

WELKOM AIRPORT LEASE AGREEMENT



M.M.

1. **PARTIES**

1.1. “**Landlord**” **MATJHABENG LOCAL MUNICIPALITY**

a local sphere of Government and organ of state as is meant in section 239 of the Constitution of the Republic of South Africa, Act 108 of 1996, established as such in terms of the Local Government: Municipal Structures Act, 117 of 1998, herein represented by its acting Municipal Manager, Mr **E.T. Tsoaeli**, duly authorised thereto in terms of a Council Resolution

Address: C/o Heeren and Ryk Streets, Welkom, 9459

Telephone: (t) 057 – 391 3334

1.2. “**Tenant**”**CGOC AVIATION (PTY) LIMITED**

a private limited liability company duly incorporated under the laws of the Republic of South Africa, herein represented by **Johannes Jacobs Cronje** duly authorised thereto by the Board of Directors

Registration No: 2017/253674/07

Address: 511 Long Road, Welkom, 9459

Telephone: (t) 057 – 353 4555

2. **DEFINITIONS**

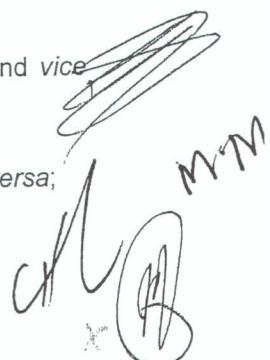
In this Lease, unless the context clearly indicates otherwise, the following words, phrases, expressions or names have the following meanings:

2.1. “**Buildings**” means Building/s and improvements erected on the Property;

2.2. “**Business**” is a reference to the Business activities which the Tenant wishes to and intends to operate on the Property and shall mean the operation of the Welkom Airport including but not limited to subleasing of buildings and/or aircraft hangers and the operation of an aviation school;

2.3. “**Business day**” means every day of the week excepting Saturdays, Sundays and official Public Holidays in the Republic of South Africa;

- 2.4. **"Commencement Date"** means the first day of the month following the date of undersigning of this agreement;
- 2.5. **"CPA"**means the Consumer Protection Act, Act 68 of 2008, as amended;
- 2.6. **"Landlord"** means the party defined as such in 1.1 above;
- 2.7. **"Lease Period"** means a period of three years (3) with an option to renew after the expiry of the lease period, **commencing** on the Commencement Date. The parties specifically record that this Agreement will **automatically terminate** should the Lessor initiate or receive approval to initiate the development of a national or international airport at the Property;
- 2.8. **"Lease"**means this Lease Agreement and all annexures attached thereto;
- 2.9. **"Property"**means a portion of the farm THERONIA 71, better known as the Welkom Airport;
- 2.10. **"Tenant"** means the party defined as such in 1.1 above;
- 2.11. **"Signature date"**means the date of signature of this Lease by the last signing of its signatories.
- 2.12. Where any term is defined within the context of any particular clause in this Lease, the term so defined, unless it is clear from the clause in question that the term so defined has limited application to the relevant clause, shall bear the meaning ascribed to it for all purposes in terms of this Lease, notwithstanding that that term has not been defined in this definitions clause.
- 2.13. This Lease shall be interpreted in accordance with the following principles:
- 2.13.1. a reference to a "**person**" includes a reference to an individual, partnership, company, close corporation, other body corporate, a trust, an unincorporated association or a joint venture and that person's legal representatives, successors and permitted assigns;
- 2.13.2. words importing the masculine shall include a reference to the feminine and vice versa;
- 2.13.3. words importing the singular shall include a reference to the plural and vice versa;



Handwritten signatures and initials are present in the bottom right corner of the page. The signatures appear to be in black ink and are somewhat stylized. One set of initials 'MM' is written vertically, while others are more fluid and less distinct.

- 2.13.4. reference to a Lease includes an amendment or supplement to, or replacement or novation of that Lease;
- 2.13.5. any reference in this Lease to legislation or a statute shall be a reference to such legislation or statute as at the Signature Date and as amended, varied, re-enacted or replaced from time to time;
- 2.13.6. the headings appearing in this Lease are for reference purposes only and shall not affect the interpretation hereof;
- 2.13.7. where numerical figures are referred to in numerals and words, if there is any conflict between the two, the words shall prevail;
- 2.13.8. if any provision is a definition and is a substantive provision conferring rights or imposing obligations on any Party, notwithstanding that it is only in the definition (or such other clause), effect shall be given to it as if it were a substantive provision in the body of this Lease;
- 2.13.9. in the event that the day for performance of any obligation to be performed in terms of this Lease should fall on a day which is not a Business Day, the relevant day for performance shall be the immediately succeeding Business Day;
- 2.13.10. where any number of days is prescribed in this Lease, that number shall be determined exclusively of the first and inclusively of the last day, unless the last day falls on a day which is not a Business Day, in which case the last day shall be the immediately succeeding Business Day;
- 2.13.11. all monetary amounts are stated exclusive of VAT and in RSA Rand (or *R*), unless provided otherwise, and VAT is payable at the same time and in the same manner as is any other amount payable under this Lease, where that amount is subject to VAT;
- 2.13.12. the use of the word "including" followed by specific examples shall not be construed as limiting the meaning of the general wording preceding it and the *eiusdem generis* rule shall not be applied in the interpretation of such general wording or such specific examples;
- 2.13.13. the expiration or termination of this Lease shall not affect such of the provisions of this Lease as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the clauses themselves do not expressly provide for this;



