

**MATJHABENG MUNICIPALITY**

**ANNEXURES**

**of the**

**2<sup>ND</sup> ORDINARY COUNCIL MEETING  
FOR THE YEAR 2018**

**convened for**

**WEDNESDAY, 28 MARCH 2018**

**at**

**12h00**

**at the**

**COUNCIL CHAMBERS, CIVIC CENTRE,  
WELKOM**

## Score Sheet

**PANEL CHAIRPERSON - GRAND TOTAL SCORE SHEET**

Date: 09 March 2018...

**AUDIT COMMITTEE MEMBERS - INTERVIEWS**

<b>PANEL</b>	<b>Pule NG</b>	<b>Mokhesi N</b>	<b>Mohlahlo E</b>	<b>Mahlatsi M</b>	<b>Mutsi M</b>	<b>Moreki M</b>	<b>Botshiwe U</b>	<b>Mbange BL</b>
Andre Styger	15	21	25	20	21	24		22
Xolile Masina	22	23	23	28	26	18		14
Sipho Manese	22	28	27	28	24	23		14
<b>GRANDTOTAL</b>	<b>59</b>	<b>72</b>	<b>75</b>	<b>76</b>	<b>71</b>	<b>65</b>		<b>50</b>

Chairperson's Name:.....

Signature:.....

752 SENEPAHANE STREET  
PHOMULDONS  
HENNENMAY

9445

26 FEBRUARY 2018

THE MUNICIPAL MANAGER

Mr TSOAELI T

MATJHABENG LOCAL MUNICIPALITY

WELKOM

9460

DEAR SIR

Re: Application for resignation as PR Councillor

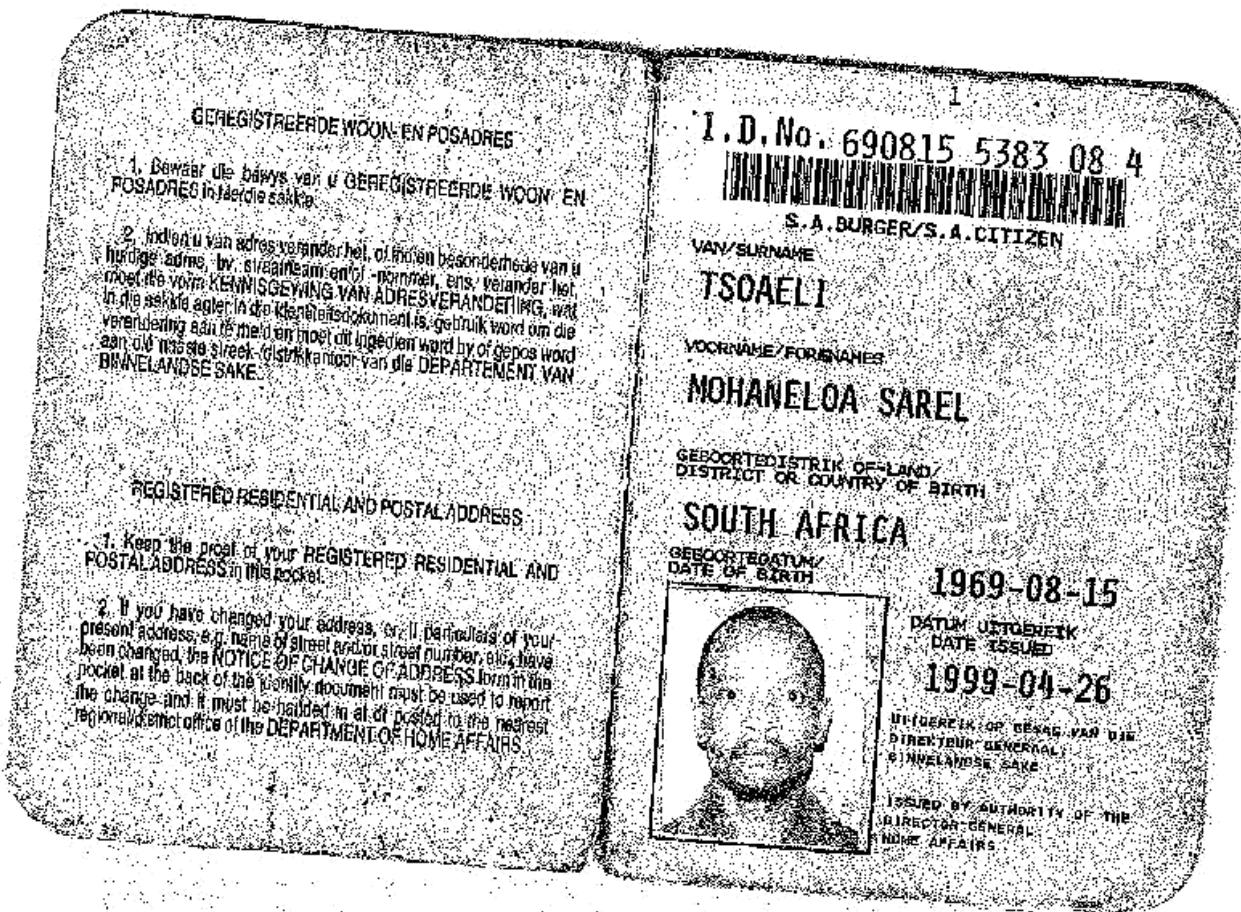
I TSOAELI MOHANELOA SAREL hereby resign as the PR Councillor for the Matjhabeng Local Municipality.

