dube City Precinct Plan;
- the Development Manual for Dube City;
- the Urban Design Framework;
- the Urban Design Guidelines and Rules for Dube City;

and any revisions of those documents issued by the Master Developer from time to time. All documents provided to developers are subject to amendments required by the local authority.

Developers and their design consultants may request a briefing from the Master Developer's design team.

All designs must be vetted and authorised by the Master Developer's Planning Development and Management Panel (Design and Review) before submission to the Ethekwini Municipality's City Planners for approval.

The purposes of the Design Guidelines are:

- to guide developers in the design and construction process to ensure that the Master Developer's Design and Review Panels requirements are met;
- to assist the panel and local authority officials to review and approve development proposals that will ensure that the aims and objectives of the approved precinct plan and Urban Design Framework (UDF) are achieved;
- to encourage buildings to achieve a Green Star South Africa (GSSA) rating so that the necessary environmental standards are met;
- to support the development of a vibrant and active public environment that presents the unique meld of cultures in Kwa-Zulu Natal to visitors and locals; and,
- to contribute to Dube City's potential as a socio-economic integrator between the R102 and N2 corridors on the north coast.

The guidelines provide the basis by which the Panel adjudicates all development proposals including site development planning, detailed building plans, land uses and activities, materials and colours, lighting and signage for building, engineering and landscaping proposals at Dube City.

Particular importance is placed on the relationship between buildings and the primary public environment of the mall, squares and boulevard and the way adjacent buildings relate to each other. Of secondary concern but nonetheless important are the relationships between buildings and the internal courts and the external view promenade.

Architectural and Landscaping Framework - Continued

The precinct is a fully serviced, high quality, pedestrian oriented and landscaped environment, and provides an efficient, convenient, comfortable and safe business platform. It will be supported by hotel, retail and hospitality services.

The Design Review Panel

The panel provides the planning and design review function on behalf of the Master Developer to ensure the proposed standards and vision for the precinct are met.

Planning Issues

At present the precinct is zoned Special Zone 10 (airport). All development proposals including proposed development parameters (height, coverage and FAR) are in accordance with the approved precinct plan.

Architectural Style

The Urban Design Framework and Urban Design Guidelines do not prescribe a particular style of architecture, but a sensitive and practical response to the bio-physical context of KwaZulu-Natal, the eThekweni region and the site itself. Developers are referred to these documents for details of the Master Developer's guidelines and requirements.

Public Spaces and Landscaping

Dube City's vision strongly emphasizes the importance of active public spaces. This requires that public areas facilitate a wide range of activities including street trading, an opportunity for the precinct to be economically inclusive, spill-out areas from restaurants and entertainment venues.

Appropriate water-wise landscaping plays an important role in ensuring that buildings at Dube City achieve the highest possible green star rating.

Such landscaping is endemic and it also serves to reinforce the precinct's unique sense of place. The design and management of the pedestrian oriented mall, streets and squares encourages a high intensity of public activities but is sufficiently flexible to accommodate the likely changes in the spatial needs of these activities over time.

Buildings should respond positively to the view promenade around the southern perimeter of the Dube City site to offer views of the Umdloti river valley's green rolling hills.

Indigenous landscaping is a prerequisite in Dube City. The use of trees, planted pergolas, vertical screens and planters are encouraged. At least 30% of the overall site should be landscaped. In order to achieve this, roof gardens and planters on decks / balconies are necessary.

The Master Developer wishes to create a cohesive external landscape theme throughout Dube City to avoid clutter and ensure an overall theme.

All street furniture should be approved by the Panel prior to installation. All paving, external built elements, free standing elements, pergolas, screens, etc. should contribute to the overall pedestrian orientated, contextually appropriate design theme of Dube City.

The use of water is encouraged in order to enhance outdoor spaces, to cool spaces and to create "white noise" to mask noise from air and vehicular traffic.