A handwritten signature consisting of stylized initials and a surname, possibly 'M.M.', written in black ink.

- 2.13.14. unless expressly otherwise stated, no provision of this Lease shall constitute a stipulation for the benefit of any person (*stipulatio alteri*) who is not a party to this Lease;
- 2.13.15. the use of any expression covering a process available under South African law (such as "winding-up") shall, if any of the Parties is subject to the law of any other jurisdiction, be interpreted in relation to that Party as including any equivalent or analogous proceeding under the law of such other jurisdiction; and
- 2.13.16. the terms of this Lease having been negotiated, the rule of construction that, in the event of ambiguity, the Lease shall be interpreted against the Party responsible for the drafting thereof, shall not apply in the interpretation of this Lease.

3. LEASE – NATURE OF LEASE

- 3.1. The Landlord hereby lets the Property to the Tenant who Leases it at the rental, for the period and subject to the provisions contained or referred to in this Lease.
- 3.2. The Landlord warrants that it has the authority to enter into this Lease Agreement and is the registered owner of the Property.
- 3.3. The lease is for the establishment and management of the Flying Academy and the restaurant.
- 3.4. The landlord specifically records that the management of the Airport remains with the municipality and all activities related to the Airport will not be affected by the conclusion of this agreement.

4. PURPOSE

No portion of the Property may be used for any purpose which does not accord with the use rights attaching to the Property, and the Tenant may not use the Property for any other purpose than the Business. The Landlord does not hold out or warrant that the Property is suitable for the Tenant's purposes and is not liable to do any work or alterations to comply with the requirements of any authority.

5. PERIOD

Notwithstanding the Signature Date of this Lease, it shall commence on the Commencement Date stipulated in clause 2.4 above and shall endure for the period stipulated in clause 2.7 above.



6. RENTAL

- 6.1. The parties record that no singular monthly amount of rental will be payable in terms of this agreement. The rental payable to the Landlord will be equal to the amount of the monthly cost of maintenance and development of the Property and/or Buildings paid by the Tenant, which expenditures are then immediately set-off against the rental payable to the Landlord.

(To illustrate the above, the following:

The Tenant disburses R10,000.00 in January for maintenance and development. In this event, the tenant owes the Landlord R10,000.00 in rental. The rental is set off against the maintenance and development costs. R10,000.00 - R10,000.00. The Tenant owes the Landlord R0.00.

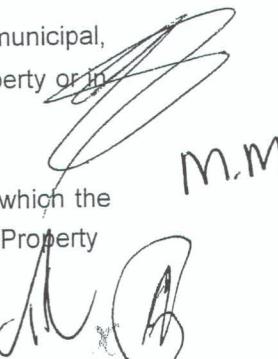
In February the Tenant disburses R15,000.00 for maintenance and development. In this event, the tenant owes the Landlord R15,000.00 in rental. The rental is set off against the maintenance and development costs. R15,000.00 - R15,000.00. The Tenant owes the Landlord R0.00.)

- 6.2. The Tenant undertakes to maintain and develop the property as part and parcel of the rental payable to lease the Property from the Landlord to a level approved by the Civic Aviation Authority.
- 6.3. The Landlord and Tenant will obtain a quotation for the installation of the run-away light within three months from the conclusion of this agreement. In event that the parties agree that quotation is acceptable to the tenant, the tenant will install the run-away lights at his own costs as part of his rental to the Landlord.

7. LIABILITY FOR CERTAIN OTHER CHARGES

- 7.1. The Tenant is liable for payment of all charges and/or levies made in respect of the Property such as, but not limited to:

- 7.1.1. sewerage and rubbish removal fees and for any new levy or tax which may be imposed in respect of the Property and/or any buildings on the Property after the date of this Lease as well as for all increases in all of the aforesaid charges after the date of this Lease. These payments shall be made directly to the Landlord;
- 7.1.2. usage of water and electricity consumed in, on or in connection with the Property;
- 7.1.3. any levies of whatever nature which may be imposed by any government, municipal, provincial or other competent authority in respect of the ownership of Property or in respect of services supplied to occupiers of the Property;
- 7.1.4. Any expenses (excluding strictly limited to expenses of a capital nature) which the Landlord may be obliged to incur in respect of the Property (whether in the Property



M.M
N.B

or the Building/s) as a result of any legislation, and/or regulations whether governmental, provincial or municipal.

