

BYLAAG I / ANNEXURE I



CARL NEL VALUERS

(Nat. Dip) Property Valuators Reg. No. 3605
Member of SACPV

VALUATION CERTIFICATE

I the under-signed

C. NEL

Member of the South African Council for Valuers and registered in terms of section 20 (2) (a) under the Property Valuers Profession Act 47 of 2000 in terms of the Section (20 (2)(a) as a Professional Valuer, certify that:

1. The properties mentioned hereunder were inspected by me and that the values recorded are values based on a Head Lease Agreement together with a Buy Back Agreement of shares as instructed by the Managing Director of PIC Syndications (Pty) Ltd and not a value based on a per income based calculation.
2. A copy of the signed Head Lease Agreement and Buy Back Agreement of shares annexed hereto and marked as Annexures "A" & "B" respectively.
3. In this valuation of reference is made to specific parties being the following:

3.1. The First Party: Highveld Syndication No. 21 Ltd, Registration No.2005/027601/106

Herin represented by Barend Stephanus van der Linde, hereinafter referred to as the First Party.

3.2. The Second Party: Zelpy 2095 (Pty) Ltd, Registration No. 2003/020174/07

Herinafter referred to as the Second Party.

3.3. The Third Party: The N. Georgiou Trust, TMP 757

Herein represented by N. Georgiou, hereinafter referred to as the Third Party

3.4. The Fourth Party: Mr N. Georgiou, I.D. No. 44 0919 5109 003



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4. The value is based on projected net income of R166 333 500 (one hundred and sixty six million, three hundred and thirty three thousand and five hundred rand) per annum as per guaranteed head lease agreement from date of lease for a period of 5 years.
5. The 5 year period will commence 3 months after registration date of the prospectus with a 0% escalation during entire period. The second, third and fourth party have the option to renew the lease for a further period of 5 years on the same terms and conditions.
6. After above period, the second, third and fourth party have to purchase all the shares from the investors. During the entire period, an income of 12.5% interest per annum is applicable (pro rata) on the net income.
7. There will be no capital growth during the lease period. There will be no expenses such as unforeseen maintenance etc for the account of the investor as the net income is guaranteed. As per agreement the second, third and fourth party has to maintain the buildings and have to pay all expenses applicable.
8. All information requested on properties are not yet received. It is recommended that PIC's attorney scrutinize the title deeds for any onerous conditions. However, above has no negative influence for the investor, as the net income is already guaranteed.
9. The date of valuation is also not applicable as if the date is 1 December 2010 (proposed date of registration) or the date that the second, third and fourth party re-purchased the property - (5 or 10 years after registration date), the value of the lease agreement and buy back guarantee will stay the same as there is a 0% escalation on the net income.



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Syndication 21

Property details: a) **The Mill House** - (C/O Canterbury and Darling Street)

Erf 170672 (previously erf 4990 and 4997)

Township: Cape Town

Province: Western Cape

T.43408/2006

b) **Airport Shopping Centre** - (C/O Stellenbosch Road and Belhar Drive)

Erf 24899

Township: Belville (Belhar)

Registration Division: Cape Town

T.4981/2006

c) **Tyger Manor** (C/O Willie van Schoor, Bill Bezuidenhout and Durban Street)

Erf 34109,

Bo Oakdale – Belville

Registration Division: Cape Town

Province: Western Cape

T.92692/2006



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d) Lifestyle Centre (50 Kloof Street)

Sectional title scheme.

Sectional Plan no: SS 324/2004.

Section 1 and 2. (measuring 12 134 and 6 918 square meters respectively)

(Erf 16154, Gardens, Cape Town)

e) Pembury Retirement Lodge & Westford Hotel

Sectional title scheme: Section 1 – 90 Pembury Lodge, S.S. Pembury Lodge No 14 of 2005,

(Remainder portion of erf 22 and erf 23, Sandown, Sandton, Province: Gauteng, Registration Division: IR)

T.101746/1998

f) Group Five (C/O Paul Smit and 13 th Avenue)

Erf 220 and 221

Township: Anderbolt, Boksburg

Registration Division: IR

City of Tshwane



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g) **Vaal Sanitary** (C/O Morris & Lilly Road)

Erf 195 and 196,

Township: Noldick, Meyerton Farms Ext 1, Meyerton

Province: Gauteng

Registration Division: IR

T.47798/2006

h) **Evenite** (Heidelberg Road)

Remainder of portion 5, Waterval 150 IR, Kliprivier

Township: Kliprivier, Midvaal

Province: Gauteng

Registration Division: JR

i) **Highveld Centurion** (C/O John Vorster, Logan & Bradford Street)

Erf 714, Highveld ext.8, Centurion

Province: Gauteng

Registration Division: JR

T.105403/2006



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j) **Glen Cables (C/O Lynnwood Drive and General Botha Avenue)**

Erf 772, Lynnwood Glen, ext. 3, City of Tshwane

Province: Gauteng

Registration Division: JR

T.104293/2006

The net amount per annum from the head lease = R166 333 500

A cap rate of 12.5% will be utilized to determine the value

Value: R1 330 666 800

Rounded to: **R1 331 000 000 (one billion three hundred and thirty one million rand)**

C. NEL

PROFESSIONAL VALUER

REG. NO: 3605