Master Developer's Development Objectives

The Master Developer's broader objectives are:

- To facilitate property and economic development in the Dube TradePort region;
- To facilitate economic growth in the region and in aviation linked sectors;
- To stimulate private sector investment.

The development of Dube City is intended to act as a catalyst for commercial development of the Dube TradePort region in a manner consistent with the architectural guidelines and rules, and the Master Developer's vision of the precinct as a world class business and trade environment with direct links to the broader metropolitan area, passenger terminal, AgriZone, TradeZone, Cargo Terminal and airport precinct.

The initial development is intended to set the tone for the Master Developer's vision for successive developments.

The Commercial nature of proposed transactions

The Master Developer is a commercial property developer. Proposals will be evaluated on a commercial basis and with an emphasis on market-related value for money.

As a general rule proposals will be assessed on a "first come - first served" basis. These will however only act as the Master Developer's initial point of reference and proposals will be specifically assessed against the Master Developer's development framework and criteria, with reference to, inter alia, the following factors:-

Financial Component

- Financial strength of the proposal and the financial standing and track record of the developer/tenant
- The economic and other return on funds invested.

Commercial Component

- Commercial terms;
- The timing of the proposed development;
- The extent to which developers are able to construct their proposed development within an agreed upon and reasonable time table and maintain and enhance their sites;
- The "value add" of the proposal (e.g. ability to secure a prestigious anchor tenant, commercial terms, job creation, economic benefit, symbiosis with air and freight platforms etc);
- The ability of the proposal to enhance and contribute to the Master Developer's stated objectives, and the extent to which the proposal contributes to the Master Developer's vision for the precinct.

Design and Planning Component

- Architectural merit;
- Compliance with zoning and planning parameters;
- The impact of the proposed development on environmental factors and the impact on bulk services; and
- any other criteria developed by the Master Developer from time to time.

Developers are invited to address the specific criteria and others deemed relevant by them in their proposals.

Black Economic Empowerment

Developers will be encouraged to address Black Economic Empowerment in their proposals and shareholding structure.

Property Management

The ownership of the Support Zone resides with the Master Developer. The management of Dube City will be through the Dube City Management Body, who will act as the property managing agent and will address and facilitate maintenance, operational and development related issues across the Precinct.

After a specified percentage of Dube City has been concluded the Master Developer will form a Management Association to represent the interests of owners and lessees within Dube City. Developers will be required to become members, remain members and abide by the rules and objects of the Association. The Management Association shall coordinate and control development in Dube City, advance the interests of the members, provide, promote and maintain essential services, activities and amenities in Dube City, and regulate the Precinct.

It shall strive to provide a secure world class business and trade environment through a well-maintained precinct focusing on security, aesthetics and maintenance.

The Association will levy its members and employ and manage service providers for the provision of landscaping, security, maintenance, design and review and administration.

IT Facilities and Features: Dube iConnect

The Master Developer has developed a world-class IT infrastructure to be used by developers and tenants to support them in the running of their businesses. The infrastructure provides high speed networks (Internet) within and outside Dube TradePort, IP telephony, access control systems, business applications, and IT peripheral devices. It will be a condition of tenancy that tenants may not use electronic communications services and electronic communications networks provided by third-party service providers within Dube TradeZone.

The services are divided into two categories: The first category contains IT services that are optional to developers and tenants. The second category contains services that developers and tenants must use and subscribe for.

Category 1 - Optional Services

In this category developers and tenants can rent the IT services from DTPC or provide their own equivalent capability. This category includes the following:

- **Back-end computing platforms** – These are servers that run back-office and terminal emulators. The Master Developer or its appointee will keep track of server utilization and bill developers and tenants according to the amount of usage.
- **Storage Services** - this service allows developers and tenants to store data in a secure environment, which is regularly backed up. The service fee is proportional to the amount of data stored.

- **Applications** – The Master Developer or its appointee will offer a number of business applications which include the Microsoft Suite and Server Operating systems, Enterprise Resource Planning suite, and communication applications. These can be rented at a monthly rate.
- **Peripheral devices** – The Master Developer or its appointee offers devices such as user terminals, fax machines, printers, and wireless access points. These can be rented at a monthly rate per device.