- 7.2. Any official account received from a municipal or other authority shall be regarded as prima facie proof that the amounts thereof are due and payable until the contrary is proved.
- 7.3. In the event of the Tenant failing to pay any account referred to in this clause on the due date, the Landlord shall be entitled to recover the amount thereof, together with interest as provided by the policy of the Landlord from the Tenant. Failure to pay the account referred to in this clause constitutes a serious breach of the agreement.

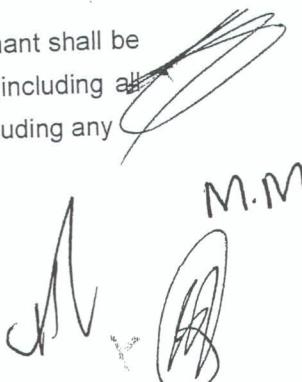
8. PROHIBITIONS

- 8.1 The Tenant shall not -

- 8.1.1 cede, assign, mortgage or otherwise encumber this Lease or any part thereof without the prior written consent of the Landlord, which consent shall not be unreasonably withheld.
- 8.1.2 allow or permit anything to be done or omitted on the Property which is or may become a nuisance or disturbance to neighbours or to the general public;
- 8.1.3 use the Property otherwise than in accordance with its zoning and the purpose of this Lease described above in clause 3;
- 8.1.4. at any time, whether this may be allowed in terms of a statute or other law, allow itself to be changed into another type of legal entity without the Landlord's prior written consent; and
- 8.1.5 appoint or at any time change any existing appointment of any Property manager or management agent or similar party to manage the Property without the Landlord's prior written consent, which consent shall not be unreasonably withheld.

9. MAINTENANCE OF PROPERTY

- 9.1. The Tenant shall maintain the Property and all improvements on it in a good state of repair, tidiness and hygiene and shall not allow the accumulation of litter or rubbish on the Property and shall regularly remove all litter, rubbish or refuse from the Property.
- 9.2. Without derogating from the generality of the Tenant's obligations herein, the Tenant shall be obliged at its own cost, to maintain and/or repair the interior of the Buildings, (including all lights, globes, doors, roller shutter doors, locks and keys, windows and glass) including any



M.M
J.Y
B.B

improvements, fixtures, fittings, appliances, floor covering, ceiling tiles and partitioning, including the repair of any wear and tear to the property.

- 9.3. The Tenant shall be responsible for repairing all damages to the Property caused by or arising from any actual or attempted forced entry, theft or burglary to the extent that the insurers, subject to the conditions contained herein, do not repair such damage; such repairs in that event to be for the Landlord's cost, including any excess amounts due under such insurance policies.
- 9.4. The Tenant shall be obliged to keep the inside of the Buildings clean.

10. THE TENANT'S GENERAL RIGHTS AND OBLIGATIONS

- 10.1 The Tenant shall not:-
 - 10.1.1 contravene nor permit any contravention of any statutes, ordinances, statutory regulation, proclamations and by-laws or any town planning scheme or title deed conditions or regulations relevant to the conditions of any licenses relating to or affecting the occupation of the Property or the conduct of the Tenant's business thereon;
 - 10.1.2 do or permit to be done in the Property anything which may constitute a nuisance, disturbance or inconvenience to the occupiers of the adjoining premises or Building/s;
- 10.2 The Tenant shall be entitled to make alterations, additions or improvements to the aforesaid Property, whether structural or otherwise with the consent of the Landlord, which consent may not be unreasonably withheld. For purposes of this clause 10 such alterations, additions or improvements shall be referred to as "alterations".
- 10.3 The Tenant undertake to provide the Landlord in writing on an annual basis with a detailed report reflecting all alterations which was effected during the preceding year setting out the costs incurred by the Tenant in respect of such alterations.
- 10.4 If any alteration is made by the Tenant, then upon the expiration or earlier termination of this Agreement, the Landlord will not compensate the Tenant for such alterations made by the Tenant during the existence of the lease agreement.
- 10.5 The Tenant shall not keep or do or permit to be kept or done in the Property anything which, in terms of any conditions of any insurance policy held from time to time by the Landlord or the Tenant in respect of the Property or any part thereof, may not be kept or done therein, or may render such insurance void or voidable, or which will or may increase the rate of

premiums payable in respect of any such fire insurance policy, unless an amendment to any such policy is obtained to permit the keeping of any particular article or the conducting of any activity in or upon the Property by the Tenant. Upon written request the Tenant will be provided with a copy of any insurance policy held from time to time.

