



LURI RIVER WATERFRONT: Q&A

Legal Questions:

1. What happens after 32 years?

The lease term is renewable after 32 years. Should property laws change before then, we will convert lease hold to freehold.

There is a specific provision in the LRDC (Luri River Development Co. Ltd) to convert the lease into freehold in the event that property laws do change.

The leaseholder will therefore be able to convert the leasehold to freehold. The only cost associated with the conversion will be the legal costs and any administrative cost incurred by LRDC. LRDC undertakes to facilitate the conversion of leasehold to freehold on behalf of the leaseholder for an administrative fee only (there will be no additional cost related to the land).

2. If property converted to free hold, can a foreign national own property in their own name?

In Southern Sudan, a foreign national is entitled to hold a lease in its own name and it is consequently expected that foreigners will be able to hold title to freehold land in their own name if / when the land title regulations change.

3. In case of future sale, can the proceeds can be repatriated abroad without levies, taxes etc?

At present there is no exchange control and anyone wishing to remit funds only has to indicate the reason for the payment and provide a supporting document.

There are no taxes /levies on foreign currency transactions.

Similarly Southern Sudan does not tax capital gains.

4. How much must we, the buyer, budget for infrastructural costs?

LRDC estimate power, water, sewage and drainage to cost approximately \$ 2.5 Million. Road Infrastructure will cost R 1 Million. River Bank retaining \$ 250 000.

With regards to buyer contribution to connecting to and together with running costs, please see operational Q&A below. Points 6 . 9.

5. Beyond, paying legal adviser SDG 500 for property ownership, paperwork processing, what other costs are there?

At this stage, GOSS does not have any taxation laws relating to property ownership and there are no further costs relating to preparation and implementation of the sublease agreement?

6. How will the electricity connection work and how much will it cost?

Electricity Connection to Houses (main line to consumer . includes meter): \$3,000. Electricity Consumption Charges: USD \$ 0.55 per KWHr (to be reduced later when all the plot is full and connected / consuming)

7. How will water connection work and how much will it cost?

Water Connection to Houses (main line to consumer .includes meter): \$3,000

Sewage Connection to Houses (main line to consumer): \$2,000

Water Supply (sewage / waste water = Same sqm . Measured only on water going in): \$10 per m3

8. How will water and power connections for larger investments (apartment blocks / hotel etc.) be managed?

Each apartment / hotel room (where more than 25 rooms / apartments are concerned) to the same rates for consumption minus 10% and connection fees minus 30% per apartment / room. i.e \$3,000 per room / apartment . 30%.

9. Annual Levy payable to LRDC

The annual levy payable by leaseholders to LRDC will be:

| | |
|-------------------------|------------------------------|
| Waterfront plots | \$3 /sq meter of plot |
| Other residential plots | \$1.5 /sq meter of plot |
| Hotels & Apartments | \$500 per bedroom per annum |
| Commercial properties | \$2 /sq meter of floor space |

The annual levy will cover perimeter security and fencing, main gate security and entry control, road maintenance, street lighting, storm water management and erosion control on waterfront plots.

Apartment Blocks Q&A

10. Will this be located on the Nile riverbank or behind the park?

Phase 1 is proposing 2 apartment blocks. One being a river front block and the other being behind this block in the second row of plots indicated on the plot plan.

11. What will final design and layout recommendations look like?

Attached please find design recommendations. Alternatively, download them from www.luririverwaterfront.com

12. What will the foundation of the apartment block be?

Floating / Raft Foundations.

13. What quality assurances / guarantees are in place in the event of faults and shortcomings due to design and construction and will LRDC take responsibility for these?

Work constructed and developed by LRDC will have a guarantee for 12 months.

14. What is LRDC doing to prevent river erosion of LRW banks?

LRDC are investing \$ 250 000 in retaining the river banks.

15. When will construction start (firm date)?

Project Planning and Start dates to be finalized mid February 2011.

16. How long will construction take?

Timelines to be presented mid February.

17. Will we be guaranteed of water and power etc. from date of completion of apartment block?

Yes.