Category 2 - Mandatory Services

This category includes IT services which will be provided by DTPC or its appointee. These include:

All computing platforms (DTPC, developers and /or their tenants) will connect into the physical networks provided by DTPC. Through our leading edge technology the virtual networks provided will meet the highest level of security and performance as defined by best practise. The Master Developer has negotiated with leading Telco providers to provide cost effective data and voice rates.

Dube iConnect will be contracted directly by developers and tenants to provide telephone and data services, such services will be managed by DTPC.



Full Land Transaction Process

Sites are made available to developers through long-term notarial leases. It is intended that leases will be for a period of 49 years. Depending on the nature of the developer's proposal, the Master Developer may consider an option to include a renewal clause.

Developers are required to sign a Development Agreement and a Notarial Lease.

The process seeks to elicit innovative proposals from property developers which provide the best financial offers and meet the Master Developer's clearly defined objectives.

It is intended that the process will involve 6 stages:

Stage 1 • The Master Developer issues the Proposal Call

Stage 2 • Developer submits its Preliminary Proposal

Stage 3 • Conclusion of Memorandum of Understanding

Stage 4 • Developer's Final Proposal Submitted

Stage 5 • Agreements finalised

Stage 6 • Constructon

In **Stage 1** the Master Developer has issued the Proposal Call. Developers may obtain information packs which are available from DTPC, comprising of the background to the project, the Development Framework Plan for the Dube TradePort Site; the Dube City Precinct Plan; the Development Manual for Dube City; the Urban Design Framework; and the Urban Design Guidelines and Rules for Dube City against payment of a specified fee.

Developers may request meetings with the Master Developer to obtain details of the proposed Dube City development.

In **Stage 2** the developer must submit its Preliminary Proposal. The Developer's Preliminary Proposal will comprise of the documents, sketches and the like which the developer best believes will show case its proposal. A Developer's Preliminary proposal should be the developer's concept proposal (a broad concept proposal for sites in written and sketch plan form), and ideally should comprise:

- a sketch plan of what the developer proposes for the site;
- the developer's commercial proposal;
- building design, design concept, aesthetic and height draft proposal;
- proposed site/s;
- proposed uses, height, building lines and land use mix;
- proposed tenant mix;
- parking proposals;
- construction commencement date and period;
- details of the legal entity to enter into the lease and development agreements and undertake the development, and details of that entity's membership/ shareholding;
- information concerning the developer's standing and credentials to enable the Master Developer to determine the developer's track-record, including information concerning the developer's skills and experience with reference to developments completed, projects, current projects and the like;
- experience of the developer's professional team;
- the developer's financial capacity, standing and "bankability";
- the developer's funding / ability to raise funding for the deposit, balance of purchase price and estimated development costs.

The Preliminary Proposal as a whole must provide the Master Developer with a high-level 'look and feel' of the project and the developer to enable the Master Developer to determine if the preliminary proposal is acceptable to it.

Full Land Transaction Process - continued

In essence this stage involves an assessment of the developer's financial standing and resources, and a determination of the applicant/developer's ability to implement its proposal based on an assessment of the applicant/developer's skill and experience and that of its prospective need input.

The Master Developer's Evaluation Committee meets to consider proposals monthly, or as required.

Proposals are not formally scored or assessed on a competitive basis, except in the event of competition for specific sites or that sites are oversubscribed.

The Master Developer's main objectives are to secure the best commercial offer which best meets its development criteria and vision for the precinct. Proposals should clearly state intended tenant mix, how these would be secured, the intended construction process, and funding should ideally be a mix of developer's equity and funding.

Developers should indicate the extent to which they can comply with green star (GSSA) or smart building guidelines. If proposed sites are located on the boulevard, developers should indicate whether they are prepared to contribute to funding public space art.