I am requesting to be released from all duties of the local council as from the 28 February 2018. I do apologise for the inconvenience caused by my resignation. I will return property of the council as per request.

I do hope my request will be considered.

Kind regard

TSOAELOI MOHANELOA SAREL  
ID: 6908155383084



## ANNEXURE 1

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CIRCULAR: MCPF 3/2017

**TO : MEMBERS & MUNICIPALITIES**

**ATTENTION: EXECUTIVE MAYORS / MAYORS; SPEAKERS;  
CHIEF WHIPS; MEMBERS OF THE MCPF; MUNICIPAL  
MANAGERS AND CHIEF FINANCIAL OFFICERS**

**DATE : 29 November 2017**

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**FEEDBACK ON THE STATUS OF THE FUND**

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The purpose of this letter is to provide an update on key developments in the Fund since our appointment by the Registrar of Pension Funds ("the Registrar") as Trustees in terms of Section 26(2)(a) of the Pension Funds Act ("the Act") in February 2017.

We are cognisant of the members' concerns and frustrations, specifically that certain information has not been communicated and that the benefit statements as at 30 June 2016 have not been issued.

We want to assure members that we have been investigating the affairs of the Fund as mandated by the Registrar, diligently and purposefully and at all times have acted and will continue to act with the best interests of the members in mind. We have met with the Registrar and engaged all providers and continue doing so to regularise the Fund's affairs and make it compliant with the requirements of the Act.

Our mandate as Section 26 Trustees includes, without limitation:

- Assisting the Registrar with the inspection into the affairs of the Fund;
- Meeting the objectives and fulfil the object and duties of a Board as required by the Act, including dealing with the late submission of the financial statements, actuarial valuation, Regulation 28 reports, SARB reports and benefit statements;
- Dealing with the arrear contributions, any data rebuild or any other dysfunctional aspect of the Fund; and
- Assessing the liability of the previous board of trustees for any losses that may have been suffered by the Fund.

As Section 26 Trustees has been required to report regularly to the Registrar. To this effect, the Registrar has been furnished with reports on 23 March 2017 and on 30 June 2017. The next report is due on 30 November 2017.

We remind you of the previous communications from ourselves as follows:

- 5 March 2017: Our appointment in terms of section 26(2)(a) of the Act;
- 5 May 2017: Cautionary Suspension of Ms M Mlinjana and appointment of Ms T Swart as interim Principal Officer; and
- 31 May 2017: Reinstate Risk Benefits to comply with the rules of the Fund and the Act.

All communication is posted on the MCPF website: [www.mpcf.co.za](http://www.mpcf.co.za).

Our investigations to date have focused on both statutory and operational requirements of the Fund. A significant amount of time and effort has been spent in addressing the issues brought to the Registrar's attention in particular regarding property investments as well as allegations of misconduct with regards Ms Mlinjana, certain members of the previous board and some service providers.

As this communication is long, for ease of reading, we have included Annexures.

