



SERVICE LEVEL AGREEMENT

Memorandum of agreement entered into by and between

Matjhabeng Local Municipality

P O BOX 708

Welkom

9460

Herein represented by: **T.E. Tsoaeli**

In his capacity as the **Municipal Manager**

Being duly authorized thereto

("the Municipality")

And

THE MEDIA NEWS

Registration No 2015/032708/07.

SHOP 41 the strip Stateway

Welkom

Free State

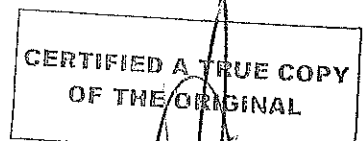
Herein represented by.

Mr. E. Pentene'

In his capacity as Managing Director

Being duly authorized

("the Company")



CASPER DE WIT KRÜGER

KOMMISSARIS VAN EDE
COMMISSIONER OF OATHS
PRAKTISERENDE PROKUREUR RSA
PRACTISING ATTORNEY RSA
KRUGER VENTER INC.

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PO BOX 2033, WELKOM 9460

1. **The Municipality** grants The Media News the right to control, monitor and develop outdoor advertising and administrate the implementation of the by-laws for outdoor advertising and outdoor advertising policies, to collect moneys from all advertisers owing the Municipality on behalf of the Municipality to send letters of demand and to take legal action in terms of the by-laws and policies to do everything necessary to ensure that all advertisers pay the prescribed funds in terms of the relevant municipal advertising tariffs.

2. The **date of Commencement** is the date of signature hereof by both parties.

3.1 The agreement shall endure for a period of 3 years commencing from signature day by or on behalf of the parties.

3.2 Either party shall have the right to terminate the agreement 1 month prior to the expiry date of the period as in clause 3.1 above, by way of prior written notice, failing which, the duration of this agreement shall be deemed for all purposes to have been extended for another period of 3 years terms and conditions as set out herein.

4. Provision for outdoor advertising

4.1 **The Media News** will be responsible for the implementation of outdoor advertising By-Laws and policies within the **Matjhabeng Municipality** and is responsible for the controlling, developing and monitoring of outdoor advertising infrastructure within the Municipality and the collection of rates and levies associated with Outdoor advertising payable to the municipality.

4.2 **The Media News** will be responsible for all matter regarding outdoor advertising sign as defined in the **Matjhabeng Municipality** by-law and policy for outdoor advertising.

4.3 No sign will be fixed or left in a position or in a condition so as to be a real or potential danger to any person, animal or vehicle.

4.4 **The Media News** shall whether of its own accord or upon the written request of the **Municipality**, either repair or remove at the advertisers cost all signs that are defective in any respect or which do not comply with the requirements of the Outdoor advertising policy.

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- 4.5 Should **The Media News** fail, within sixty (60) days of a request addressed to them, to give effect hereto, **the Municipality** shall be entitled to do or to have done such repair or removal, and to recover the costs arising concerned therefrom from The Media News.
- 4.6 Any advertising sign, which is removed on the ground of noncompliance with the requirements may not be re-erected before the cause of removal has been rectified
- 4.7 **The Media News** will also be responsible for the collection of all levies in terms of prescribed tariffs of all current signage advertising in terms of the by-laws and policies. **The Media News** are appointed to issue letters of demand to non-compliant advertisers and if necessary to take legal steps by means of action or application procedures and to do whatsoever necessary to collect all outstanding levies, payments by advertisers owing to **the Municipality** in terms of the outdoor advertising by-laws and policies.

5. Erection and use of billboards and advertising signs

- 5.1 In respect of each billboard to be erected the following shall be submitted by **The Media News** to the department director:
- 5.1.1 Detailed drawings and specifications of the proposed sign, which must comply with the specifications as laid down by the Outdoor Advertising By-law and Policy
 - 5.1.2 An engineer's certificate; certifying that the proposed sign (larger than 18m²) was designed by a professional structural engineer;
 - 5.1.3 Detailed specifications of electrical connections, lights and wiring for approval by the Manger: Electrical engineering services.
- 5.2 The construction/erection of the advertising Board, larger than 18m² shall not commence without the prior written approval of the Municipality subject to any condition the Engineering Management may deem appropriate.
- 5.3 Once a billboard is erected and a continues electricity supply is required to illuminate the board, the advertising company erecting the board shall

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apply in the prescribed manner to the electricity department for a connection to the electricity supply.