Proposals are evaluated on a commercial basis, with an emphasis on market-related value for money. These will however form the Master Developer's initial point of reference and proposals are specifically assessed against the Development Framework and Criteria.

The purpose of the assessment is to determine if the Master Developer wishes to conclude a transaction with the developer. Proposals are only assessed in relation to competing proposals in the event of competition for specific sites or that sites are oversubscribed.

The Master Developer may give different criteria differing weightings when assessing development proposals to ensure that its over-all development objectives for the precinct are met. Although the criteria is assessed as a whole, the Master Developer intends to adopt a flexible approach, and an outstanding proposal in any one area may result in the proposal being accepted. (For example a proposal with exceptional design merit may be sufficient for the proposal to be accepted.)

Developers may indicate their preference for specific sites, but the Master Developer reserves the right to suggest sites it sees as most suitable for its development

objectives, and may decline to accept any proposal.

This framework acts as a guideline to the Master Developer when assessing proposals from developers. There is no closing date for the submission of proposals. As a general rule proposals will be assessed on a "first come - first served" basis. The Master Developer however reserves the right to enter into negotiations with, and to accept any proposal from any Developer that offers the best commercial terms and best achieves the Master Developer's development framework and vision for Dube City, even if the proposal deemed to be better by the Master Developer was received after proposal received earlier.

Proposals will be assessed by the Master Developer and will commence negotiations with Developers who have submitted suitable proposals.

The Master Developer reserves the right to accept or reject any proposal, and to cancel this process and to reject all proposals at any time (either in this stage or in the entire process) prior to the conclusion of any binding property transaction without incurring any liability to any developer or any obligation to inform the developers of the grounds of the Master Developer's actions.

In **Stage 3** the developer and Master Developer conclude a Memorandum of Understanding detailing their agreement on the process going forward which includes a statement of intent between the parties, their understanding of the proposed development and the way forward, the time periods within which the developer's final proposal is to be accepted and proposed construction time lines.

The Memorandum of Understanding signals the parties' respective commitment to the proposed transaction, and provides for payment of a refundable deposit by the developer to be paid to the Master Developer's attorneys as a sign of good faith and intent by the developer. This provides for the site to be reserved for the developer for a finite period to enable them to develop a detailed proposal and design that meets the Master Developer's stated criteria, the Precinct Plan, Development Manual and Zoning parameters. It is recorded that no binding agreement is concluded between the parties until the conclusion of the Development Agreement and Notarial Lease contemplated in Stage 5.

Full Land Transaction Process - continued

In **Stage 4** the developer must prepare and submit its final proposal, which includes:

- The Developer's Proposed Legal Structure
- The Proposal, Planning and Design including:
 - Design concept;
 - Compliance with Master Developer's vision, objectives and development framework;
 - Compliance with architectural guidelines and vision;
 - Compliance with the ROD;
 - Physical layout;
 - Land use and density;
 - Traffic circulation;
 - Pedestrian movement;
 - Public and private space allocation;
 - Bulk and form;
 - Public facility provision;
 - Public transport provision;
 - Landscaping proposal;
 - Streetscape and form.
 - Market feasibility;
 - Proposed tenant mix;
 - Rental structure;
 - Tenants secured;
 - Estimated cost;
 - Investment yield;
 - Likelihood of proceeding;
 - Phasing (if any);
 - Development programme;
- Financial Proposal
 - Financial offer;
 - Commercial terms/proposal;
 - Method of financing;
 - Indication of financial capacity (bankers reports);
 - Infrastructure cost provision;
 - Guarantees.
 - (This will involve a determination of the extent and comprehensiveness of the developer's commercial terms and financial offer, and an assessment of the developer's capacity to raise project financing.)
- Empowerment
Preference in allocation of sites is given to developers who meet DTPC's empowerment objectives. This is essentially an assessment to determine whether the developer has complied with the Property Charter, and the extent of empowerment in the development process, ownership and the spread of empowerment in equity

distribution. The following issues will feature in the assessment:-

- Equity share;
- Responsibilities of empowerment component;
- Distribution of equity;
- Participation in professional/technical team;
- Empowerment policy;
- Contracting and subcontracting;
- Marketing;
- Post construction employment;
- Job training;
- Social development proposals;
- SMME opportunities;
- Empowerment performance.