Date	Description	Assessed Value	Amount Paid	Amount overpaid
June / July 2015 (first purchase)	1 <sup>st</sup> Isago transaction – to purchase 11 stands	R46 562 000	R137 060 808	R90 408 808
March 2016 (second purchase)	Purchase of Willows Office Park from J Post	R40 003 600	R70 000 000	R29 996 400
March 2016 (third purchase)	2 <sup>nd</sup> Isago transaction – to purchase 12 <sup>th</sup> stand	R39 996 000	R64 727 300	R24 731 300
Total		R126 561 600	R271 788 108	R145 136 508

The assessed fair and best market values reflected in the above table were determined by an independent property valuer and reported upon to us in valuation reports in August 2017.

Your attention is brought to the fact that the 11 stands forming part of the 1<sup>st</sup> Isago transaction effected in June 2015 are not yet registered in the name of the Fund as there are a number of legal requirements Isago has to resolve with the City of Matlosana before the necessary clearance certificates can be issued so that the properties can be registered in the Fund's name. As a result, the full value of this property will be impaired in the 30 June 2016 Annual Financial Statements. The market value will be written back when the transaction is perfected and the properties are registered in the name of the Fund or when the funds are paid back.

The Willows Office Park and the 12<sup>th</sup> stand purchased respectively from J Post Investments and Isago were registered in the name of the MCPF Property Company (Pty) Limited, which is wholly owned by the Fund.

Legislative breaches occurred with the purchase of the properties and we have obtained legal advice on these transactions and are identifying appropriate legal remedies to ensure such remedies are in the best interests of the Fund. These transactions were complicated and prejudicial to the Fund and its members and will therefore take some time to resolve. The adjustments to members shares, as a result of the losses incurred due to the property transactions, has been that a return of -1.372% in July 2017 and -3.802 % in August 2017 were declared.

We remind members that the Fund's investments are approximately R1.6 billion, with the bulk of the assets in other asset classes such as equities, bonds and money market. Whilst the property losses are significant and have resulted in negative adjustment to investment returns in July & August 2017, the remaining assets invested continue to grow and are managed by a number of registered investment managers.

We are also in the process of reviewing the Fund's investment strategy, investment managers and asset consultants to ensure that members interest are in good hands.

#### Expense analysis

The past practice of the Fund has been to set aside 6% of pensionable salaries less the cost of the risk benefits for the operational running costs. The benchmark for operating expenses was determined to be 2.75% of salaries but this is not a fixed percentage.

According to an actuarial review of the Fund's expenses for the period 1 July 2016 to 31 December 2016, there was a significant over-run in administration costs. Expressed as a percentage of payroll, the administration costs amounted to 12.65%. In monetary terms, the administration fees for the six-month period amounted to R73 million, including various once-off fees amounting to R55 million. These once-off fees include due diligence investigation fees of R34 753 394 paid to the

### Non-payment of Contributions

Municipalities have a legal obligation in terms of the rules of the Fund and the Act to pay contributions in respect of each councillor who is a member of the Fund. Annexure C sets out further details and in particular important implications for members when no contributions are received by the Fund.

### Communication with Members

We are in the process of setting up provincial meetings where all members can interact with us. These meetings will be held in the major centres in the provinces. Exact dates and invites will be issued in due course. Further updates will be provided as and when the Board conclude their reviews or as and when appropriate. For any further inquiries contact MCPF Marketing and Communication Manager, Azwifarwi Phuravhathu on 011 220 0000/063 4074632 and email [azwifarwi@mcpf.co.za](mailto:azwifarwi@mcpf.co.za)

Members are requested to note that this communication and any previous communication will be posted on the fund website: [www.mcpf.co.za](http://www.mcpf.co.za). The Fund wishes to offer other platforms to communicate and have requested emails and mobile numbers for all members. We would appreciate assistance from all Municipalities and members in this regard.

The Board wishes to advise that Mr Lance Joel, a Section 26 Board Trustee, has resigned. The Fund will continue to work with Mr Joel as a point of contact with SALGA in ensuring the interest of members are met.

The interim Principal Officer's contract ends 30 November 2017. The Trustees will advise in due course of a new Principal Officer. In the interim please contact the Company secretary Elias Msiza on [Elias@mcpf.co.za](mailto:Elias@mcpf.co.za).

### Conclusion

We believe as a Section 26 Board that notwithstanding the challenges raised above and in the annexures, sufficient work has and will continue to be done to correct the weaknesses in the Fund, and lapses in governance in order to put the Fund on a sound footing. Further, the Section 26 Board is also fully committed to recovering all losses identified, as far as possible. To that end, we have engaged the relevant specialists to identify the most effective routes available to us to recover those losses. We are also actively engaging with the relevant prosecuting authorities. This is done to benefit the members. We encourage you as members to work with us in turning this unfortunate situation around.

