



Notice is hereby given in terms of Section 29 of the Local Government: Municipal Structures Act, Act 117 of 1998, that a **COUNCIL MEETING** of the 2021/2026 term of the Garden Route District Municipality will be held at the CA Robertson Council Chambers and via Zoom on **THURSDAY, 30 JANUARY 2025 at 11:00** to consider the items as set out in the agenda.

*Kennis geskied hiermee ingevolge Artikel 29 van die Wet op Plaaslike Regering: Munisipale Strukture, 1998, Wet 117 van 1998, dat 'n **RAADSVERGADERING** van die 2021/2026 termyn van die Garden Route Distriksmunisipaliteit gehou sal word in die CA Robertson Raadsaal en via Zoom op **DONDERDAG, 30 JANUARIE 2025 om 11:00** ten einde oorweging aan die items soos in die agenda uiteengesit, te skenk.*

Kukhutshwe isaziso ngokwemiqathango yoMhlathi 29 woRhulumente Basekhaya: Umthetho Wezolawulo loMasipala, 1998, uMthetho 117 wango 1998, sokuba **INTLANGANISO YEBHUNGA** yexesha lika 2021/2026 loMasipala Wesithili se Garden Route izakubanjelwa kwiGumbi leBhunga CA Robertson nango ngo Zoom **NGOLWESINE, 30 KWEYO-MQUNGU 2025** ngentsimbi ye **11:00** ukuqwalasela imiba ebekwe kwi agenda.

ALD GR WOLMARANS
SPEAKER
SPEAKER
SOMLOMO

MG STRATU
Municipal Manager
Munisipale Bestuurder
Mphathi Masipala

Date: 28 January 2025
ADDENDUM

AGENDA

1. OPENING AND WELCOMING / OPENING EN VERWELKOMING / UVULO NOLWAMKELO
2. EVACUATION PROCEDURES / ONTRUIMINGSPROSEDURES / INKQUBO YOKUFUDUSWA
3. SILENT PRAYER (MEDITATION) / STILLE GEBED (MEDITASIE) / UMTHANAZO OTHULEYO
4. ATTENDANCE OF MEMBERS / BYWONING VAN LEDE / AMALUNGU AKHOYO
 - 4.1 COUNCILLORS PRESENT / RAADSLEDE TEENWOORDIG / OOCEBA ABAKHOYO
 - 4.2 COUNCILLORS WITH LEAVE / RAADSLEDE MET VERLOF / OOCEBA ABAKWIKHEFU
 - 4.3 COUNCILLORS WITHOUT LEAVE / RAADSLEDE SONDER VERLOF / OOCEBA ABANGEKHO KWIKHEFU
5. NOTING OF THE PROVISIONS OF SCHEDULE 7 (CODE OF CONDUCT FOR COUNCILLORS) OF THE LOCAL GOVERNMENT MUNICIPAL STRUCTURES AMENDMENT ACT, 2021 / KENNISNAME VAN DIE VOORSKRIFTE VAN SKEDULE 7 (GEDRAGSKODE VIR RAADSLEDE) VAN DIE PLAASLIKE REGERING MUNISIPALE AANGEPASTE STRUKTURE WET, 2021 / UQWALASELO LWEMITHETHO-NEMIMISELO YOLUHLU 7 (INDLELA YOKUZIPHATHA KOCEBA) LOMTHETHO WORHULUMENTE BASEKHAYA WESIMO SOMASIPALA OLUNGISIWEYO WANGO 2021
6. DISCLOSURE OF INTERESTS BY COUNCILLORS AND OFFICIALS / VERKLARING VAN BELANGE DEUR RAADSLEDE EN AMPTENARE / UKUCHAZWA KOMDLA NGOCEBA KUNYE NAMAGOSA

7	COMMUNICATIONS BY THE SPEAKER / MEDEDELINGS DEUR DIE SPEAKER / UNXIBELELWANO LUKASOMLOMO
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1. OVERSIGHT REPORT ON THE ANNUAL REPORT FOR THE 2023/24 FINANCIAL YEAR / VERSLAG RAKENDE DIE OORSIGVERSLAG VIR DIE 2023/24 FINANSIËLE JAAR / LWENGXELO EYONGAMELEYO YONYAKA YONYAKAMALI KA 2023/24

REPORT FROM THE CHAIRPERSON OF MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC) (CLLR CORNELIUS)

2 PURPOSE

To present the Oversight Report on the Annual Report of the Garden Route District Municipality (GRDM), as required by legislation, and submit the recommendations to Council for consideration.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The 2023/24 Annual Report was presented to the Municipal Public Accounts Committee (MPAC) on 28 August 2024 and 28 January 2026. The Annual Report was advertised for public inputs and comments on 29 August 2024 and no comments were received from the public/communities. The Draft Annual Report was also submitted to Provincial Treasury and the Provincial Department of Local Government as well as the Office of the Auditor General.

In addition to the above platforms, the Annual Report was also placed on our communications channels, including our website and Official GRDM Facebook, Eden FM, local newspapers, as well as distributed to all our satellite offices. This was to ensure that those who do not have access to media can also access the report. Furthermore, a live podcast was aired on Eden FM to encourage the public to review the annual report.

MPAC would like to take this opportunity to congratulate the administration on obtaining the fourth consecutive Clean Audit Outcomes, which we will discuss later in this report.

5. RECOMMENDATIONS

1. That Council, after having fully considered the Annual Report of the municipality and representations thereon, adopts the oversight report and the 2023/24 Annual Report without reservations.
2. That the Accounting Officer, in accordance with Section 21 (a) of the Municipal Systems Act, make the oversight report public within seven days of its adoption.
3. That the Accounting Officer submits the Oversight Report to the Provincial Legislature within seven days.
4. That the Accounting Officer develops action plans to address issues raised in the Auditor General Report and monitor progress.
5. That the Audit Action Plan progress be presented to APAC and MPAC quarterly.
6. That Council refer Irregular Expenditure disclosed in the Annual Financial Statements to MPAC for investigation.
7. That Council refer Unauthorised Expenditure disclosed in the Annual Financial Statements to MPAC for investigation.
8. That Council refer Fruitless and Wasteful Expenditure disclosed in the Annual Financial Statements to MPAC for investigation