In **Stage 5** the Master Developer accepts a developer's proposal and thereafter negotiates with the developer to conclude the Development Agreement and notarial lease. The negotiations are non-binding, and any agreements are only valid and enforceable if reduced to writing and signed by all parties.

The developer is required to provide a 3 month deposit and guarantees for its final obligation under the agreements. Failure to do so will render the agreement null and void. The original deposit in stage 3 may be put up towards the final deposit.

In **Stage 6** the developer is required to finalise any outstanding design issues required by the Panel and to obtain local authority approval for its building and development plans. After all the conditions precedent have been met and payment of the lease deposit has been made, the developer must commence and conclude construction works by the agreed upon dates.

Developers who do not comply with deadlines will be subject to penalties or may risk cancellation of agreements.

Lease Transaction Process

For existing or planned Master Developer led developments, there are opportunities to submit proposals to lease and/or operate any available or future available space.

The Lessee / Operator will be required to sign a long lease or management contract, the details of which will depend on the nature of the Lessee / Operator’s proposal.

The process seeks to elicit innovative proposals from Lessee / Operator’s which provide the best financial offers and meet the Master Developer’s clearly defined objectives.

It is intended that the process will involve 6 stages:

Stage 1 • The Master Developer issues the Proposal Call
Stage 2 • Lessee / Operator submits its Preliminary Proposal
Stage 3 • Conclusion of Memorandum of Understanding
Stage 4 • Lessee / Operator’s Final Proposal Submitted
Stage 5 • Agreements are finalised
Stage 6 • Operation

In **Stage 1** the Master Developer has issued the Proposal Call. Lessee / Operator’s may obtain information packs which are available, comprising of the background to the project, the Development Framework Plan for the Dube TradePort Site; the Dube City Precinct Plan; the Development Manual for Dube City; the Urban Design Framework; and the Urban Design Guidelines and Rules for Dube City against payment of a specified fee (if applicable).

Lessee / Operator’s may request meetings with the Master Developer to obtain details of the proposed Dube City development.

In **Stage 2** the Lessee / Operator must submit its Preliminary Proposal. The Lessee / Operator’s Preliminary Proposal will comprise of the documents, sketches and the like which the Lessee / Operator best believes will show case its proposal.

The Lessee / Operator’s Preliminary proposal should be the Lessee / Operator’s concept proposal (a broad concept proposal for sites or premises, in written and sketch plan form), and ideally should comprise:

- a sketch plan of what the Lessee / Operator proposes for the site or premises (if applicable);
- the Lessee / Operator’s commercial proposal;
- internal or building design, design concept and aesthetic;
- proposed site/s and or premises;
- proposed uses;
- proposed tenant mix (if applicable);
- parking proposals;
- operation or tenancy commencement date and period;
- details of the legal entity to enter into the lease and details of that entity’s membership / shareholding;
- information concerning the Lessee / Operator’s standing and credentials including information around the Lessee / Operator’s history and or experience with reference to old projects and current projects and the like;
- experience of the Lessee / Operator’s professional team (if applicable);
- the Lessee / Operator’s financial capacity, standing and “bankability”;
- the Lessee / Operator’s funding / ability to raise funding for the deposit, and rental for the period of the lease.

The Preliminary Proposal as a whole must provide the Master Developer with a high-level ‘look and feel’ of the project and the Lessee / Operator, to enable the Master Developer to determine if the preliminary proposal is acceptable to it.

Lease Transaction Process - continued

In essence this stage involves an assessment of the Lessee / Operator's financial standing and resources, and a determination of the applicant's ability to implement its proposal based on an assessment of the applicant's skill and experience.

The Master Developer's Evaluation Committee meets to consider proposals monthly, or as required.