- 10.6 The Tenant shall obtain all trading licenses and other permissions which may be necessary for its use of the Property and the Tenant shall be liable to obtain or renew such licenses or permissions. The risk and related costs of obtaining such licenses or permissions lies with the Tenant.
- 10.7 The tenant will provide its own security for the duration of the agreement.

11. LANDLORD'S RIGHTS AND OBLIGATIONS

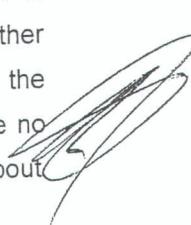
The Landlord:-

- 11.1 shall, if the Tenant fails within a reasonable period of time to comply with the provisions of this Agreement, be entitled to repair the Property or any part thereof and for such purpose shall have all reasonable access thereto together with such developers, workmen, vehicles and equipment as may be required;
- 11.2 shall carry out such alterations or repairs as quickly as reasonably possible in the circumstances and the Tenant nevertheless agrees and acknowledges that, notwithstanding any inconvenience it may suffer, or loss of beneficial occupation of the Property or part thereof which it may sustain as a result of the building operations, or delay in the completion thereof, it shall have no claim or right of action for damage or otherwise against the Landlord, its builders, workmen and agents, nor shall it be entitled to any remission of rental from the Landlord;
- 11.3 shall be entitled to inspect the Property at all reasonable times;

12. LOSS OR DAMAGE / INJURY OR DEATH / INDEMNITY / INSURANCE

12.1 Loss or Damage / Injury or Death

The Landlord shall not be liable for any loss of or damage suffered by the Tenant to its goods or otherwise by virtue of the Tenant's occupation of the Property, whether such loss is occasioned by fire, rain, hail, leakages, earthquakes, riot, vis major burglary or any other reason whatsoever, unless such damage or loss is caused as a direct result of the negligence of the Landlord, its employees or agents. Furthermore, the Tenant will have no claim against the Landlord by virtue of the death or personal injury of any persons in or about




the Property, unless such death or personal injury is caused as a direct result of the negligence of the Landlord, its employees or agents.

12.2 Indemnity / Injury or Death

The Tenant hereby indemnifies the Landlord against any damage which the latter may suffer by virtue of any claim instituted against it by virtue of the death or injury of any person or by virtue of the loss of or damage to Property, suffered in or about the Property, unless such damage, loss, death or injury is caused as a direct result of the negligence of the Landlord, its employees or agents.

12.3 Insurance

The Tenant is obliged to insure its own office fitting and fixtures, as well as all movable assets brought by it onto the Property with a reputable insurance company, acting reasonably, for the full replacement value thereof, from time to time.

12.4 Indemnity / Damage or loss of property

The Tenant hereby indemnifies the Landlord against any damage or loss of property which the latter may suffer by virtue of any act of theft, forced entry, rain, water, lighting, and wind, unless such damage or loss is caused as a direct result of the negligence of the Landlord, its employees or agents.

13 INSPECTION

The Landlord will be entitled from time to time at reasonable times to enter upon the Property to inspect it.

14 COMPLIANCE WITH STATUTES, LAWS AND RULES

The Tenant shall in the conduct of its activities on the Property comply with all laws, by-laws and regulations affecting the Property.

15 WARRANTIES

- 15.1 The Landlord does not warrant or represent that the Property is fit for the purpose referred to in this Lease and the Tenant accepts the risk in this regard. In particular, the Landlord does not warrant that the Tenant or any sub-Tenant will obtain any required license to conduct any

A handwritten signature consisting of several loops and strokes, followed by the initials "M.M." and a small circular mark containing a stylized letter.

activity on the Property. The Tenant will not be entitled to a reduction of rental or to cancel the Lease if the Property is not so fit

In the event that the Property is not fit for the purpose which the Tenant has in mind for it or in the event that the Tenant or any sub-Tenant fails to obtain any license to conduct any activities on the Property, the Tenant will not be entitled to cancel this Lease or to withhold payment of any amount due in terms of this Lease or to claim a reduction of rental or any other relief.

15.2 Each of the parties hereby warrants to and in favour of the others that:

- 15.2.1. it has the legal capacity and has taken all necessary corporate action required to empower and authorise it to enter into this Lease;
- 15.2.2. this Lease constitutes an Lease valid and binding on it and enforceable against it in accordance with its terms;
- 15.2.3. the execution of this Lease and the performance of its obligations hereunder do not and shall not:
 - 15.2.3.1. contravene any law or regulation to which that party is subject;
 - 15.2.3.2. contravene any provision of that party's constitutional Leases; or
 - 15.2.3.3. conflict with, or constitute a breach of any of the provisions of any other Lease, obligation, restriction or undertaking which is binding on it.