AANBEVELINGS

1. *Dat die Raad, nadat die Jaarverslag van die munisipaliteit en vertoë daaroor volledig oorweeg het, die oorsigverslag en die 2023/24 Jaarverslag sonder voorbehoude aanvaar.*
2. *Dat die Rekenpligtige Beampte, ooreenkomstig Artikel 21 (a) van die Munisipale Stelselwet, die oorsigverslag binne sewe dae na die aanvaarding daarvan openbaar maak.*
3. *Dat die Rekenpligtige Beampte die Oorsigverslag binne sewe dae by die Provinsiale Wetgewer indien.*
4. *Dat die Rekenpligtige Beampte aksieplanne ontwikkel om kwessies wat in die Ouditeur Algemene Verslag geopper word aan te spreek en vordering te monitor.*
5. *Dat die vordering van die Ouditaksieplan kwartaalliks aan APAC en MPAC voorgelê word.*
6. *Dat die Raad onreëlmatige uitgawes wat in die finansiële jaarstate geopenbaar is na MPRK verwys vir ondersoek vir die huidige jaar.*
7. *Dat die Raad ongemagtigde uitgawes wat in die finansiële jaarstate geopenbaar is na MPRK verwys vir ondersoek.*
8. *Dat die Raad vrugtelose en verkwistende uitgawes wat in die finansiële jaarstate geopenbaar is na MPRK verwys vir ondersoek.*

IZINDULULO

1. *Sesokuba iBhunga, emva kokuba liyithathele ingqalelo ngokupheleleyo iNgxelo yoNyaka kamasipala nokumelwa kuyo, lamkele ingxelo yokongamela kunye neNgxelo yoNyaka wama-2023/24 ngaphandle kwamathandabuzo.*

2. Sesokuba iGosa eliNika iNgxelo, ngokungqinelana neCandelo lama-21 (a) loMthetho weNkqubo zikaMasipala, lenze ingxelo yokongamela esidlangalaleni kwiintsuku ezisixhenxe zokwamkelwa kwayo.
3. Sesokuba iGosa eliNika iNgxelo lingenise iNgxelo yoLwaphulo-mthetho kwiNdlu yoWiso-mthetho yePhondo kwiintsuku ezisixhenxe.
4. Sesokuba iGosa eliNika iNgxelo liqulunqe izicwangciso zamanyathelo okujongana nemiba ephakanyiswe kwiNgxelo yoMphicothi-zincwadi Jikelele kunye nokubeka iliso kwinkqubela phambili.
5. Sesokuba isiCwangciso soMsebenzi woPhicotho-zincwadi sinikezelwe kwi-APAC nakwi-MPAC qho ngekota.
6. Sesokuba iBhunga lidlulisele iNkcitho eNgagunyaziswanga edizwe kwiiNgxelo-mali zoNyaka kwi-MPAC ukuze iphandwe kulo nyaka.
7. Sesokuba iBhunga lithumele iNkcitho engagunyaziswanga edizwe kwiiNgxelo zeMali zoNyaka kwi-MPAC ukuze iphandwe.
8. Sesokuba iBhunga lithumele iNkcitho engenaziqhamo neyiNkcitho ebhengezwe kwiiNgxelo zeMali zoNyaka kwi-MPAC ukuze iphandwe.

6. DISCUSSION / CONTENTS

6.1 Background

In terms of section 129 of the Local Government: Municipal Finance Management Act, 2003, Council must adopt an oversight report of the municipality, which must include comments on the Annual Report. The Municipal Public Accounts Committee (MPAC) is the committee of Council that is tasked with the responsibility of drafting such a report.

Council has adopted an Annual Report Process Plan that is in line with MFMA Circular 63, which requires that the whole process of the Annual Report be finalised in December each year. GRDM is the only municipality that has been complying with MFMA Circular 63 in the region, if not the whole Western Cape. However in the period under consideration, for the first time in the history of this institution, the Office of the Auditor General, issued their report very late i.e. on 26 January 2025. This resulted in the delay in finalizing the oversight process, as planned by our council.

The Draft Annual Report for the 2023/24 financial year was tabled in Council on 21 August 2024 and to MPAC and Audit and Performance Audit Committee (APAC) on 28 August 2024, as well as discussed on 28 January 2025. The Annual Report was also made public on 29 August 2024, to invite public to comments on the report.

The MFMA section 127 states that: " The council in terms of section 129, adopt an oversight report containing the council's comments on the Annual Report, which must include a statement whether the council—

- has approved the Annual Report with or without reservations;
- has rejected the Annual Report; or
- has referred the Annual Report back for revision of those components that can be revised.

It further states in section 130 that:

“(1) The meetings of a municipal council at which an Annual Report is to be discussed or at which decisions concerning an Annual Report are to be taken, must be open to the public and any organs of state, and a reasonable time must be allowed—

- a) for the discussion of any written submissions received from the local community or organs of state on the Annual Report; and
- b) for members of the local community or any organs of state to address the council.

(2) Representatives of the Auditor-General are entitled to attend, and to speak at, any council meeting referred to in subsection (1).

(3) The accounting officer must in accordance with section 21A of the

Municipal Systems Act make public an oversight report within seven days of its adoption.

6.2 Purpose Of An Annual Report

The purpose of the Annual Report is:

- to provide a record of the activities of the municipality;
- to provide a report on performance against pre-determined target
- to promote accountability to the local community for decisions made.

The Annual Report of a municipality must include—

- (a) the annual financial statements of the municipality as submitted to the Auditor-General for audit;
- (b) the audit report of the Auditor-General in terms of both section 126(3) of the MFMA and section 45(b) of the Local Government: Municipal Systems Act, 2000 (MSA);
- (c) municipality's annual performance report as per section 46 of the MSA;
- (d) assessment of any arrears on municipal taxes and service charges;
- (e) assessment of municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the municipality's approved budget;
- (f) particulars of corrective action taken or to be taken on issues raised in audit reports;
- (g) explanations to clarify issues on financial statements;
- (h) any other information determined by the municipality including recommendations made by APAC and any other information as may be prescribed.

6.3 Municipal Public Accounts Committee (MPAC)

MPAC is responsible, amongst other functions:

- (a) To consider and evaluate the Annual Report as tabled in Council and thereafter make recommendations to Council in this regard.

- (b) To compile an Oversight Report and table in Council and make recommendation for Council's consideration.

For purposes of complying with the requirements listed above, MPAC met on the following dates to consider and discuss the content of the Annual Report.

MPAC Member	Affiliation	28 Aug 2024	28 January 2024
Cllr J Cornelius	ICOSA	Present	Present
Cllr D Acker	FF Plus	Apology	Present
Cllr K Malooi	DA	Present	Present
Cllr JG Meiring	DA	Present	Present
Cllr Kannemeyer	DA	Present	Present
Cllr F September	DA	Present	Present
Ald IC Kritzinger	DA	Present	Present
Ald CN Lichaba	ANC	Present	Present
Cllr A October	Good	Apology	Present
Cllr Gericke	PBI	Not a Member	Present
Cllr Taute	ANC	Apology	Present

In addition to the above meetings, MPAC also met on the following dates:

- 24 July 2023
- 29 August 2023
- 28 November 2023
- 07 December 2023
- 03 April 2024

6.2 DISCUSSION

The committee met on 28 August 2024 to discuss the Draft Annual Report and on 28 January 2025 to discuss the Final Annual Report and for compilation and approval of this report. The 2023/24 Annual Report was advertised for public inputs and comments from the 29 August 2024 . No comments were received from the public/communities. The Draft Annual Report was also submitted to Provincial Treasury and Provincial Department of Local Government as well as to the Office of the Auditor General. Further to the above platforms, the Annual Report was also placed on our communications channels, including website, Official GRDM Facebook page and Newspapers. On 12 September 2024, public was invited through the Eden FM Radio to make comments to the Annual Report.