Proposals are not formally scored or assessed on a competitive basis, except in the event of competition for specific sites or premises that are oversubscribed. The Master Developer's main objectives are to secure the best commercial offer which best meets its criteria and vision for the precinct. Proposals should clearly state intended tenant mix, how these would be secured (if applicable) and the intended timing.

Proposals are evaluated on a commercial basis, with an emphasis on market-related value for money. These will however form the Master Developer's initial point of reference and proposals are specifically assessed against the Development Framework and Criteria.

The purpose of the assessment is to determine if the Master Developer wishes to conclude a transaction with the Lessee / Operator. The Master Developer may give different criteria differing weightings when assessing proposals to ensure that its over-all development and operational objectives for the precinct are met. Although the criteria is assessed as a whole, the Master Developer intends to adopt a flexible approach, and an outstanding proposal in any one area may result in the proposal being accepted.

Lessee / Operator may indicate their preference for specific premises, but the Master Developer reserves the right to suggest alternatives it sees as most suitable for its development objectives, and may decline to accept any proposal.

This framework acts as a guideline to the Master Developer when assessing proposals from Lessee / Operator's.

There is no closing date for the submission of proposals. As a general rule proposals will be assessed on a "first come - first served" basis. The Master Developer however reserves the right to enter into negotiations with, and to accept any proposal from any Lessee / Operator that offers the best commercial terms and best achieves

the Master Developer's vision for Dube City, even if the proposal deemed to be better by the Master Developer was received after proposal received earlier.

Proposals will be assessed by the Master Developer and will commence negotiations with Lessee / Operators who have submitted suitable proposals.

The Master Developer reserves the right to accept or reject any proposal, and to cancel this process and to reject all proposals at any time (either in this stage or in the entire process) prior to the conclusion of any binding property transaction without incurring any liability to any Lessee / Operator or any obligation to inform the Lessee / Operators of the grounds of the Master Developer's actions.

In **Stage 3** the Lessee / Operator and Master Developer conclude a Memorandum of Understanding detailing their agreement on the process going forward which includes a statement of intent between the parties, their understanding of the proposed transaction and the way forward, the time periods within which the Lessee / Operator's final proposal is to be accepted and proposed time lines of the commercial transaction.

The Memorandum of Understanding signals the parties' respective commitment to the proposed transaction, and provides for payment of a refundable deposit by the Lessee / Operator to be paid to the Master Developer's attorneys as a sign of good faith and intent by the Lessee / Operator. This provides for the site or premises to be reserved for the Lessee / Operator for a finite period to enable them to develop a detailed proposal and design that meets the Master Developer's stated criteria, the Tenant and Rental Policy, the Precinct Plan, Development Manual and Zoning parameters. It is recorded that no binding agreement is concluded between the parties until the conclusion of the Final Lease contemplated in Stage 5.

Lease Transaction Process - continued

In **Stage 4** the Lessee / Operator must prepare and submit its final proposal, which includes:

- Proposed Legal Structure
- The Proposal, Planning and Design including (if applicable):
 - Design concept;
 - Compliance with Master Developer's vision, objectives and development framework;
 - Compliance with architectural guidelines and vision;
 - Compliance with the ROD;
 - Physical layout;
 - Use and density;
 - Traffic circulation;
 - Pedestrian movement;
 - Public and private space allocation;
 - Bulk and form;
 - Public facility provision;
 - Public transport provision;
 - Landscaping proposal;
 - Streetscape and form.
 - Market feasibility;
 - Proposed tenant mix;
 - Rental structure;
 - Tenants secured;
 - Estimated cost;
 - Investment yield;
 - Likelihood of proceeding;
 - Phasing (if any);
 - Development programme;
- Financial Proposal
 - Financial offer;
 - Commercial terms/proposal;
 - Method of financing;
 - Indication of financial capacity (bankers reports);
 - Infrastructure cost provision;
 - Guarantees.
This will involve a determination of the extent and comprehensiveness of the lessee/operator's commercial terms and financial offer, and an assessment of the lessee/operator's capacity to raise project financing.
- Empowerment
Preference in allocation of premises is given to Lessee / Operators who meet DTPC's empowerment objectives. This is essentially an assessment to determine whether the Lessee / Operator has complied with the

Property Charter, and the extent of empowerment in the transaction process, ownership and the spread of empowerment in equity distribution.