15.3. The Landlord warrants and represents to the Tenant that:

- 15.3.1 there have been no and there shall be no applications, steps, proceedings or orders for the deregistration, winding-up, liquidation, Business rescue, judicial management or administration of the Landlord, whether provisional or final;
- 15.3.2 the Landlord is the lawful and registered owner of the Property, which was registered in the applicable Deeds Offices;
- 15.3.3 no Leases have been entered into by the Landlord whereby any restrictive conditions or servitudes or other real rights attach to the Property or in terms of which any person, natural or corporate, is entitled to obtain any real rights to the Property, save as provided for in the title deeds of the Property and this Lease;
- 15.3.4 the Landlord is not a party to any current or pending litigation or similar legal proceedings (including arbitration, criminal proceedings or administrative proceedings) and the Landlord is not aware of any facts or circumstances, which may now or in future lead to any such proceedings against the Landlord or the Property; and

M.M.

- 15.3.5 it is entitled to let the Property to the Tenant in the manner contemplated in this Lease.
- 15.4 Each of the representations or warranties given by the parties in terms of 15.1, 15.2 and 15.3 above, shall:
- 15.4.1. be given as at the signature date;
 - 15.4.2. be a separate warranty and will in no way be limited or restricted by inference from the terms of any other warranty or by any other words in this Lease;
 - 15.4.3. continue and remain in force for the duration of this Lease; and
 - 15.4.4. prima facie be deemed to be material and to be a material representation inducing the other parties to enter into this Lease.
- 15.5 Without prejudice to the rights and remedies available to the parties at law, the party providing the warranty hereby indemnifies the other party and holds it harmless against all claims, liabilities, damages and losses which may appear and which flows from or is caused by a breach and/or non-fulfilment of any of the warranties given by that party above.
- 16 BREACH**
- 16.1 Should Tenant:
- 16.1.1 fail to pay any rent or other amounts on due date and, after having received 10 (TEN) days written notice calling on Tenant to pay such rent or other amount, continues to fail to pay; or
 - 16.1.2 commit any other breach of the conditions of this lease and fail to remedy that breach within 10 (TEN) days of written notice to Tenant requiring that such breach be remedied; or
 - 16.1.3 compromise or attempt to compromise, either under the provisions of the Companies Act of 2008, as amended, or under common law, with its creditors; or
 - 16.1.4 fail to satisfy or settle any default judgment against the Tenant within 20 (TWENTY) days after it is granted or take steps to rescind any default judgment;
 - 16.1.5 be placed under a provisional or final order of liquidation;



M.M.

then the Landlord shall have the right, but shall not be obliged, forthwith to and without prejudice to its claim for arrears of rent or for damages which it may have suffered by reason of the Tenant's breach of contract or as a result of a premature cancellation;

16.1.6 cancel this Lease and to resume possession of the premises;

16.1.7 execute any covering security in favour of the Landlord.

16.2 In the event of the Landlord cancelling this Lease and in the event of the Tenant disputing the right to cancel and remaining in occupation of the premises:

16.3 Tenant shall, pending settlement of any dispute, either by negotiation, arbitration or litigation, continue to pay (without prejudice to its rights) an amount equivalent to the monthly rental and all other amounts payable provided for in this lease and in advance on the 1st day of each and every month.

16.4 The Landlord shall be entitled to accept and recover such payments and the acceptance thereof shall be without prejudice to and shall not in any way whatsoever affect the Landlord's claim of cancellation then in dispute.

16.5 Should the dispute be resolved in favour of the Landlord, the payments made and received in terms of this paragraph shall be deemed to be amounts paid by the Tenant on account of damages suffered by the Landlord by reason of the cancellation of the lease or the unlawful holding over by the Tenant.

17 DOMICILE AND NOTICES

17.1 The parties respectively elect:

17.1.1 the street addresses appearing in clauses 1.1 and 1.2 respectively as their respective *domicilia citandi et executandi*;

17.1.2 the postal addresses or telefax numbers or email addresses in clauses 1.1 and 1.2 respectively for purposes of notices and correspondence to be given in terms of this Lease.

17.2 Any notice given to a party will be deemed to have been received by such party and its contents to have come to such party's notice:

17.2.1 if despatched by registered mail to the party's chosen postal address then on the 5th (fifth) day after the posting thereof in the Republic of South Africa;



- 17.2.2 if despatched by telefax or e-mail to the party's chosen telefax number or e-mail address then on the date of transmission of the telefax or e-mail between 08:00 and 17:00 on Mondays to Fridays; and
- 17.2.3 if delivered to the party's chosen domicile to a person apparently over the age of 14 years, then upon such delivery between 08:00 and 17:00 on Mondays to Fridays.

