

CALL FOR PROPOSALS

A unique opportunity exists for the development of a small retail centre at Portion of ERF 1074, Esikhaleni / Esikhawini, near Richards Bay, in the Province of KwaZulu Natal. The site is approximately 5 950 m². It has an old building which used to be a brewery. The site is on the main road from Richards Bay to Esikhawini. It is within easy access to the N2 freeway to Durban. The site is zoned for Retail.

The proposals will be evaluated on a commercial basis and with emphasis on market related value for money.

The proposal will be assessed on;

- the project viability
- estimated cost of the development
- investment yield
- ability to secure funding for the project
- its ability to fulfil IDFC's economic development mandate
- its BEE rating; preferable Level 1 BEE Rating
- black representation in the professional team
- employment possibilities to be created for the local people during construction and during the life of the development
- contracting and sub-contracting during the development process
- its compliance with zoning and planning parameters;
- its impact on environmental factors
- its proposed tenant mix and its ability to lease space to local businesses
- rental structure
- design and aesthetics
- project timelines

IDFC shall lease the site to the successful proposal. Lease agreements will have to be signed between the entity whose proposal has been successful and the IDFC for each of the 3 stages at the following terms;

1. The first **24 months (the Planning Phase)** – for **obtaining the required approvals and licences**. During this period the developer pays IDFC a **refundable deposit**, which is equivalent to not less than 2 month's rental;
The developer pays for **operating costs** of the site (including property rates and taxes).
Should approvals be obtained before the end of the first 24 months and the developer wishes to commence with the construction, the developer can apply for progressing to the construction phase.
2. The next period will be the **Construction Phase** (up to a maximum of 24 months for Practical Completion) during which the developer will pay for all operating costs of the site (including property rates and taxes).
3. The remaining period – the **Lease period** (which shall be not more than 25 years inclusive of the Planning and Construction Periods), renewable for another 25 years, subject to the success of the development and negotiation between the developer and IDFC.
During this period the developer shall pay the greater of a fixed rental which shall be in line with IDFC's **rental policy**, or a negotiated turnover rental based on annual rental received by the developer.
The developer will pay for all operating and property costs.

The land and all its improvements shall revert to IDFC at the end of the lease period any early termination thereof.

Development Process

The Development must be approved the relevant Municipality
The Design must be acceptable to and approved by IDFC.

General Terms

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

Developers 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 IDFC. 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 call for proposal process, and guides developers on the preparation of proposals to enable IDFC to select developers that:

- Offer the best design 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 IDFC's development framework and criteria.

Disclaimer

While all reasonable care has been taken in preparing all documents comprising the Call for Proposal, neither IDFC 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 are required to independently verify all information distributed by IDFC in the course of this process, and must inspect the sites and ensure that they have independently verified all property related information.

IDFC 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.

IDFC reserves the right to reject any proposal or submission made during the course of this process. No developer/proposer shall have any claim against IDFC, its officers, employees, servants, agents or advisors arising out of any matter relating to the call for proposal process and proposed development of any nature whatsoever, where such claim is based on any act or omission by IDFC 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 IDFC 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 call for proposal process.

Confidential Information

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

It is recognized that developers 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 IDFC, it is a specific term of this document that no developer may have access to or sight of the contents of any competing developer's proposal. In this regard all developers, by participating in this process, undertake not to launch any applications or require or request (through any means) sight of any competing developer's proposal.

Improper Lobbying / Interference

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

No Damages

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

IDFC reserves the right to 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 or any obligation to inform the developers of the grounds of IDFC's actions.

Competition

Developers and 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.

Grounds for Disqualification

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

Participation by the developer in any activity which may constitute serious corruption, bribery or impropriety, or lead to the commission of any serious offence during the call for proposal process, or in any other national or provincial government call for proposal process;

Any serious infringement by a developer of any of the provisions of the document; and

By the furnishing of misleading or incorrect information relied upon by IDFC.

Contact Details

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

Name:

Tel: +27 31 907 8911

Email: qoutes@ithala.co.za

Submission of Proposals

Proposals under sealed cover must be delivered to

Or email:

Proposals must be marked "CALL FOR PROPOSAL SUBMISSION"

IDFC reserves the right to request that developers make presentations on the key elements of their proposals.

The Contract Process

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

Developers Legal Personality

Developers may constitute a consortium or joint venture, or create a special purpose vehicle for the submission of proposals. However, any entity that 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 are responsible for all costs associated with the costs of submitting the development submissions.

Statutory Approvals

The design review process put in place by IDFC is an internal process, and does not discharge or release the developer 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, but is merely a solicitation of proposals.