5.4 The advertising billboard shall be neatly and properly erected in accordance with the approved drawings and specifications and finished in a workmanlike manner.

5.5 In the event of any damage caused to the road or any underground services during the erection, maintenance or any other actions by the advertiser of the billboard, the advertising company shall at its own cost repair such damage to the satisfaction of **the Municipality**.

6. Electricity supply

6.1 In the erection of digital billboards and illuminated signs, **The Media news** agrees to take all such steps as may be certified by the executive Manager: **Electrical and Mechanical Engineering**, to ensure that electrical power supplied to the illuminated signs would arrive from the streetlights grids and that such units will switch on and off together with streetlights.

6.2 **The Media News** undertakes to comply with all relevant legislation including by-laws amended from time to time. The onus lies on **the Municipality** to inform **The Media News** regarding any amendments to these By-laws or policy which may occur.

6.3 **The Media News** undertakes to inspect empty frames on a regular basis and to maintain them in a safe and attractive condition. In the event of **the Municipality** drawing attention of **The Media News**, in writing to a sign and/or frame needing maintenance, and **The Media News** failing to carry out the necessary maintenance within sixty (60) days of receiving such written notice, then **the Municipality** shall be entitled to place **The Media News** in mora, by giving **The Media News** a further final notice served on **The Media News** at its chosen Domicilium to perform within thirty (30) days. Should **The Media News** thereafter fail to comply with the

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final notice, such failure shall constitute a material breach of this agreement.

6.4 The cost of the electricity consumed shall be for the account of advertiser. However, if for whatever reason, the electricity supply cannot be metered, **the municipality** shall, in accordance with generally acceptable power consumption formulae determine what it considers to be a fair and reasonable cost for the electricity consumed and **the company** shall make payment therefore on demand.

7. Maintenance of billboard and advertising sign

7.1 **The Media News** shall insure advertiser keep and maintain the advertising billboard and its surrounds in a safe clean neat and tidy condition to the satisfaction of the municipality.

8. Alteration to the Billboards and advertising signs

8.1 Subject to compliance with the relevant legislation, the parties agree that **The Media News** shall, during the currency of this agreement, have the right at any time, with the prior written consent of **the Municipality** which consent shall not unreasonably be Withheld:

- 1) To change the branding of the advertising Billboard
- 2) To change the design or format of the advertising Billboard
- 3) To change the content of advertisement on the advertising Billboard

9. The Media News Access to site

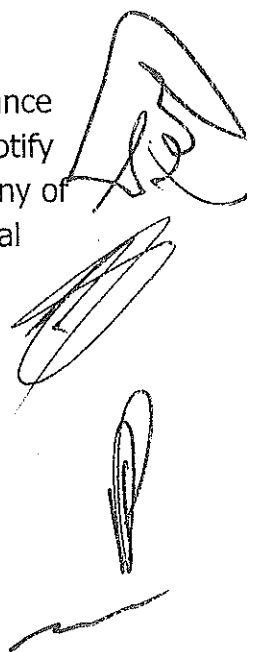
The Media News or its duly authorised employees, agents, consultants and representatives shall be titled at any reasonable time during the tenure / period of this agreement to have access to the site to change the advertisement, to carry out repairs, alterations and the general maintenance of the advertising billboards itself, provided that The Media News shall notify the Municipality at least 3 working days prior to the commencement of any of the aforementioned actions, if such action/s will in anyway impede normal traffic flow.

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10. Compliance with Legislation

The Media News undertakes to comply at all times with the applicable national provincial and municipal legislation or similar regulation provisions regarding outdoor advertising.

11. Special condition

11.1 In addition to the safety standards set out in the applicable by-laws and policy, legislative enactment or regulatory provisions, the following conditions shall apply:

11.1.1 The visibility of traffic signals or traffic signs may not be affected by the advertising billboards.

11.1.2 All traffic signal heads must be clearly visible to oncoming motorists, without any advertisement in background, from a distance of 100 (one hundred) meters before the signal and stay visible until the signal stop line is crossed.