The abovementioned provisions of this clause do not preclude a party from giving notice to the other party in any other way.

- 17.3 A party is entitled to amend its chosen street address, postal address, telefax number or e-mail address by giving written notice of the amendment to the other party, which notice will become binding on the other party upon receipt thereof.
- 17.4. Notwithstanding anything to the contrary herein contained a written notice or communication actually received by a party shall be an adequate written notice or communication to it notwithstanding that it was not sent to or delivered at its chosen *domicilium citandi et executandi*.

18. GENERAL

18.1 **Non-variation**

No alteration, variation, addition or consensual cancellation of or to this Lease (including this clause) nor the waiver of any right will be of any force or effect unless reduced to writing and signed by both parties.

18.2. **Whole Lease**

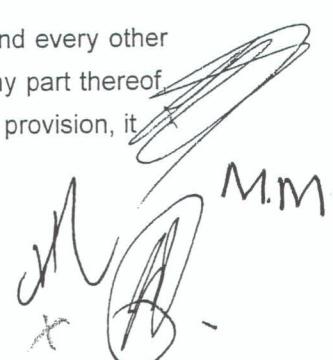
This Lease contains the whole Lease between the parties and there are no prior or parallel Leases between them.

18.3. **Representations - Warranties**

Neither the Landlord nor anyone on its behalf has made any representation or given any warranty which induced the Tenant to enter into this Lease, unless expressly contained herein.

18.4. **Severability**

Each and every clause and paragraph of this Lease is severable from each and every other clause and paragraph thereof and should any such clause or paragraph, or any part thereof, be void or voidable for any reason, or be contrary to any statutory or other legal provision, it



A handwritten signature consisting of stylized initials and a surname, followed by the initials "M.M." in a larger, more formal script.

will be severed from the rest of the Lease and the rest of the Lease shall remain of full force and effect.

18.5. Risk

Everything brought into or onto the Property or the Property by the Tenant is brought into or onto the Property or the Property at the Tenant's sole and exclusive risk.

18.6 Interest on arrears

Without prejudice to any other rights which the Landlord may have under the said circumstances, if any amount due in terms of this Lease is not paid timeously, the Landlord is entitled to claim interest on the amount at 2% (two percent) more than the Prime Rate.

19. RIGHTS OF CURRENT TENANTS

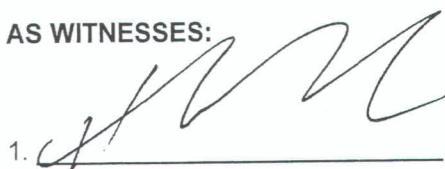
- 19.1. The Parties record that there currently are other tenants occupying the Property in terms of lease agreements concluded with the Landlord.
- 19.2. This lease agreement shall be subject to the current lease agreements between the Landlord and the respective tenants.
- 19.3. The Tenant will negotiate the subletting of the property with the current tenants directly and on its own accord.
- 19.4. In the event that the Property is sublet to any of the current tenants by the Tenant, the lease agreements between the Landlord and the current tenants will terminate immediately.
- 19.5. Any rights or obligations that the current tenants may have will not be affected by the conclusion of this agreement.
- 19.6. In the event that the property is sublet too any of the current tenants or any of other person, the Tenant will immediately provide the full particulars of the sublease and the tenant to the Landlord. Notwithstanding the aforementioned, the Tenant shall provide a yearly report on the 28'th day of February of each year to the Landlord in which the full particulars of each and every tenant subletting from the Tenant shall be provided.



A handwritten signature in black ink, appearing to be "J. M. N." followed by a large, stylized initial "X".

SIGNED at WELKOM on this 20 day of September 2018

AS WITNESSES:

1. 



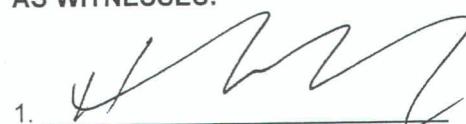

E.T. TSOAELI

~~Acting~~ Municipal Manager

FOR: Matjhabeng Local Municipality

SIGNED at WELKOM on this 12 day of September 2018

AS WITNESSES:

1. 




Johannes Jacobs Cronje
FOR: CGOC Aviation (Pty) Limited



P O BOX 4228
WELKOM
9460

Email pilot@cgoc.co.za / aviation@cgoc.co.za
TEL 057 353 4555
FAX 057 353 4556

LED
PLANNING AND HUMAN SETTLEMENT
MATJHABENG LOCAL MUNICIPALITY
P O BOX 708
WELKOM
9460

30 October 2018

ATTENTION: Barry Golele

RE: LEASE AGREEMENT

I refer to our lease agreement with Matjhabeng Local Municipality for a period of 3 years.