Comments were received from the office of the Auditor General and were all

addressed by the administration. The final report was then sent back to the Office of the Auditor General to confirm that all the changes have been made.

The Final Annual Report, with all its components, was discussed on 28 January 2024. We would like to commend the administration for being able to compile the final set of the Annual Report with all the chapters and Annexures that are required in terms of section 127 of MFMA. The final report from the Office of the Auditor General was received on Saturday, 26 January 2025. The MPAC members were informed that the Special Council Meeting to deal with the oversight report was scheduled to take place on 30 January 2025. This meant that the administration and MPAC had to work under very tremendous pressure to ensure that the whole process is completed before that meeting. We would like to thank the speaker and council for allowing this report to be included as an addendum to the council agenda. MPAC also apologised for the late submission as this is a matter beyond their control.

7 AGSA Audit Report

The Office of the Auditor General presented their report to the MPAC on 28 January 2025. Garden Route District Municipality again received a Clean Audit for the fourth consecutive time. The committee would like, again, to congratulate Management and Political leadership for maintaining a Clean Audit.

The report of the Auditor General did not raise any material findings on the Municipality. However, there are three issues that the auditor would like to bring to the attention of the Council.

These issues are

Material impairments – receivables from exchange transactions

As disclosed in note 8 to the financial statements, receivables from exchange transactions were significantly impaired. The impairment allowance was R 50 591 262 versus R 46 817 805 for 2023 financial year.

Impairment Provisions

CATEGORY	INCL VAT	EXL VAT	VAT	%
Property Rentals	3 917 401	3 527 268	390 132	8%
Fire Fighting Fees	44 513 660	40 570 416	3 943 243	88%
Other Arrears	2 160 199	2 096 216	63 983	4%
Total	50 591 261	46 193 901	4 397 359	100%

As can be seen from the table above, 88% of this impairment relates to Fire Services Accounts which are not collectable. This has been the case for quite a number of years. Management must continue explore possible ways to collect the fire accounts. About R9 00 000 of this fire account relates to Eskom. Management should consider intergovernmental relations to address this matter.

Given the Financial Status of this Municipality, Management is encouraged to find ways to decrease the debtor's impairment provision and ensure that there are effective controls in place to ensure that debt owed to the municipality is recovered.

Our municipality is heavily dependent on equitable share allocation and failing to collect the little that we can, may be disastrous in the long run.

This impairment is always part of this oversight report, and it seems that these fire accounts are not always collectible. Management is urged again to look at possible collection methods for fire accounts. A strategy on how to deal with these fire accounts should be submitted to MPAC before June 2025.

Property Dispute With Knysna Municipality

In terms of property disputes with Knysna Municipality, Management and Council is urged to prioritise the discussion between the two municipalities to speedily address the issue of ownership of these properties. It is noted that Knysna Municipality has formally lodged a dispute.

Restatement of corresponding figures

As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2023 were restated in the financial statements of the municipality as well as for the year ended, 30 June 2024. This is because of errors found in the AFS.

The Municipality should strengthen controls to minimize the misstatements on the AFS. This should form part of the Audit Action Plan that should be developed by the administration to address all the issues raised in the AG's Report.

Irregular Expenditure

The Office of the Auditor General did highlight that the Municipality incurred an irregular expenditure amounting to R 35 158 500 (2023: R36 419 842). The causes are disclosed in the financial statements. MPAC recommends that MFMA section 32 process be followed to deal with the matters raised.

8 Audit Committee Report

On 28 January 2024, the Audit Committee presented its report to MPAC. We have considered the Audit Committee report when we prepared this oversight report. Council should also consider the extensive issues raised in that report.

7 General Matters

Financial Viability

The Municipality is assessed as a going concern. The going concern concept is a fundamental principle of accounting. It assumes that during and beyond the next fiscal period an institution will complete its current plans, use its existing assets, and continue to meet its financial obligations.

The Municipality should continue to find ways of exploring alternative revenue sources.

The Municipality should continue to leverage on its asset base, especially properties, to ensure that they generate the required revenue.

The other projects that should be prioritized are:

- Municipal Resorts
- Alternative Energy Initiatives

- Fresh produce Market
- Student Accommodation

It is important for Council to closely monitor these projects in order to ensure their success. Regular progress meetings and comprehensive reporting tools will help identify potential issues early. These tools can enhance accountability and facilitate more effective decision-making. In order to determine the effectiveness of the resorts, an assessment should be conducted. Assessments should be conducted in order to determine whether it is better for the municipality to operate these resorts or if they should instead be operated by the private sector. Private sector operation could bring increased efficiency and innovation due to competitive market pressures. This might result in improved services and facilities for guests, ultimately boosting tourism and local economy. Additionally, it could reduce the financial burden on the municipality, allowing it to allocate resources to other community projects. However, private sector management may also pose certain risks. There is the possibility that profit-driven motives could lead to cost-cutting measures that compromise the quality of services or the maintenance of facilities. Moreover, the community's needs and priorities might be overshadowed by the pursuit of financial gain, potentially leading to a disconnect between the resort's operations and the local residents' interests. To ensure community involvement in decision-making, the municipality could establish advisory committees that include local residents, business owners, and other stakeholders.

Unauthorised Expenditure

The municipality incurred unauthorised expenditure in the year under review, of R 11 965 380. This expenditure will be investigated by MAPC and detailed report, with recommendations will be submitted to council.

Fruitless and wasteful expenditure

The Municipality incurred fruitless and wasteful expenditure to the value of R 149 141. The value is immaterial; however it will be investigated by MPAC and a report will serve to council.

Performance Information

As far as performance information is concerned, no findings were raised. The Municipality achieved 86% of its planned objectives. It is commendable that this achievement has been achieved. According to the assessment conducted by the Provincial Government on performance information, there are no material concerns and the municipality is commended in this regard. There were, however, two service delivery Key Performance Indicators (KPIs) that were not met as indicated in the report. To achieve all KPIs, the municipality should conduct a thorough analysis of the factors that led to the shortfall in these areas. Implementing targeted strategies, such as reallocating resources or enhancing staff training, could address specific challenges. Regular monitoring and feedback mechanisms can also be put in place to ensure timely adjustments and improvements. The progress on this action plan should be closely monitored and reported to MPAC and APAC.

To conclude, the Chairperson of MPAC would like to thank the members of the committee, the management, and the council for their continued support and for ensuring that the work of this committee is not hindered. It is with great pleasure that we congratulate the Council, Chairpersons of the different Sections 80 & 79 Committees, the members of the Audit Committee, Management, all officials, and fellow MPAC Members on achieving our fourth consecutive clean audit. To maintain this status, it is crucial to continue implementing robust internal controls and regular financial reviews. Ongoing training and development for staff in compliance and reporting standards will also ensure that everyone is equipped to uphold the high standards set. Additionally, fostering a culture of transparency and accountability across all levels of the organization will help sustain the clean audit outcomes.