11.1.3 The occurrence of road accidents should not increase as a result of the erection of the illuminated and digital Billboards in a particular location.

11.2 If, the advertising billboard erected does not comply with applicable legislation **the Municipality** may instruct the company to relocate the sign to a site agreed upon by the parties, failing which the advertising billboard is to be removed within sixty (60) days of notification to move such billboard. The relocation or removal of the advertising Billboard is the responsibility of The Media News, and the cost involved shall be for the account of the advertiser.

11.3 Should it be necessary to remove the advertising billboard as a result of roadwork's of whatever nature or the relocation or upgrading of services or whatever other reason deemed necessary by the municipality the advertising Billboard may be relocated to a temporary or permanent site approved by the municipality. **The Media News** shall move the sign within sixty days of the written notification to move such advertising billboard, provided that, should an acceptable relocation site not be identified within this period, the advertising Billboard shall immediately be removed by The Media News. All cost involved in the relocation or removal of the sign shall be for the

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account of the advertiser. The Municipality shall not be liable for any damages of any nature arising from such actions.

11.4 The municipality may in its sole discretion carry out any maintenance and effect any alterations to its property at any time and should such maintenance and/or alterations effect the advertising billboard, the municipality and **The Media News** shall not be liable for any damage to the advertising billboard arising from such maintenance and/or alterations, whether such damage was caused by negligence, or was the result of the actions of the Municipality, its employees, contractors or representatives. **The Municipality** shall furthermore not be liable for any loss of income, caused by such maintenance/alterations, that the advertiser may suffer.

11.5 Any advertising signs and billboard is to comply with the South African Traffic signs Manuel as revised from time to time and the meaning and content of which **The Media News** is familiar with, The Media News shall comply with the Manual at all times.

11.6 No existing trees shall be removed, cut back or trimmed in order to improve the visibility of the sign without prior consent from **the municipality**.

11.7 The advertising billboard is to be positioned in such a way that it is not necessary to disturb the root system, during or after construction.

11.8 Any approval granted by The Media News to an advertiser must display the The Media News and The Matjhabeng Municipality logo eg permits and contracts.

12. Compensation

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12.1 **The Media News** shall pay monthly to **the Municipality** compensation of 30% of Net Profit on the control of outdoor advertising, including but not limited to the collection of all the current advertisers levies outstanding owing to the Municipality.

12.2 **The Media News** agrees to pay this compensation to the municipality annually in arrears on or before the 15th day of the month after the year to which such compensation relates.

12.3 Any legal action taken by **The Media News** against non-compliant advertiser leading to legal action, compensation in terms of such action shall be paid to the municipality on condition of successful action.

13. Indemnity and Public Liability Policy:

- **The Media News** indemnifies **the Municipality** against claims whatever nature as well as legal costs (inclusive of costs on attorney/client scale) which may directly result from any action or omissions by **The Media News**.
- **The Media News** indemnifies **the Municipality** from any claim or legal process of whatever nature may arise as a result of the manufacturing, erection, maintenance, use or other cause related to any sign and/or the content or wording of any advertisement which is displayed in or any sign, which indemnity includes cost which the municipality may incur in protecting its rights, and indeed on a basis as between attorney and own client.

14. Approvals:

- **The Media News** agrees to submit for the approval of the corporate Executive Manager: Engineering services of the Municipality and the Executive Manager: **Electrical and Mechanical Engineering** of the Municipality, Comprehensive plans induplicate showing the final structural design and location if **the Media News** deems it necessary in compliance with all relevant legislation including **by-laws** and policies as amended from time to time.

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15. Removal of illegal signs:

- Before using a site, The Media News shall at no cost to **the Municipality**, take all steps necessary to remove all unapproved signs, or in the event that the advertisers fail to pay the levies or meet the requirements of the by-laws or policies.
- For the duration of the contract, **The Media News** shall at no cost to the municipality, take all steps reasonably necessary to remove all unapproved signs in the **Matjhabeng municipality** and shall be responsible for the serving of notice of compliance to parties whom display unauthorised signs.

16. Cession of rights

The Media News shall be entitled to cede its rights or any part thereof under this agreement or assign its title or interest or delegate its obligations in terms of this agreement with prior written consent of the Municipality.