Please find attached quotations received for the operating of the airfield.

1. Repair and Re-commissioning of the Airfield lighting system @ R 815,213.00
2. Reseal of runway @ R 4,343,760.00
3. Road marking @ R 394 156.00

Total cost of R 5,553,129.00 as above needs to be spend by the tenant for the CAA approval for the operating of a valid certificate.

The following items was already spend by the lessee:

1. Resurfacing of apron, taxiway and private hangar parking – 4,500 m² @ R 21.00 / m²
Total: R 94,500.00
2. Clearing, regravel, compact and leveling of the 35 Runway of 1.2 km x 35 m x 0,3 = 1,260 m³
@ R 65.00 / m³ - Total: R 819,000.00
3. Upgrading of existing fuel bay @ R 980,000.00
4. The following items in progress:

Renovation of main building (patching, painting and tiling)
650 m² x R 650.00 / m² - Total: R 422,500.00

Taking the above in consideration the lease period of 3 years does not quantify the expenses occurred.

Therefor we humbly request the Council for the extension of lease period to 9 years and 11 months.

Please do not hesitate to contact us should you require any further details.

Yours faithfully,

J.J CRONJE
MANAGING DIRECTOR

Reg no : 2003/032018/07

VAT no : 4910216870

Phezulu Plant



P.O.Box 1674
WELKOM
9460

NO 511 LONG ROAD
WELKOM
9460

Tel: +27 57 353 2179
Fax: +27 57 353 4556
E-mail: phezulu.fs@cgoc.co.za

CGOC AVIATION

QUOTATION Q439

Attention: Johan Cronje

30 October 2018

Re: RESEAL OF RUNWAY

2011 m x 18 m x R 120.00 p/m²

excl. vat R 4 343 760.00

We hereby would like to thank you for your enquiry.

Should you have any further queries, please do not hesitate to contact me.

Yours faithfully,

L. Fourie
DIRECTOR



PHEZULU PLANT

WELKOM AIRFIELD

FOR ATTENTION: JOHAN CRONJE

TEL: (057) 353-4555
MOB: (082) 820-0083

Johan Cronje [jj@cgoc.co.za]

OUR REF: WEL.AGL-QTE-5

Reg No: 2001/020595/07
27 Burger Ave, Lyttelton
P O Box 50 IRENE 0062
Republic of South Africa
Tel: 27 12 664 4879
Fax: 27 12 664 7833
e-mail: exelec@mweb.co.za

DEAR SIR

29 OCTOBER 2018

Repair and Re-commissioning Of The Airfield Lighting System

I refer to my visit of 8th October and the inspection of the airfield and confirm my opinion . . . what was proposed in 2014 is as valid then, as it is now.

Please refer to the write-up of our quote of October 2014, as back ground information.

In brief, the project shall consist of the following:

1. Repair the underground cables & replace the transformers .
2. Refurbish runway lights – Repair or replace and supply missing components
3. Repair CCR
4. Supply Radio Control Unit
5. Project hand over: CAA inspection for provision of licence for night rating

REPAIR OF CABLES

The number and location of the cable faults is unknown however, the cables is relatively new for the many years being unused.

Whether a cable is ‘used’ or not, water ingress into the cable takes place; it is the breakdown of the insulation due to the leakage currents, when the cable is in use that ultimately “wears” out the cable.

...../2

Directors: K.P. Trollope, C.E. Trollope

Airfield Lighting
& Air Traffic Control Systems

PAGE 2.

With twenty plus years experience in repairing airfield lighting circuits, the methods undertaken here to bring the cable back into a serviceable state with long term reliability, form a vital part of the project. Note that one may connect *any* above ground lighting system to the underground cabling/transformers, however, if there are problems with the cables the lighting systems will either not work at all, or will be severely compromised. It would be advisable to include 300m of spare cable. See project guarantee.

RUNWAY LIGHTING.

Since our inspection of 2014, there has been further vandalism & theft of the remaining runway lights – most likely due to a perception that what is lying around unused and abandoned by the municipality, is there for the taking.

I trust that perception will change with an increased presence and with the provision of security.

For CAA compliance the 12 Taxiway lights will now also have to be repaired, bringing the total number of fittings to be repaired or replaced to number seventy. (to our understanding)
In order to save on costs, the existing concrete mounting blocks will be reused; some blocks may have to be re-drilled - see contingencies.

The transformers shall be directly buried as done previously. New secondary leads to the transformer will be required throughout.

This is not the most ideal, but as done previously, it will suffice.

Of interest, for a previous tender for the upgrade to the airfield lighting system specified L-867 light bases cast in concrete. This option will add on at least R300 000,00 to the price of this project.