6.4 Legal Implications

No Compliance to MFMA

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

None compliance to MFMA

BACK TO AGENDA

1. **REPORT ON THE GARDEN ROUTE PATNERSHIP WITH COLOSSAL AVIAPARTNER (AVIATION SERVICES) / VERSLAG RAKENDE DIE TUINROETE VENNOOTSKAP MET "COLOSSAL AVIAPARTNER" (LUGGDIENTE) / INGXELO NGOBAMBISWANO KWE GARDEN ROUTE NABWAK COLOSSAL AVIAPARTNER (INKONZO ZOKUPHEPHA)**

REFER REPORT FROM THE EXECUTIVE MANAGER: INTEGRATED PLANNING & ECONOMIC DEVELOPMENT: MR L MENZE

- 2 **PURPOSE**

To inform Council about Colossal Avaiartner *Aviation Service* and to request Council for the Municipal Manager to enter a Memorandum of Understanding with Colossal Aviapartner *Aviation Services*.

3. **DELEGATED AUTHORITY**

Council

4. **EXECUTIVE SUMMARY**

Management in its quest to optimize Council properties and land was approached by Colossal Aviapartner *Aviation Services* that wanted to establish a Training Academy and a Facility for storage of their ground handling equipment. Their request is aligned with Garden Route District Municipality's (GRDM) already Skill Mecca project as they offer accredited training service in the aviation space. Council seeks to optimize on its properties with a possibility of generating more income.

5. **RECOMMENDATIONS**

1. That Council take note of the discussions that have taken place between GRDM and Colossal Aviapartner *Aviation Services*.
2. That Council authorises the Municipal Manager to enter into Memorandum of Understanding with Colossal Aviapartner *Aviation Services* to advance the Garden Route Skills Mecca Project.

3. That Council mandates Management to work with Colossal Aviapatner Aviation Services to identify a suitable facility in GRDM properties or in any of the local municipalities owned properties or private property suitable for this training academy.
4. That Council mandates Management to align this project with the GRDM Skills Mecca Project.

AANBEVELINGS

1. *Dat die Raad kennis neem van diebesprekings wat tussen GRDM en "Colossal Aviapatner" Lugvaartdienste plaasgevind het.*
2. *Dat die Raad magtig verleen aan die Munisipale Bestuurder om Memorandum van Verstandhouding met "Colossal Aviapatner" Lugvaartdienste aan te gaan, om die "Garden Route Skills Mecca", te bevorder*
3. *Dat die Raad Bestuur 'n mandaat gee om saam met "Colossal Aviapatner" Lugvaartdienste te werk om 'n geskikte fasiliteit te identifiseer in GRDM eiendomme of in enige van die plaaslike munisipaliteite se eiendomme of privaat eiendom wat geskik is vir hierdie opleidingsakademie.*
4. *Dat die Raad Bestuur 'n mandaat gee om hierdie projek in lyn te bring met die GRDM Skills Mekka-projek.*

ISINDULULO

1. Sesokuba iBhunga lithathele ingqalelo iingxoxo eziqhubekileyo phakathi kwe-GRDM kunye neColossal Aviapatner Aviation Services.
2. Sesokuba iBhunga ligunyazise uMphathi kaMasipala ukuba angene kwiMemorandum yokuQonda kunye neColossal Aviapatner Aviation Services ukuphucula Inkqubo ye Garden Route Skills Mecca.
3. Sesokuba iBhunga ligunyazise Abaphathi ukuba basebenzisane nabakwa Colossal Aviapatner Aviation Services ukujonga indawo efanelekileyo kwimihlaba ye GRDM okanye nakowuphi umhlaba ophathi koomasipala bengingqi okanye umhlaba wabucala ofanele iziko lezoqeqesho.

4. Sesokuba iBhunga ligunyazise Abaphathi ukuba balungelelanise lenkqubo neNkqubo ye GRDM Skill Mecca.

6. DISCUSSION / CONTENTS

6.1. Background

Garden Route District Municipality (GRDM), like many similar district municipalities in the country, is facing serious financial stresses that threaten the very survival of the institution. Currently the municipality is highly grant dependent and cannot survive without it. The financial grant dispensation in the country is not showing any signs of improvement and the outlook is not promising, as the economy and the national revenue base are not growing. Various studies have been performed, and all have concluded that the current financial dispensation is not sustainable, and new strategies need to be employed. It is for that reason that Council in 2017 took a conscious decision to leverage on its properties as a way of supplementing income for the municipality. Several strategies have been explored, and studies were commissioned to look at how best Council can leverage on its properties to augment its revenue sources.

Although this has been done, there has been relatively little benefit to Council owing to several reasons that Management is currently confronted with to improve. Management from time to time considers various propositions from different persons or organisations and even companies with interest to lease its properties at market value.

6.2 Discussion

In view of the above background, the Municipality was approached by Colossal Aviapartner *Aviation Services* who intend to set up a Training Academy in the Garden Route and to set up a storage facility for its obsolete ground handling equipment. Colossal Aviapartner is a leading provider of comprehensive ground-handling solutions in South Africa, authorised by the Airports Company of South Africa Limited (ACSA). With a robust service

portfolio tailored to meet diverse airline needs, Colossal Aviapartner operates across Johannesburg, Cape Town, and Durban, handling more than 2,000 flights monthly for over 20 international and domestic airlines. They are recently awarded to operate ground handling facility management for Goerge Airport and other airports in the Easter Cape. Their core service offering includes:

- **Cargo Handling** – Colossal Aviapartner manages cargo and mail handling operations, ensuring efficient movement and logistics.
- **Passenger Handling** – This includes passenger services, flight operations coordination, and precise load control to optimise aircraft performance.
- **Ramp Handling** – Colossal Aviapartner handles aircraft loading and unloading, baggage services, passenger transport (including bussing), and provides essential ground support equipment like Passenger Boarding Bridges (PBB), Ground Power Units (GPU), and pushback services.
- **Aircraft Grooming** – Colossal Aviapartner offers cabin cleaning, toilet and water services, and comprehensive deep cleaning solutions to maintain aircraft hygiene.
- **Executive Concierge** – Services encompass Fixed Base Operations (FBO), charter handling, overflight clearances, and VIP/CIP Meet & Greet services, ensuring personalised care for high-profile travellers.

Additional Services Provided by Colossal Aviapartner includes:

- **VIP Charter Handling** – With over two decades of experience, Colossal Aviapartner supports VVIP, VIP, and CIP travellers, providing flight support services including fuel supply arrangements.
- **Meet and Assist Services** – Ensuring smooth transitions for travellers through personalised assistance.
- **Baggage Related Services** – Including handling, reconciliation, and management to streamline passenger journeys.