17. Breach of contract

Should The Media News at any time during the currency / tenure of this agreement fail to pay the amounts due in terms of this agreement on due date and remain in default for 30 days after receipt of a written notice from the municipality requiring the payment to be made or give reasonable response within 30 days then, the Municipality shall have the right forthwith to cancel this agreement and to terminate The Media News rights hereunder, without prejudice to any claim that the Municipality may have against The Media News for payment of any charges or fees charges or fees outstanding and/or any damage which it may sustain by reason of termination of this agreement.

17.1 Should any party refuse or neglect to comply with any of the provisions of this agreement, the other party may give written notice that the breach is to be rectified within 30 (thirty) days of dispatch of the said notice, failing which the party giving notice shall be entitled to claim specific performance of the terms and conditions of this agreement, and in either case claim such damages as the party giving notice may have suffered.

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18. General

18.1 Jurisdiction

Notwithstanding the amount or the case of action, both parties consent to the jurisdiction of the appropriate magistrate's court for the determination of any dispute, which arise from this agreement

18.2 Entire agreement

This document contains the entire agreement between the parties and no amendment, additional, deletion or substitution therein or thereof shall have any force or effect unless reduced to writing and signed by all the parties thereto.

18.3 No relaxation of the terms of this agreement by either party and no indulgence which may expressly or by implication be given to the other party shall in any way prejudice the rights of either one of the parties under this agreement will be capable of constituting a waiver of any such rights, or otherwise operate to limit, modify or later any parties right under this agreement.

18.4 Notice

18.4.1 Any notice in terms of this agreement or arising there from shall be mailed to the addressee by pre-paid registered mail.

18.4.2 A notice so dispatched shall deem to have reached the addressee on the 3rd (THIRD) day after being so sent, proof of the contrary resting upon addressee.

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18.5 Domicilium

18.5.1 The Parties choose their physical addresses reflected on paragraph 19 hereof as their respective domicilium citandi et executandi.

18.5.2 Each party is entitled to change his domicilium by notice to other: Provided that such altered domicilium is not a post office box, private bag or poste restante address and provided further that is situated within the borders of the **Matjhabeng Municipality**.

18.6 Postal addresses

The party's respective postal addresses are as is reflected on paragraph 18 hereof. Any Party is entitled to change his aforesaid postal address by notice to the other.

19 The parties accept domicilium citandi et executandi at:

19.1 The Municipality

Physical Address: Matjhabeng Local Municipality, 319 Stateway, WELKOM, 9459

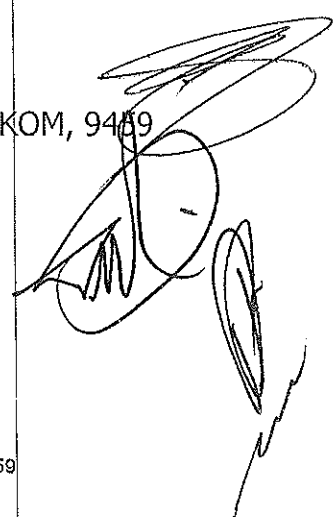
Postal address: P.O. Box 708, WELKOM, 9459

19.2 The Media News

Physical Address: Room 41, The Strip, Stateway 314 WELKOM, 9459

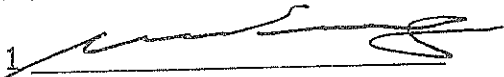
Postal Address: P.O. Box 4102, WELKOM, 9460

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SIGNED at WELKOM on this 18 day of MAY 2018

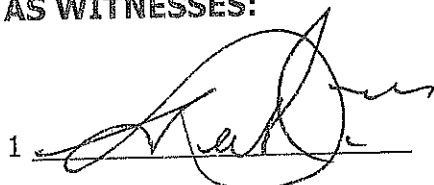
AS WITNESSES:

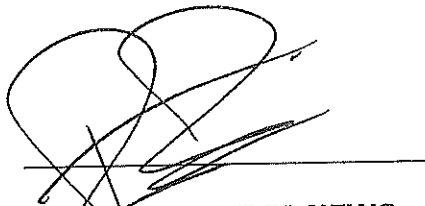
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**MATJHABENG LOCAL
MUNICIPALITY**

AS WITNESSES:

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THE MEDIA NEWS

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