We wish you and your families a safe holiday season and all the best for 2018.

Yours Faithfully

JAN MAHLANGU  
CHAIRPERSON: MCPF BOARD OF TRUSTEES  
MUNICIPAL COUNCILLORS PENSION FUND

## ANNEXURE B

### Status of the Member Accounts and Benefit Statements

The Fund can only issue members benefit statements once the Fund's records have been audited. As indicated, the delay in the 30 June 2016 benefit statements has been due to the delay in finalisation of the audited financial statements. The Fund's audited financial statements will be issued in due course. It is intended that the 30 June 2017 benefits statements will be issued after the that 30 June 2017 audit is complete in 2018.

We appointed Integrity Retirement Fund Administrators (Pty) Limited ("Integrity"), to check membership records and finalise the financial records for the audit. Integrity is a former service provider to the Fund and has the necessary technical and institutional knowledge to check and finalise the build-up of the member accounts as at 30 June 2017. Integrity also assisted in litigation against one of the Fund's former administrators, which was recently successfully concluded.

Although, in the past, projects were undertaken to reconcile member records due to changes in administrators this exercise was never fully completed as, for example, the former actuaries and Integrity services were terminated before this could be completed. As it is necessary to resolve the challenges with the member records on the administration system and review the internal controls, we have re-engaged Integrity to finalise the exercise.

Integrity are currently in the process of verifying all the members, the member share values as at 30 June 2017, using the previous member records and the Actuary's member values and where necessary will update the administration system accordingly. This verification and data rebuild exercise will be completed by 31 December 2017. Once completed, the Fund's actuaries will verify that the membership records are valid.

We are aware of the frustration in the delays in the payment of benefits to exiting members and beneficiaries, however the Fund instituted a rigorous verification process to ensure that the benefit payments are correct. This process has compromised the normal service deliveries; however, we are of the opinion that this verification is critical and prudent in managing the affairs of the Fund as mandated by the Registrar.

Integrity are further assisting with the 30 June 2017 Annual Financials Statements and it is expected these will be concluded by 31 December 2017. The auditors will start their audit in January 2018. As mentioned this will enable the Fund to issue 30 June 2017 member benefit statements as soon as possible thereafter.

Integrity was also appointed to assist with the recovery of the Fund's claim against SARS, a matter that has been ongoing since November 2010. The Fund is expecting to recover approximately R40 million, adjusted for any possible underpayments.

#### Member records

In addition to the project by Integrity to validate the member values and address the arrear contributions, the Fund is taking steps to obtain accurate information from the Municipalities to update your membership information on the administration system. This will include receiving correct pensionable salaries, identity numbers as well as email and mobile contact details.

Your contact details will be used to communicate directly with you and we should appreciate it very much if you could confirm your details and suggest that you use this opportunity to update any nominee forms for the disposition of death benefits. Your HR contact, who is in contact with the Fund administrators should be able assist you in this regard.

## MATJHABENG

**Municipality  
Umasipala**  
PO Box 708  
WELKOM  
9460



**Masepala  
Munisipaliteit**  
Tel: (057) 391 3238  
Fax: 086 536 0696  
[Mapitsos@matjhabeng.co.za](mailto:Mapitsos@matjhabeng.co.za)

### OFFICE OF THE MUNICIPAL MANAGER

22 January 2018

The Acting Principal Officer – Mr Elias Msiza  
Municipal Councillors Pension Fund  
2 76 George Road  
**MIDRAND**  
2026

Dear Madam

#### **TRANSFER OF BENEFITS FROM MCPF TO CAPE RETIREMENT FUND**

Matjhabeng Municipality as an employer body by implication to Councillors had to pull out of being your member as a body. Your members in Matjhabeng raised issues individually that led to sour relationship and mistrust due to a number of incidents.

The few instances that were mentioned were as follows:

1. In 2010, the meeting in Durban called by the fund there were two contradicting Asset Statements from the then PEO and the then acting Chair of the Board.
2. From time to time the fund changed the Administrators without even consulting the members. We were told that the following were your administrators within the short period, Akani, ABSA and Moriting. The story is that each time you switched from one administrator to the other the Data got lost which grossly impacted to the members especially those who had to leave the fund for different reasons.