Colossal Aviapartner's reputation for excellence extends beyond South Africa, with established partnerships globally, ensuring consistent service quality through experienced agents.

The company's commitment to exceeding client expectations is evident in its longstanding relationships with international FBOs and its preferred status in Southern Africa for non-scheduled flights. In summary, Colossal Aviapartner's comprehensive ground-handling capabilities, strategic alliances, and commitment to service excellence position it as a trusted partner for airlines and high-profile travellers alike, both locally and internationally.

This company's request as indicated was two-fold (1) to seek a facility for the storage of their ground handling services equipment that needs to be repurposed for other markets and (2) facility or land for them to establish a training academy. They already have a functional Training Academy situated at OR Tambo precinct in Kempton Park, and they wished to establish another one outside Gauteng, and they saw Garden Route Region as prospective area for such an academy. GRDM Management then acknowledged that this training academy will complement the various training activities that are pursued in the Skills Mecca and in turn benefit the communities in our region.

The benefit of such a training for the region might propel our region as a training hub of South Africa, Oudtshoorn Municipal Area is already leading as a Knowledge Hub given number of training centres taking place there i.e. Aviation, Police, Army, Teaching etc. Their training programmes are certified by South African Civil Aviation Authority (SACAA), Approved Aviation Training Organisation (ATO) and Transport Education Training Authority (TETA) a recognised, large employer stakeholder in Aerospace subsector.

Given the two requests management was able to provide one to Colossal Aviapatner *Aviation Services* – there is currently an active lease agreement between GRDM and them on storing of Ground Handling equipment at the Fire Station and the Municipality has realised a revenue of R140 000.00 (vat exclusive) to date. Their account is UpToDate.

The Council land that was identified for the training academy is a greenfield and will require a massive capital outlay for the company and time to construct, against their desire to resume training in July 2025. Initially the company insisted on having a facility in George and later relaxed their

requirements to a neighbouring town. The Municipal Manager then approached Oudtshoorn and Mossel Bay Municipalities who exuded keenness in hosting this training facility albeit having different commitments with companies that are running their airfield or aerodrome i.e. TFSA operating Oudtshoorn and Mossel Bay Aero Club operating Mossel Bay Airfield. A delegation from Garden Route and Company visited the two municipalities.

6.3 Financial Implications

Monthly rental at Fire Station for storage R20 000

6.4 Legal Implications

Constitution of the Republic of South Africa 1996

Local Government: Municipal Finance Management Act 56 of 2003

Local Government: Municipal Systems Act 32 of 2000

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

23 May 2017

6.7 Risk Implications

None



LEASE AGREEMENT

BETWEEN

GARDEN ROUTE DISTRICT MUNICIPALITY

A municipality duly established in terms of the Local Government:

Municipal Structures Act 117 of 1998 (as amended)

herein represented by **MONDE GIVEN STRATU**

in his capacity as **Municipal Manager**, who has been duly authorised thereto

(hereinafter referred to as "the Lessor")

AND

COLOSSAL AVIAPARTNER (RF) PPROPRIETARY LIMITED

a company duly registered in terms of the Companies Act, 2008 (as amended)

Registration number 1988/002125/07

herein represented by

REV. MBONGENI MANQELE in his capacity as **CHIEF EXECUTIVE OFFICER**

duly authorised thereto

(hereinafter referred to as "the Lessee")

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PREAMBLE

The Lessee wishes to lease one thousand square meters (1 000 m²) situated at Opal Close, Tamsui Industrial, Pacaltsdorp, (fire station) from the Lessor and the Lessor wishes to let the premises to the Lessee, further to which the parties agree the terms and conditions detailed herein.

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement and all appendices hereto, unless inconsistent with or otherwise indicated by the context:
- 1.1.1 **"Agreement"** means this lease agreement together with all appendices hereto;
- 1.1.2 **"Equipment"** means the items listed in Appendix A;
- 1.1.3 **"Install"** means to install, erect, construct or affix and, "Installed", "Installing" and "Installation" shall have corresponding meanings;
- 1.1.4 **"Lease Commencement Date"** means the date upon which the lease of the Premises commences, as recorded in clause 3.1, or such later date that the Parties agree to;
- 1.1.5 **"Lease Termination Date"** means the date referred to in clause 3.1;
- 1.1.6 **"Premises"** means the portion of the Property leased by the Lessee in terms of this Agreement ,being the one thousand square meters (1 000 m²) situated at Opal Close, Tamsui Industrial, Pacaltsdorp, (fire station);
- 1.1.7 **"Property"** means the property, being either a portion of land or, a building or other structure, upon or within which the Premises are situated; and
- 1.1.8 **"Store"** means to store, keep, put away or warehouse, "Storage" or "Storing" shall have corresponding meaning.
- 1.2 The headings of the clauses in this Agreement are for the purpose of convenience and reference only and shall not be used in its interpretation.
- 1.3 Unless inconsistent with or otherwise indicated by the context, words used in this Agreement importing:
- 1.3.1 any one gender include the other two genders;

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- 1.3.2 the singular include the plural and vice versa; and
- 1.3.3 natural persons include created entities (incorporated or unincorporated) and vice versa.

1.4 Where in this Agreement:

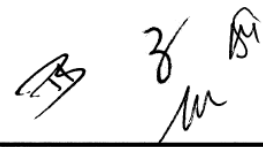
- 1.4.1 a reference is made to the Lessee, it shall include, unless the context indicates otherwise, the Lessee's employees, agents, contractors and/or duly authorized representatives;
- 1.4.2 a reference is made to the Lessor, it shall include, unless the context indicates otherwise, the Lessor's employees, agents, contractors and/or duly authorized representatives;
- 1.4.3 any amounts or values are referred to, same shall be exclusive of Value Added Tax;
- 1.4.4 any number of days is prescribed, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the succeeding day which is not a Saturday, Sunday or public holiday; and
- 1.4.5 the consent or approval of either party is required for any purpose, same shall, unless otherwise indicated by the context, refer to the prior written consent of such party, which consent shall not be unreasonably withheld.

2 LEASE OF THE PREMISES

The Lessor herewith lets the Premises to the Lessee, which Premises the Lessee hires from the Lessor.

3 TERM OF THE LEASE

- 3.1 The Lease Agreement shall be for a period of three (3) months, commencing on 01 June 2024 (Lease Commencement Date) and terminating on the Lease Termination Date (31 August 2024) (Rental Period).
- 3.2 The Lessee shall have the option to renew this Agreement for a further three (3) months (or such other period as may be agreed on between the Lessee and the Lessor), on the

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terms and conditions mutually agreed upon between the parties, which option shall be exercisable by the Lessee by way of written notice to the Lessor given not later than thirty (30) days prior to the Lease Termination Date; provided that the Lessee is not at the time of the exercise of the option in breach of any of the terms of this Agreement.