PROJECT PROGRAM

1. Under ground
 - 1.1. Locate, excavate & repair cable faults
 - 1.2. Excavate & install primary & secondary connectors
 - 1.3. Connect transformers
 - 1.4. Map & note the insulation values of the underground cable
2. Repair CCR, commission underground cables - switch on.
3. Runway Lights
 - 3.1. Remove fittings for repair
 - 3.2. Re-install fittings
4. Install Radio controller
5. Commission & hand over.



PAGE 3.

We trust that the above is acceptable; we look forward to your positive appraisal of our offer.
Yours sincerely,



K. Trollope
KP TROLLOPE
For EXELEC SYSTEMS

TERMS & CONDITIONS

1. Price is ex vat.
2. Quotation is valid to 30 November 2018.
3. Payment Terms: Part payment - invoices shall be submitted for work completed for agreed upon project milestones.
Payment is then strictly COD. Payment terms & project milestones to be agreed upon **prior to commencement**
4. Contingencies – add to TOTAL, as per requirements.
5. Guarantee – one year from date of hand over.
6. Availability – At this stage we are unsure of what maybe started in November.
IF available, allow two weeks for mobilisation - Probably will not be able to have all the lights repaired before December shut down. The cables maybe repaired with transformers installed & CCR will be repaired. Runway lights that are in stock shall be installed & switched on – if prudent to do so
7. CAA Inspection – Client responsibility, we undertake to make good with any non compliances
8. Where fittings are missing the glass lense, this is extra. See contingencies

Cost Breakdown .../4.

PAGE 4.

COST BREAKDOWN

ITEM	DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE
1.	Supply & deliver new fittings c/w lamp & filter clamp assy	30	R3 500,00	R105 000,00
2.	Refurbish fittings complete with: Lamp/lamp holder, lens, gasket, secondary connector and new fasteners throughout.	40	R2 400,00	R96 000,00
3.	Supply Threshold Red/Green filter set	12	R2 200,00	R26 400,00
4.	Supply Taxiway filter – 360 deg blue	12	R1 100,00	R13 200,00
5.	Locate & Repair Cable Faults How many faults & how much excavation is unknown. Lot price to bring back to serviceable condition See contingencies		LOT PRICE	R120 000,00
6.	Supply & install primary connector kit	50	R580	R29 000,00
7.	Supply & install 45W - 6,6A/6,6A isolation transformer	50	R1 680,00	R84 000,00
8.	Repair CCR: replace MPT Transformer and include the cost for any other problem that may arise. See equipment guarantee.		LOT PRICE	R36,000,00

/5. Item 9

PAGE 5.

ITEM	DESCRIPTION	QTY	UNIT PRICE	TOTAL PRICE
9.	Supply Radio Control unit	1		R32 478,00
10.	Labour cost: Install & Re-commission Runway lights, CCR & RCU		LOT PRICE	R110 870,00
11.	Preliminary & General Costs Travel & Accommodation		LOT PRICE	R75 500,00
TOTAL PRICE				R728 448,00
12.	CONTINGENCIES & EXTRAS			
12.1.	Supply glass lense - provisional quantity	20	R1 200,00	R24 000,00
12.2.	Cable Single Core 5kV XLPE	300m	R49,00	R14 700,
12.3.	Cable – secondary plug/socket set	20	R980,00	R 600,00
12.4.	Spares – Runway Lamps 45W 6,6A	100	R128,65	R165,00
12.5.	Drill concrete block install S/S M10 studs	20	R780,00	R00,00
TOTAL CONTINGENCIES				R86 765,00
TOTAL PRICE, INCLUDING CONTINGENCIES				R815 213,00

-----end

THE LINE KING ROADMARKING

Painting, Roof painting and General Building Maintenance

Tel/ Fax 011 4522097
Cell : 0827025094

88 14th Ave
Edenvale, 1610

Quotation

CGOC

Ref : 110079

25 October 2018

Attention: Johan Cronje

Road Marking Welkom Airport

Scope of work	Unit of Measure	Units	Unit Cost	Total Cost
Welkom Airport				
300mm White Line (Centre Line)	M	2011	R 79.00	R 158 869.00
160 mm White Line (Edge x 2)	M	4022	R 45.00	R 180 990.00
Pre-marking	M	6033	R 9.00	R 54 297.00
Total				R 394 156.00

Specification:

- All surfaces to be painted to be prepared as necessary (de-greasers etc)
- Etch existing road marking by means of sanding
- SABS Approved Road marking Paint to be used (Dulux/Plascon)

Terms: 60% Deposit balance on completion
 To re-measure on completion

Thank you for affording the Line King Road marking the opportunity to quote on the above requirements.

Please do not hesitate to contact me should you require any additional information

I look forward to receiving a favorable response in due course

Yours sincerely

George Taylor