The letter of the board dated 02 September 2014, you gave an evidence that each time you switched from the administrator to another data got lost. In the process you couldn't give benefit statements. This created issues of mistrust to your members.



## THE MUNICIPAL COUNCILLORS PENSION FUND

### Purpose

To brief the Council about the current status of the Municipal Councillors Pension Fund

### Background

In 2016, the Council took a resolution that Councillors should resign or get out of Municipal Councillors Pension Fund (MCPF). This was communicated to the MCPF.

There was no response from MCPF and what followed was that the Board of Trustees was dissolved by Financial Services Board (FSB). The PO Mildred Mlinjana resigned as she was already suspended by the previous Board as she was also facing charges.

The Section 26 Board investigated the fund and came up with a report that showed that R145 136 508 was unaccounted for by the fund. The report is attached as an annexure for perusal. The Speaker formed a task-team that needed to meet with the MCPF Board. Many letters were written to try to secure an appointment but with no success until the Section 26 Board was dissolved.

Two curators were appointed by Gauteng High Court. Under those curators, the fund was able to come and meet the task team that was formed by the Speaker. The matter of transferring the Councillors Benefit to CRF was discussed. The fund was saying that according to their Rules, that was not possible. They could not explain a specific Rule that was saying that. They could not explain Rule 24A1.2 which talks about transfers and amalgamations also Section 14 from the Pension Fund Act No 24 of 1956 talks about transfers and amalgamations.

Having followed up by a letter to them they then answered to say for that to happen there is a process to be followed which involves FSB. We then answered to say we were not saying that they short circuit processes they should follow procedures and transfer those benefits. **Circular: MCPF 3/2017** attached as Annexure 1. This reveals how funds were used in the MCPF.

Annexures 2 to 4 is the correspondence between the Municipality and the Fund.

At the time of drafting this report, telephonically they said they were still going to consider the matter.

### Legal Implications

There are legal implications if the Council decides to take the matter to court

## RECOMMENDATIONS

That the Item be submitted for consideration



# 10

Kindly respond within ten days after the receipt of this communique'.

Yours faithfully



Mope Tsoaeli  
MUNICIPAL MANAGER

"Breaking down barriers against HIV/AIDS by restoring the dignity of the affected and infected"



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ANNEXURE 3  
**11**



Enquiries: Mr EM Msiza  
Tel: 086 111 2014  
Email: [elias@mcpf.co.za](mailto:elias@mcpf.co.za)  
Date: 24 January 2018

**UNDER CURATORSHIP**  
The Willows Office Park  
MCPF, Block 1 Unit 1&2  
276 George Road  
Erand Gardens,  
Midrand  
Tel: 086 111 2014  
Fax: 086 662 5579  
Email: [info@mcpf.co.za](mailto:info@mcpf.co.za)  
Website: [www.mcpf.co.za](http://www.mcpf.co.za)

The Municipal Manager  
Matjhabeng Local Municipality  
P O Box 708  
WELKOM  
9640  
[rubulanal@matjhabeng.co.za](mailto:rubulanal@matjhabeng.co.za) ; [mapitso@matjhabeng.co.za](mailto:mapitso@matjhabeng.co.za)

Dear Municipal Manager,

**RE: TRANSFER OF BENEFITS FOR MCPF TO CAPE RETIREMENT FUND**

Your letter dated 22 January 2018 regarding the above subject matter refers.

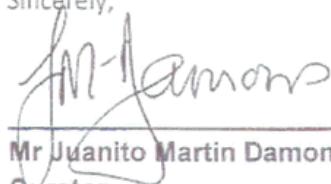
The Curators of the Municipal Councillors Pension Fund (MCPF) held a meeting with Councillors on the 19<sup>th</sup> January 2018. Councils which were represented at this meeting were Matjhabeng Local Municipality, Tswelopele Municipality, Lejweleputswa Municipality, Tokologo Local Municipality and Maluti-a-Phofung Local Municipality. At the said meeting, issues raised in your letter were addressed and it was agreed that the Curators will come back to the Office to address those issues and furthermore to finalise the Annual Financial Statements and ensure that benefits statements are issued from the 28<sup>th</sup> February 2018.

While we note with concern your intention to withdraw from the Fund, please note that the Rules of the Fund does not allow for transfer of benefits while a Member is still an active serving Councillor. Furthermore, please take into consideration that Section 14 of the Pension Fund Act requires that certain conditions be fulfilled prior to any transfers can be finalised.