4 USE OF THE PREMISES

- 4.1 The Premises shall, unless otherwise approved by the Lessor, only be used for the Storage of Equipment.

5 DEPOSIT AND RENTAL

- 5.1 The Lessee shall pay to the Lessor a deposit in the amount of TWENTY THOUSAND RAND (R20 000,00) (VAT exclusive) upon the Lease Commencement Date, which deposit the Lessee will receive reimbursement of within thirty (30) days of the Lease Termination Date.
- 5.2 The Lessee shall pay to the Lessor a monthly rental amount of TWENTY THOUSAND RAND (R20 000,00) (VAT exclusive) for the Rental Period.
- 5.3 All rental and other amounts payable to the Lessor shall:
- 5.3.1 unless otherwise provided for herein, be paid monthly in advance on or before the first (1st) day of the start of each period; provided that, for administrative reasons, the first payment in respect of such amounts shall be made not later than the last day of the month starting at the later of the Lease Commencement Date or the date of signature of the Agreement by the Party signing last in time; and
- 5.3.2 be paid, free of bank exchange, into a bank account that is in the Lessor's name by way of direct deposits, electronic funds transfers or any other traceable instrument, subject to the Lessee being provided with a letter from the Lessor's bank confirming the details of the Lessor's account. The Lessor may at any time amend its banking details by written notification to the Lessee by providing it with a letter from its bank indicating the amended details.
- 5.4 In the event of the early termination of this Agreement through no fault of the Lessee, the Lessee shall be entitled to a pro rata refund of such rental and/or other amounts paid by it in advance.



6 SUITABILITY OF THE PREMISES

The Lessor does not warrant that the Premises or any utility services provided to it are fit and adequate for the purposes of the Lessee or, if fit and adequate at the Lease Commencement Date, that same shall remain so throughout the currency of this Agreement.

7 EQUIPMENT ON THE PREMISES**7.1 Installation of component**

7.1.1 The Lessee shall be entitled, at its own cost and expense, to install any component on or at the Premises.

7.1.2 The foregoing entitlement shall include the right to, from time to time, to install additional component; provided that any change, upgrade or addition does not require the Premises to be increased in size or, if applicable, in any way affect internal structural aspects of the building or other structure on which it may be located. Should any change, upgrade or addition require the Premises to be increased in size or potentially have an effect on internal structural aspects of the building or other structure, such change, upgrade or addition shall only be effected with the consent of the Lessor.

7.1.3 The components will be stored in an open space, in a location South-west of the property and South-west of the vehicle wash bay.

7.1.4 The smaller components, i.e. battery cart and fire extinguishers, will be stored under roof.

7.2 Ownership and removal of Equipment

7.2.1 All the Lessee's Equipment Stored on the Premises shall be and remain the property of the Lessee and shall at all times be regarded as movable property. The Lessee shall, at its cost, at the termination of this Agreement, for whatever cause, remove all such Equipment Stored and/or component installed and restore the Premises to the good order and condition in which they were at the Lease Commencement Date, fair wear and tear excepted.

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7.2.2 Each Party shall be responsible, at their own cost and expense, for servicing, maintaining and repairing its own Equipment Stored or component located or Installed on the Premises.

7.3 Relocation of Component

Should the Lessor at any time wish to develop the Property, including alterations or renovations to the building upon or within which the Premises may be situated, and such development, alteration or renovation negatively impact the position or operation of the Lessee's components Installed or Equipment Installed on the Premises, it shall provide the Lessee with at least fourteen (14) days' written notice in this regard. Following such notice, the parties shall meet and use their best commercial endeavours to make suitable alternative arrangements to accommodate such components or Equipment during the development, alteration or renovation, including such arrangements as may be reasonable pertaining to the cost of relocating such components or Equipment. Failing agreement in this regard, the Lessee shall be entitled to terminate this Agreement by giving the Lessor not less than thirty (30) days' written notice. In light of the high construction costs incurred by the Lessee in installing its components or Storing its Equipment on the Premises, the Lessor warrants that it shall not undertake any development, alteration or renovation that may impact the components as contemplated above, for the duration of the Rental Period.

8 ACCESS TO THE PREMISES

- 8.1 The Lessee shall be allowed access to the Premises on a twenty-four (24) hour basis any day of the week and the Lessor shall not unreasonably refuse or prevent such access. The Lessee shall use its best endeavours to conduct all maintenance and other activities that may be required to be done at the Premises during normal business hours.
- 8.2 Should the Lessee be required to gain access to the Premises and/or the Property via a gated or similarly controlled entrance, it shall ensure that such gate or entrance is properly secured whenever it enters or departs from the Premises or the Property.
- 8.3 When accessing the Property, the Lessee shall respect and abide by the Lessor's security arrangements, provided that such do not seek to prevent or refuse access, and the Lessee shall not obstruct or impede any activities on the Property.

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9 DESTRUCTION OF OR DAMAGE TO THE PREMISES

In the event of the Property or the Premises being destroyed or damaged, through any cause:

- 9.1 to the extent that the Lessee is not able to use the Premises for its intended purpose, this Agreement shall automatically terminate with effect from the date of such occurrence, unless the parties are able to negotiate alternative arrangements, including the temporary suspension of the Agreement, whilst the Lessor rebuilds or repairs the Property or the Premises; and
- 9.2 to the extent that the Lessee remains able to use the Premises for its intended purpose, this Agreement shall not terminate. If the Lessor in such circumstances decides to rebuild or repair the destroyed or damaged portion of the Property or Premises, it shall do so with reasonable expedition and the Lessee shall be entitled to a reduction of the rental payable by it pro rata to the extent to which it may be deprived of the beneficial occupation of the Premises.

10 LIABILITY, INDEMNITY, FORCE MAJEURE AND INSURANCE

- 10.1 The Lessor shall not be liable for any loss, damage, injury or cost which may be suffered or incurred by the Lessee, nor shall the Lessee be entitled to withhold any rental payments, as a result of any failure, malfunctioning or interruptions in the supply of electricity, water or any other service or by reason of the Premises or any part of the Property being in a defective condition or falling into disrepair, arising from any cause whatsoever, other than due to wilful misconduct, negligence or a breach of a term of this Agreement on the part of the Lessor.
- 10.2 The Lessee shall not be liable for any loss, damage, injury, cost or liability that may be suffered or incurred by the Lessor arising from any action, proceeding or claim that may be instituted by any person against the Lessor as a result of the Lessee's lease of the Premises, unless such action, proceeding or claim arose from wilful misconduct, gross negligence or a breach of a term of this Agreement on the part of the Lessee.
- 10.3 Any damage that may be caused to the Premises or the Property as a result of any act or omission of the Lessee shall be made good by the Lessee at the Lessee's cost.
- 10.4 Neither party shall be liable to the other for any inability to perform or for delayed performance in terms of this Agreement, should such inability or delay arise from any

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cause beyond the reasonable control of such party (hereinafter referred to as a "force majeure event"); provided that the existence of such force majeure event has been drawn to the attention of the other party within a reasonable period of time of the occurrence thereof. If the force majeure event continues for more than one (1) month from the date of notification thereof and such event prevents the affected party from performing its obligations in terms of this Agreement, the unaffected party shall be entitled to terminate this Agreement by giving the other party not less than thirty (30) days' written notice.

