

Opportunity 4

Co-development and co-ownership with Visual International of the first phase of Stellendale Park

Project Summary

- ± ten or more individual buildings on a 2 or 3 storey super basement;
- ± 70,000m² Gross Lettable Area (GLA);
- Predominantly Contact Centre space including ± 3,800m² Data Centre complex
- Parking basement with 4 parking bays/100m²;
- Contact Centre space fully provisioned to plug-and-play status;
- Utility spaces including lifts, reception areas, ablution facilities, services rooms;
- 4 Star Green rating

Investment Process

- a. Agree with the various interested parties to structure the shareholding, equity capital, loan accounts and other aspects necessary for them to enter into a shareholders agreement to establish and operate Newco 4.
- b. Establish Newco 4.
- c. The acquisition by Newco 4 of Stellendale Park first phase land from Visual.
- d. Conclude agreements with various interested parties to form Newco's (such as Newco 1, Newco 2 and Newco 3) for each of the ±10 erven/projects in the first phase of the Stellendale Park precinct.
- e. Enter into long term lease agreements, of (say) 10 years, with the relevant Newco's and/or other entities for letting the buildings to be developed on each respective erf in Stellendale Park. Provide SLA's for each project, to the relevant tenants regarding aspects such as back-up power, air conditioning, security.
- f. Co-develop the BPO related projects on the various erven for the respective Newco's and/or other interested parties, some of whom will want to become co-investors with Newco 4 in their completed buildings.
- g. Hand over the completed buildings to the tenants.
- h. On-going management of the various properties and of the precinct.

Notes:

- i. Some of the banks have indicated a willingness to provide Newco 4 with 10 year (or longer) loans to help with the long term funding of the various buildings. We are also in negotiation with a financial institution about leasing, over a period of 5 - 7 years, some or all of the equipment in the various buildings. Such funding arrangements will greatly reduce the ownership capital required.
- i. Returns will be substantially higher should Newco 3 be able to make bridging finance available during the development/building period.
- ii. In due course, investigate the development of further BPO precincts and of other property related projects elsewhere in South Africa, with the intention of expanding the operations of Newco 4.
- iii. In due course, investigate the possibility of publicly listing the shares of Newco 4 on the Johannesburg Stock Exchange. The buildings or sections of any one or more buildings can, however, also be sold by Newco 4 from time to time at attractive returns, in order to convert some or all of the Stellendale Park investment into cash.