The following issues will feature in the assessment:

- Equity share;
- Responsibilities of empowerment component;
- Distribution of equity;
- Participation in professional/technical team;
- Empowerment policy;
- Contracting and subcontracting;
- Marketing;
- Employment;
- Job training;
- Social development proposals;
- SMME opportunities;
- Empowerment performance.

In **Stage 5** the Master Developer accepts a Lessee / Operator's proposal and thereafter negotiates with the Lessee / Operator to conclude the Final Lease. The negotiations are non-binding, and any agreements are only valid and enforceable if reduced to writing and signed by all parties.

The Lessee / Operator are required to provide at least a 3 month deposit and guarantees for its final obligation under the agreements. Failure to do so will render the agreement null and void. The original deposit in stage 3 may be put up towards the final deposit.

In **Stage 6** the Lessee / Operator is required to finalise any outstanding design or operation issues required by the Master Developer or Panel and to obtain local authority approval for its internal layout, building and development plans (if applicable). After all the conditions precedent have been met and payment of the lease deposit has been made, the Lessee / Operator can commence operations and or any construction works by the agreed upon dates.

Lessee / Operators who do not comply with deadlines will be subject to penalties or may risk cancellation of agreements.

General Terms

This document constitutes a guide to the proposal call process, and developers/tenants must familiarise themselves with the specific provisions of any document governing the design, legal or commercial aspects of this process.

Developers and tenants submitting proposals undertake to do so in accordance with the terms of this document, and acknowledge that they agree to be bound by the terms of this document and will strictly adhere to its requirements.

This process is undertaken by La Mercy JV Property Investments (Pty) Ltd and Dube TradePort Corporation. It may however appoint a separate legal entity to undertake its rights, duties and obligations under this document, and may appoint another entity to conclude the necessary relevant agreements on its behalf.

This document sets out the rules and guidelines for participation in this proposal call process and guides developers/tenants on the preparation of proposals to enable the Master Developer to select developers that:-

- offer the best design / urban solutions;
- offer the best commercial, financial and legal terms;
- are most able to construct their proposed development within an agreed upon and reasonable time table and to maintain and enhance their sites; and
- comply with the Master Developer's development framework and criteria.

Disclaimer

While all reasonable care has been taken in preparing all documents comprising the Proposal Call, neither the Master Developer nor its shareholders, nor any of their officers, employees, agents or advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions set out in the document.

Developers/tenants are required to independently verify all information distributed by the Master Developer in the course of this process, and must inspect the sites and ensure that they have independently verified all property related information.

The Master Developer reserves the right to amend, modify or withdraw the document, or terminate any of the procedures or requirements in the process for which this document has been issued, at time, and without prior notice.

The Master Developer reserves the right to reject any proposal or submission made during the course of this process.

No developer, tenant or proposer shall have any claim against the Master Developer, its officers, employees, servants, agents or advisors arising out of any matter relating to the proposal call process and proposed development of any nature whatsoever, where such claim is based on any act or omission by the Master Developer of any nature whatsoever, under any circumstances whatsoever, or if such claim is based on the content of, or any omission of this document.

Except where expressly stipulated, no representation or warranty is or will be given by the Master Developer or any of its officers, employees, servants, agents or advisors in respect of the information or opinions contained herein, or in relation to any briefing not issued in relation to the proposal call process.

General Terms - continued

Confidential Information

During the course of this proposal call process, developers/tenants will receive confidential information. By participating in this proposal call process developers, tenants and their advisors undertake to treat such information as confidential and not to disclose such information to third parties.