- 10.5 Notwithstanding anything to the contrary contained in this Agreement, neither party shall, under any circumstances, be liable for any indirect, special and/or consequential damages or loss of property suffered by the other party.
- 10.6 The Lessee shall ensure that it is at all relevant times properly insured against all public liability and other risks that may arise from or be associated with the lease of the Premises and shall not knowingly do or omit to do anything which may affect any insurances policy which the Lessor may have in place in respect of the Property or premiums payable in respect thereof. In this regard the Lessor shall notify the Lessee of any specific conditions that the Lessee should be aware of.

11 BREACH OF THE AGREEMENT AND HOLDING-OVER BY THE LESSEE

- 11.1 Should the Lessee
 - 11.1.1 fail to pay rental or any other amounts due by it in terms of this Agreement on the due date and thereafter fail to make payment thereof within seven (7) days after receipt of the Lessor's written notice requiring such payment to be made;
 - 11.1.2 breach any term of this Agreement and fail to remedy such breach within seven (7) days after receipt of the Lessor's written notice requiring such breach to be remedied; or
 - 11.1.3 be liquidated (whether provisionally or finally) or placed under business rescue, or any steps be taken to accomplish any of the foregoing,

the Lessor shall be entitled, without prejudice to any other rights or remedies to which it may be entitled at law or in terms of this Agreement, to forthwith terminate this Agreement.

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- 11.2 Should the Lessor breach any term of this Agreement and fail to remedy such breach within seven (7) days after receipt of the Lessee's written notice requiring such breach to be remedied, or should the Lessor be liquidated or sequestrated (whether provisionally or finally) or placed under business rescue, or any steps be taken to accomplish any of the foregoing, the Lessee shall be entitled, without prejudice to any other rights or remedies to which it may be entitled at law or in terms of this Agreement, to forthwith terminate this Agreement.
- 11.3 Should the Lessor terminate this Agreement and the Lessee dispute the Lessor's right to do so and remain in occupation of the Premises pending the determination of such dispute, the Lessee shall continue to pay all amounts due to the Lessor in terms of this Agreement on the due dates thereof and the Lessor shall be entitled to accept and recover such payments, without prejudice to the Lessor's claim for cancellation then in dispute. Should the dispute be determined in favour of the Lessor, such payments shall be deemed to be amounts paid by the Lessee on account of damages suffered by the Lessor further to the unlawful holding over of the Premises by the Lessee.

12 GENERAL OBLIGATIONS OF THE LESSEE

- 12.1 The Lessee shall not knowingly contravene any conditions of the title deed of the Property. In this regard the Lessor shall notify the Lessee of any specific conditions that the Lessee should be aware of.
- 12.2 The Lessee must remove its Equipment from the Premises of the Lessor within twenty-four (24) hours of termination of this Agreement.

13 DISPUTE RESOLUTION AND JURISDICTION

- 13.1 In the event of any dispute or difference arising between the parties relating to or arising out of this Agreement, the matter will be referred to the duly authorised senior management representatives of the parties for consideration and attempted resolution.
- 13.2 Should the representatives referred to in clause 13.1 be unable to resolve the dispute within fourteen (14) days of the dispute being referred to them, the dispute shall be finally resolved in accordance with the Rules of the Arbitration Foundation of Southern Africa by an arbitrator or arbitrators appointed by the Foundation. Nothing herein contained shall, however, preclude either of the parties from approaching a court of competent jurisdiction for an interdict or for relief on an urgent basis.

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13.3 The parties hereby consent in terms of section 45 of the Magistrate's Courts Act, 1944 (Act No. 32 of 1944), (or any similar section of an act replacing such Act) to the jurisdiction of the Magistrate's Court for the purpose of any proceedings in terms of or incidental to this Agreement, notwithstanding that the amount claimed or the value of the matter in dispute may exceed such jurisdiction; provided that either party shall, at its option, have the right to institute proceedings in any division of the High Court having jurisdiction.

14 DOMICILIA AND NOTICES

14.1 The parties choose as their domicilia citandi et executandi their respective addresses set out in this clause for all purposes arising out of or in connection with this Agreement, at which addresses all processes and notices arising out of or in connection with this Agreement may validly be served or delivered.

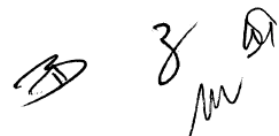
14.2 For purposes of this Agreement the parties' respective addresses shall be:

16.2.1 **Lessor:**
54 York Street
GEORGE
6530
Phone: 044 803 1300
Email: rekords@gardenroute.gov.za

16.2.2 **Lessee:**
3rd Floor Lower Roof Offices
OR Tambo International Airport
Kempton Park
GAUTENG
1627
Phone: 011 383 9420
Email: info@colossalaviation.co.za

or at such other address, not being a post office box or *poste restante*, of which the party concerned may notify the other in writing.

14.3 All notices given in terms of this Agreement shall be in writing provided that any notice given by means of e-mail correspondence shall be regarded for this purpose as having been given in writing, and shall be deemed, until the contrary is proved:

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- 14.3.1 if delivered by hand, to have been received by the addressee on the day of such delivery;
 - 14.3.2 if transmitted by facsimile, to have been received by the addressee on the day after such transmission;
 - 14.3.3 if posted by prepaid registered post, to have been received by the addressee on the fourteenth (14th) day after such posting; and
 - 14.3.4
 - 14.3.5 if transmitted by e-mail to be deemed to have been received by the addressee within 1 (one) Business Day after dispatch.
- 14.4 Notwithstanding anything to the contrary contained in this Agreement, a written notice or communication actually received by one party from the other shall be adequate written notice or communication to such party.
- 14.5 The Parties agree that operational notices and communications, inclusive of notices arising out of or in connection with this Agreement, its breach or termination, may be sent and received via e-mail. In this regard the provisions of the Electronic Communications and Transactions Act, No. 25 of 2002, shall apply. For the purposes of clarity, the provisions of the aforementioned Act shall not apply in respect of service of legal processes and amendments to the Agreement.

15 CESSION AND ASSIGNMENT

This Agreement shall not be assigned by either party without the written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned.

16 GENERAL

- 16.1 Each party warrants to the other that it has the necessary rights and authorities to enter into and perform its obligations in terms of this Agreement. In particular, the Lessor warrants to the Lessee that it is the owner or lawful lessor of the Property and that it is lawfully entitled to enter into this Agreement and grant to the Lessee the rights provided for herein, further to which it indemnifies the Lessee against any claim, damage or cost arising from any legal proceedings that may be instituted against it by any third party proving superior title to the Property.