Section 14 of the Pension Fund Act no 24 of 1956 as amended stipulates no transaction involving the amalgamation of any business carried on by a registered fund with any business carried on by any other

We hope you find the above is in order.

Sincerely,



Mr Juanito Martin Damons  
Curator  
MCPF



Ms Thabang Sophy Kekana  
Curator  
MCPF

## ANNEXURE 4

**MATJHABENG**

**Municipality  
Umasipala**  
PO Box 708  
WELKOM  
9460



**Masepala  
Munisipaliteit**  
Tel: (057) 391 3238  
Fax: 086 536 0696  
Mapitsos@matjhabeng.co.za

**OFFICE OF THE MUNICIPAL MANAGER**

5 February 2018

The Acting Principal Officer – Mr Elias Msiza  
Municipal Councillors Pension Fund  
2 76 George Road  
**MIDRAND**  
2026

Dear Sir

**TRANSFER OF BENEFITS FROM MCPF TO CAPE RETIREMENT FUND**

Your response to the above matter refers.

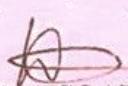
We noted as you gave the impression that in terms of the Rules, transfers are not possible but not quoting a specific Rule as we quoted Rule 24A1.2 of the Rules. You also mentioned that according to Section 14 certain conditions need to be fulfilled prior to any transfers to can be finalised.

We are aware of all those conditions. We also did not mean you should short circuit the process.

We therefore suggest that these transfers be done under Section 14 of the Act and Rule 24A1.2 and following all the procedures in full as we understand that.

Thank you

Yours faithfully

  
P TE TSOAELI  
**MUNICIPAL MANAGER**



Unauthorised Expenditure 2016/17

<b>EXPENDITURE TYPE</b>	<b>BUDGET 2016/17</b>	<b>POST AUDIT ACTUALS</b>	<b>VARIANCE</b>	<b>Unauthorised</b>	<b>Non-Cash/Cash item</b>
Employee related costs	620 098 550,73	654 633 722,00	34 535 171,27	34 535 171,27	Cash Item
Remuneration of councillors	28 551 594,00	28 790 999,00	239 405,00	239 405,00	Cash Item
Debt impairment	70 000 000,00	350 487 460,00	280 487 460,00	280 487 460,00	Non-Cash Item
Depreciation & asset impairment	87 000 000,00	210 591 424,00	123 591 424,00	123 591 424,00	Non-Cash Item
Finance charges	105 980 000,00	225 560 704,00	119 580 704,00	119 580 704,00	Cash Item (Eskom Interest)
Bulk purchases	676 436 219,79	893 422 073,00	216 985 853,21	216 985 853,21	Cash Item
Other materials	230 690 767,00	71 864 414,00	(158 826 353,00)	-	Not Applicable
Contracted services	80 000 000,00	167 483 479,00	87 483 479,00	87 483 479,00	Cash Item
Transfers and grants	32 850 000,00		(32 850 000,00)	-	Not Applicable
Other expenditure	105 127 252,00	208 156 182,00	103 028 930,00	103 028 930,00	Cash Item
Loss on disposal of PPE	-	-	-	-	Cash Item
Total				965 932 426,48	

Total of Non-Cash Items	404 078 884,00
Total of Eskom Interest	119 580 704,00
Bulk Purchases	<u>216 985 853,21</u>
Difference (Other Expenditure)	<u><u>225 286 985,27</u></u>

**MATJHABENG****MUNICIPALITY  
MMASEPALA**

P O Box 708  
Welkom, 9460  
South Africa

**UMASIPALA  
MUNISIPALITEIT**

Tel: (057) 391 3231  
Fax: (057) 357-4584  
E-mail: mlungisi.martins@matjhabeng.co.za

***OFFICE OF THE EXECUTIVE MAYOR***

05 March 2018

**Mr Peter Steenkamp  
Chief Executive Officer  
Harmony Gold Mine**

Dear Sir

**RE: DECISIONS OF A MEETING HELD ON 01 MARCH 2018**

The above has reference.

