

ALARO CITY DEVELOPMENT FZC

OPERATIONAL RULES

**WITH RESPECT TO
ALARO CITY, NORTH WEST QUADRANT, LEKKI FREE ZONE, LAGOS.**

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**NIGERIA EXPORT PROCESSING ZONES ACT CAP N107 LAWS OF THE
FEDERATION OF NIGERIA, 2004**

ALARO CITY FREE ZONE REGULATIONS, 2022

**OPERATIONAL RULES WITH RESPECT TO ALARO CITY, NORTH WEST
QUADRANT, LEKKI FREE ZONE, 2023**

In exercise of the powers conferred on it pursuant to Regulation 68 and Regulation 7(q) of the Alaro City Free Zone Regulations 2022, and all other powers enabling it on that behalf, Alaro City Development FZC, with the approval of the Nigeria Export Processing Zones Authority, makes the following Operational Rules:

ARTICLE 1: PURPOSE

- 1.1 of Covenants, Conditions Restrictions, operational rules, and guidelines that will govern Alaro City and which will ensure:
 - 1.1.1 that Alaro City is established as a world-class mixed-use, well-planned, well-managed city-scale development in the North West Quadrant of the Lekki Free Zone, centered on the concept of work-live-play and providing a comprehensive mix of land uses to cater for the needs of its residents and lawful visitors;
 - 1.1.2 the development of infrastructure and all other related developments associated with the functional success of Alaro City;
 - 1.1.3 that in consultation with NEPZA and other relevant Government Agencies, the developments within Alaro City comply with the Development Controls;
 - 1.1.4 a 'One-Stop' shop is established and operationalized to facilitate the objects and purposes envisaged under the provisions of the NEPZA Act and Regulations made pursuant thereto;
 - 1.1.5 the proper, desirable use and appropriate development and improvement of each plot within Alaro City, as determined by the Zone Management;
 - 1.1.6 that the investment of the owner of each plot is protected against such improper development and undesirable use of surrounding plots that would depreciate the value of the Plots;

- 1.1.7 the erection of attractive improvements that utilize sustainable and suitable building materials in appropriate locations, thereby preventing haphazard and inharmonious improvements;
- 1.1.8 that the provision of Utility Services to all Owners is in accordance with the standards prescribed under relevant laws applicable within Alaro City and in a Financially and Environmentally sustainable manner that ensures that Alaro City is a viable city;
- 1.1.9 the restrictions established by the Zone Management are observed to ensure and maintain proper planning and development controls, including but not limited to plot area ratios, height restrictions, build-to lines, and setbacks; require the development of energy and resource-efficient buildings compliant with such building standards as may be prescribed in the Development Control Guidelines and relevant Physical Planning Standards from time to time; and such other measures as may be necessary to encourage the overall character and theme established by the Zone Management;
- 1.1.10 the preservation of the values and quality of Alaro City through the development and continual improvement and maintenance of architectural features, common areas, and elements.
- 1.1.11 high quality improvements are undertaken in Alaro City; and
- 1.1.12 that Plots in Alaro City is held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, restrictions, easements, charges, and liens, all of which are declared to be in furtherance of a plan for the development, improvement, and sale of Plots and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability, and attractiveness of Alaro City. All of the conditions, covenants, and restrictions contained in these Operational Rules shall run with Alaro City and shall be binding on all persons having or acquiring any right, title, or interest in Alaro City, including their respective successors in title, heirs, and permitted assigns and all end users including lawful visitors, tenants and other occupants thereof and shall inure to the benefit of each Owner thereof and shall at all times be incorporated in any documentation relating to Alaro City by reference.

ARTICLE 2: LEGAL DESCRIPTION

- 2.1 Alaro City is and shall be held, transferred, conveyed by way of a transfer, long-term leases, and subleases and occupied subject to these Operational Rules is located in the North West Quadrant of the Lekki Free Zone and currently measuring approximately 1,000 hectares of land, as legally described as set forth in Schedule "A" which is attached hereto and incorporated herein by reference.
- 2.2 The Lekki Free Zone was designated by the president of the Federal Republic of Nigeria as a free zone on the 4th day of December 2008, divided into four (4) Quadrants, and Alaro City is demarcated out of the North West Quadrant of the Lekki Free Zone.
- 2.3 The Zone Management is the holder of a free zone development license with the obligation to develop, operate and manage Alaro City in conformity with the NEPZA Act, regulations made pursuant thereto, and the terms of its licensee and with the power to develop and maintain on-site and off-site infrastructure and all other related developments associated with a functional Free Zone.
- 2.4 The Alaro City Master Plan, set forth as Schedule B hereto, is the conceptual layout for the development of Alaro City, which may be modified and amended by the Zone Management in its sole and absolute discretion from time to time, provided that modifications and amendments to the Alaro City Master Plan will take into consideration the Plots sold to the Owners.