- 16.2 Unless otherwise agreed, no addition to or variation, consensual cancellation or novation of this Agreement and no waiver of any right arising from this Agreement or its breach or termination shall be of any force or effect unless reduced to writing and signed by hand by both parties.
- 16.3 If any provision of this Agreement is declared by a competent court to be unenforceable, illegal, void or contrary to public policy, such declaration shall have no effect upon the binding force or effectiveness of any of the remaining provisions of this Agreement, it being the intention and declaration of the parties that had they known of such unenforceability, illegality, invalidity or that the provision was contrary to public policy, they would nevertheless have entered into this Agreement, containing all such remaining provisions.
- 16.4 The parties shall regard the terms of this Agreement, anything done pursuant to it and all information concerning the other which may come to its knowledge as a result of the discussions leading to this Agreement, as confidential information and shall safeguard and prevent the unauthorised use or disclosure of such information using the same standard of care used to safeguard and prevent the unauthorised use or disclosure of its own information of a confidential nature, but in all events at least applying a reasonable standard of care; provided that neither party shall be obliged to safeguard and prevent the use or disclosure of such confidential information where such information has already been disclosed or published to the general public other than as a result of a breach of the terms of this clause. The provisions of this clause shall not apply to the disclosure or publication of such confidential information for the purpose of any legal proceedings or the listing on any stock exchange.
- 16.5 The parties undertake to act towards each other at all times in good faith, in a spirit of mutual co-operation, goodwill and transparency, in the exercise and discharge of their rights and obligations under this Agreement.
- 16.6 This Agreement shall be governed in all respects by and shall be interpreted in accordance with the laws of the Republic of South Africa.
- 16.7 Each party shall be responsible for its own legal and other costs incidental to the preparation and execution of this Agreement.


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16.8 This Agreement constitutes the whole agreement between the parties as to the subject matter hereof and no agreements, representations or warranties between the parties regarding the subject matter, other than those set out herein, shall be binding on them.

SIGNED AT GEORGE ON THIS 11TH DAY OF JUNE 2024

AS WITNESSES:


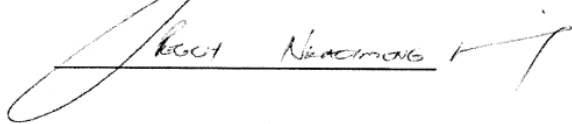
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- 2. 



MONDE GIVEN STRATU
MUNICIPAL MANAGER
For and on behalf of **GARDEN ROUTE DISTRICT MUNICIPALITY**
Duly authorised and warranting such authority

SIGNED AT OR Tambo International Airport ON THIS 10th DAY OF June 2024

AS WITNESSES:

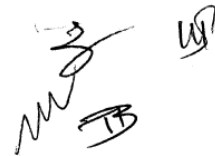
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- 2. 



REV. MBONGENI MANDELE
CHIEF EXECUTIVE OFFICER
For and on behalf of **COLOSSAL AVIAPARTNER (RF) PROPRIETARY LIMITED**
Duly authorised and warranting such authority

APPENDIX A: Equipment to be Stored

# of Units	Description	CAP Asset/Code	Comments
01	GPU/ motorized	NCAS 774	Good condition/error code/missing starter
01	Battery Cart / motorized	NCAS 561	Serviceable
09	Fire Extinguishers	n/a	Located at various sites/al working condition
01	Tug / Motorized	NCAS 721	Will require investment to service/battery missing/tires missing/engine recon
01	Narrow Body Steps/Non-Motorized	NCAS 054	Scrapping candidate/CAP approval
01	Narrow Body Steps	NCAS 052	Serviceable/require investment
01	Narrow Body Steps	NCAS 926	Candidate for Scrapping
02	Kia Step	NCAS 912/916	912 in use/service – Menzies 916 - Serviceable
11	Buggage Wagons	Various	9 good working condition/02 x Scrapping
02	Tow Bars	Various	Serviceable (1 x need fire)
01	Nissan 1400 Bakkie	NCAS 691	Serviceable/ license disc expired



 MW
 TB
 LP



ADDENDUM TO THE LEASE AGREEMENT ENTERED INTO BY AND BETWEEN

GARDEN ROUTE DISTRICT MUNICIPALITY

A municipality duly established in terms of Local Government Municipal Structures Act
117 of 1998


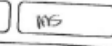

herein represented by **MONDE GIVEN STRATU**
in his capacity as **Municipal Manager**
duly authorised thereto
(hereinafter referred to as "**the Lessor**")


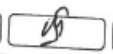

And

COLOSSAL AVIAPARTNER (PTY) LTD

a company duly registered in terms of the Companies Act, 2008 (as amended)
Registration number 1988/002125/07

herein represented by
REV. MBONGENI MANQELE in his capacity as **CHIEF EXECUTIVE OFFICER**
duly authorised thereto
(hereinafter referred to as "**the Lessee**")




for the service provider




for the district municipality

1. RECORDAL

It is recorded that:


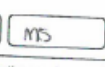

- 1.1. the Parties concluded a Lease Agreement on or about 11 June 2024, whereby the Lessor agreed to let to the Lessee the Premises, being one thousand square meters (1 000m²) situated at Opal Close, Tamsui Industrial, Pacaltsdorp (the "**Lease Agreement**");
- 1.2. terms defined in the Lease Agreement are accorded the same meaning as in this Addendum;
- 1.3. the Lease Agreement provided for it to terminate on the Lease Termination Date, being 31 August 2024, unless the Lessee exercises its option to renew the Lease Agreement for a further three-month period; and
- 1.4. the Lessee wishes to exercise its right in terms of clause 3.2 to extend the duration of the Lease Agreement;


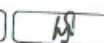

In accordance with clause 16.2 of the Lease Agreement the Parties wish to amend certain clauses in the Lease Agreement.

2. AMENDMENT OF THE LEASE AGREEMENT

Clause 3 to be amended to read as follows:

The Lease Agreement term shall be on a month-to-month basis, commencing on 1 September 2024. Either Party may terminate the Lease Agreement by giving thirty (30) days written notice to the other Party.

  
for the service provider

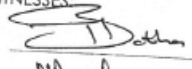

  
for the district municipality

3. GENERAL

This Addendum together with the remaining provisions of the Principal Lease Agreement, constitutes the whole agreement between the Parties as to the subject matter hereof and no agreement, representations or warranties between the Parties other than those set out herein are binding on the Parties.

SIGNED AT GEORGE ON THIS 30TH DAY OF AUGUST 2024

AS WITNESSES:

- 1. 
- 2. 





MONDE GIVEN STRATU
MUNICIPAL MANAGER




SIGNED AT Schamansburg ON THIS 19th DAY OF September 2024

AS WITNESSES:

- 1. 
- 2. 


REV. MBONGENI MANQELE
CHIEF EXECUTIVE OFFICER

  
for the service provider

  
for the district municipality