It is recognized that developers/tenants are required to set out information which is confidential as to their operations, undertakings, commercial activities or financial strength. In order to permit parties to make a full disclosure to the Master Developer, it is a specific term of this document that no developer/tenant may have access to or sight of the contents of any competing developer's proposal. In this regard all developers/tenants by participating in this process, undertake not to launch any applications or require or request (through any means) sight of any competing developer/tenant's proposal.

Improper Lobbying / Interference

Any developer/tenant who is found to have lobbied an official, employee, agent or representative of the Master Developer or in respect of a proposal submission will face immediate disqualification and/or black listing in respect of any future development.

No Damages

Developers, and tenants take part in this process on the express term that they may not seek damages, or institute any action against the Master Developer, its advisors, agents or employees for any reason what so ever arising from this process.

Competition

Developers, tenants their respective advisors, officers, employees and agents are prohibited from engaging in any collusive action or action which contravenes the provisions of the Competition Act, 1998.

The Master Developer's Rights

Without limitation of any of its rights the Master Developer expressly reserves the right to:

- request clarification on any aspect of an offer or proposal received from a developer or tenant, which requests and responses will be in writing;
- enter into non-binding negotiations with any developer or tenant after the evaluation of the proposals, without prior notice to any other developer/tenant or any other party;
- exercise in its discretion all rights of ownership of Dube City, including the rights to redesign or restructure the Precinct in any manner it chooses prior to concluding binding agreements; and,
- accept or reject any proposal and to annul this process and to reject all proposals at any time prior to the conclusion of any binding property transaction without incurring any liability to any developer/tenant or any obligation to inform the developers/tenants of the grounds of the Master Developer's actions.

Grounds for Disqualification

The following events constitute, (without being an exhaustive list) the grounds upon which a developer/tenant may be disqualified at any stage of the proposal call process:-

- participation by the developer/tenant in any activity which may constitute serious corruption, bribery or impropriety, or lead to the commission of any serious offence during the proposal call process, or in any other national or provincial government proposal call process;
- any serious infringement by a developer/tenant of any of the provisions of the document; and,
- by the furnishing of misleading or incorrect information relied upon by the Master Developer.

General Terms - continued

Contact Details

Any queries relating to this document should be addressed in writing to:

- Hamish Erskine, ITC and Property Sales Executive: Hamish.Erskine@dubetradeport.co.za,
- or Tim Hudson, Sales and Product Development Manager: Tim.Hudson@dubetradeport.co.za,
- or call 032 814 0000.
- or email : Property@dubetradeport.co.za

Submission of Proposals

- Proposals under sealed cover must be delivered to DTPC at 29° South, 7 Umsinsi Junction, La Mercy, Kwa-Zulu Natal,4399
- or email: Property@dubetradeport.co.za

Proposals must be marked **"PROPOSAL CALL SUBMISSION – DUBE CITY"**.

The Master Developer,tenant reserves the right to request that developers make presentations on the key elements of their proposals.

The Contract Process

The Master Developer or an entity nominated by it at its sole discretion may enter into negotiations with developers/tenants to conclude binding notarial leases and associated agreements. Only upon signature of these agreements by the Master Developer will there be a binding agreement between the parties.

Developers/tenants Legal Personality

Developers/tenants may constitute a consortium or joint venture, or create a special purpose vehicle for the submission of proposals. However, any entity which is used to submit proposals will need to be "bankable" in terms of it being able to fulfil its contractual obligations, and acknowledges that its financial standing will be a specific term of the evaluation process.

Costs of Submitting Proposals

Developers/tenants are responsible for all costs associated with the costs of submitting the development submissions.

Statutory Approvals

The design review process put in place by the Master Developer is an internal process, and does not discharge or release the developer/tenant from complying with all legislative or local authority requirements and obtaining all relevant approvals, including, but not limited to the obligations to provide and have approved building plans, environmental authorisations and the like.

No Contract

This document does not constitute an offer to enter into a contractual relationship with any developer/tenant, but is merely a solicitation of proposals.