Kindly be reminded that the meeting made the following decisions:

1. That Harmony Gold Mine will instruct its legal team to stop the process of interdicting the occupants of land next to Paballong Village and communicate this to Matjhabeng Local Municipality.
2. That Matjhabeng Local Municipality will confirm in writing that it will take responsibility of providing infrastructure to the occupants of the land.
3. That Harmony Gold Mine will furnish the municipality with structural plans showing how infrastructure system (pipes) is laid in that land.
4. That Harmony Gold Mine will furnish Matjhabeng Local Municipality with all pieces of land that may be availed to Matjhabeng Local Municipality for human settlements purpose once all proclamation processes are done.

We are looking forward to hear from you very soon.

Yours faithfully,

A handwritten signature in black ink, appearing to read "MLUNGISI MARTINS".

**MLUNGISI MARTINS**

**CHIEF OF STAFF: OFFICE OF THE EXECUTIVE MAYOR**



**HARMONY GOLD MINING COMPANY LIMITED**

Randfontein Office Park  
Cnr Main Reef Road and Ward  
Avenue, Randfontein, 1759

P O Box 2, Randfontein, 1760  
Johannesburg, South Africa

T +27 11 411 2000  
F +27 11 692 3879  
W [www.harmony.co.za](http://www.harmony.co.za)

NYSE trading symbol HMY  
JSE trading symbol HAR

**Matjhabeng Municipality**  
**Mr Mlungisi Martins**  
Chief of Staff: Office of the Executive Mayor

By email: [Mlungisi.Martins@matjhabeng.co.za](mailto:Mlungisi.Martins@matjhabeng.co.za)

16 March 2018

Dear Sir

**RE: DECISIONS OF A MEETING HELD ON 1 MARCH 2018**

We refer to your letter dated 5 March 2018 which we received on 7 March 2018.

We herewith confirm the following:

1. We have withdrawn our interdict against the occupants of the Remaining Extent of the Farm Mealie Bult No 49, District Welkom ("the Property") which is the land next to the Paballong Village. We, however, reserve our rights to interdict and restrain any person from undertaking any unlawful acts at or in close proximity to the Tsherpone Operations or any communities in close proximity thereto including any violence, damage to property, interruption of Harmony's business operations, or interference with any employees, persons or services (such as water supply or electricity).
2. As per your letter, the Matjhabeng Municipality ("the Municipality") has agreed that it will take full responsibility for providing infrastructure (ie. water, electricity and sanitation) to the occupants of the Property, at the Municipality's cost, pending the finalisation of the donation of the Property to the Municipality.
3. Harmony will provide the Municipality with the structural plans as far as is practically possible.
4. Harmony will investigate and consider whether there is further land available for donation subject to our mining activities, safety, health and rehabilitation obligations

Directors: PT Motsepe\* (Chairman), JM Motlaba\* (Deputy Chairman), PW Steenkamp (Chief Executive), F Abbott (Financial Director), HE Mashego (Executive Director), JA Chissano\*, FFT De Buck\*, KV Dicks\*, Dr DS8 Lushaba\*, M Msimang\*, JL Welton\*, AJ Wilkens\*, KT Nondumo\*, VP Pillay\*, MV Sisulu\*. \*Non-Executive, \*\*Mozambican

Secretary: Riana Bisschoff

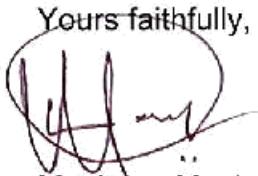
Registration Number: 1950/038232/06

as well as our obligations under our social and labour plans. Any future donations will also be considered against the successful donation of the Property (see definition in par. 1) and whether the Municipality are able to provide the necessary infrastructure.

5. Any donation of land will be subject to the Municipality taking full responsibility and liability for that land including the process, approvals and cost of proclamation.
6. As you are aware, there are a number of steps that will need to be taken in terms of the By-Laws before the Property can be transferred through a donation. We have instructed our attorneys to draft a Donation and Lease Agreement which we will send to you for your consideration within the next few days. Once you've had an opportunity to consider the draft agreement, we can arrange for a meeting to discuss. The agreement includes a number of conditions which need to be met before the Property can be transferred. If (for any reason) these conditions cannot be met, the agreement may be terminated and the Municipality will be required to re-house and evict the unlawful occupiers of the Property, as agreed at the meeting held on 1 March 2018.

We trust you find this in order.

Yours faithfully,

A handwritten signature in black ink, enclosed in a circle. The signature appears to read "Mashego Mashego".

Mashego Mashego  
Executive Director: Corporate Affairs