ARTICLE 3: DEFINITIONS

- 3 Unless the context otherwise specifies or requires, the terms defined in this Article 3 shall, as used in these Operational Rules, have the meanings herein set forth:
 - 3.1 **"Affiliate"** means any company or other legal entity directly or indirectly controlling, controlled by, or under common control with, the respective person, and for the purposes of this Operational Rules means:
 - 3.1.1 a corporate body which is a subsidiary of the other or two subsidiaries of the same body corporate; and
 - 3.1.2 a company that is a subsidiary of the other or both are subsidiaries of the same corporate entity.
 - 3.2. **"Alaro City"** means a world-class mixed-use development, situated in the North West Quadrant of the Lekki Free Zone, Lagos State, measuring approximately one thousand (1,000) hectares, comprising various land uses, including industrial, residential, and commercial uses together with bulk civil infrastructure to benefit the development, all pursuant to a Project Master Plan as set forth in Schedule B.

- 3.3. **“Alaro City Development FZC”** means the Zone Management, which is an entity duly licensed by the Nigeria Export Processing Zones Authority to operate as a free zone development company under the Nigeria Export Processing Zones Authority Act 1992, with Registration Number RCI/1134, and having its principal place of business at Alaro City, North West Quadrant, Lekki Free Zone, Lagos, Nigeria;
- 3.4. **“Alaro City Master Plan”** means the evolving conceptual master plan, any detailed local plans, and any other approved plan relating to any part of Alaro City, and as may be amended by the Zone Management from time to time and which is set forth herewith as Schedule B;
- 3.5. **“Alaro City Signage and Way-finding Policy”** means a policy setting out the specific signage procedures to be undertaken in Alaro City;
- 3.6. **“Alaro City Services FZE”** means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to amongst other things administer urban city services, planning, governance, and regulations within Alaro City;
- 3.7. **“Alaro Power FZE”** means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to amongst other things, develop, construct, own and operate an off-grid power plant to provide superior power for onward sale to a distribution entity for distribution to all Owners and other end users within Alaro City;
- 3.8. **“Alaro Water and Sewerage FZE”** means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to amongst other things, provide water and sewerage services to all Owners within Alaro City;
- 3.9. **“Alaro Telco FZE”**, means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to amongst other things, provide information and communication technology services to all Owners within Alaro City;
- 3.10. **“Alaro Connect FZE”** means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to amongst other things be the administrator of the Utilities Services Entities;
- 3.11. **“Alaro Gas FZE”** means a Free Zone entity, registered and licensed pursuant to the provisions of the NEPZA Act, established to provide gas for the purpose of power generation within Alaro City
- 3.12. **“Alaro City Utilities Services Entities”** means Alaro Power FZE, Alaro Gas FZE, Alaro Connect FZE, Alaro Telco FZE, Alaro Water and Sewerage FZE, and Alaro City Services FZE.
- 3.13. **“Assessments”** means the annual assessments, fees, or charges, which assessments are to be fixed and established by the Zone Management and/or the

Management Company (as the case may be) and from time to time or otherwise as deemed fit by the Zone Management and/or the Management Company in connection with proper management, administration, maintenance, repairs, restoration and upgrade of the Common areas;

- 3.14. **“Building”** means both the main portion of a structure and all projections or extensions thereof, and shall include garages, outside platforms and docks, canopies, porches, outbuildings and any other structure, whether of a temporary or permanent nature and irrespective of the materials used in the erection thereof, erected or used for or in connection with the accommodation or convenience of human beings or animals; the manufacture, processing, storage, display or sale of any goods; the rendering of any service; the destruction or treatment of refuse or other waste materials; the cultivation or growing of any plant or crop; any wall, swimming bath, swimming pool, reservoir or bridge or any other structure connected therewith; any fuel pump or any tank used in connection therewith; any part of a building; any facilities or system, or part or portion thereof, within or outside but incidental to a building, for the provision of a water supply, drainage, sewerage, stormwater disposal, electricity, gas supply or other similar service in respect of the building;
- 3.15. **“Building Plans”** means the detailed architectural layout and floor plans, landscape architecture plans, and any engineering drawings of proposed improvements providing, among such other information as the DCC may from time to time require, detailed layout and floor plans, elevations, specifications, and uses; landscape plans and specifications indicating plant species, locations, quantities, landscaped areas and irrigation plans and specifications; specifications for all exterior materials; drawings and specifications relating to all exterior signage; engineering drawings and specifications for civil, electrical, mechanical, structural and wet services; a detailed rational fire design specifications and report. Buildings Plans shall be prepared according to the requirements of, and submitted in the format required by, the DCC and the relevant Competent Authority;
- 3.16. **“Operational Rules”** means these Operational Rules which sets out the covenants, conditions, restrictions, rules, and regulations in relation to Alaro City, as it may from time to time be amended or supplemented;
- 3.17. **“Common Areas”** refer to all real property, easements, and property rights owned by the Zone Management, which has been approved by the Zone Management for the common use and enjoyment of the residents of Alaro City, such as the Owners and/or the lessees, occupiers, invitees, licensees or lawful visitors of Alaro City and/or the general public, including the roads, paths, green areas, utility areas, public parks, loading areas, Refuse Areas and such other areas as shall be designated in the Alaro City Master Plan for the common use and enjoyment of the Alaro City Owners and/or the lessees, occupiers, invitees, licensees or lawful visitors of Alaro City and/or the general public, but excluding the Roadways and Stormwater Systems;

- 3.18. **“Common Elements”** shall include all facilities, utilities, and other improvements found or located in Common Areas and Natural Open Spaces. For the avoidance of doubt, Common Elements shall exclude Roadways and Stormwater Systems (as hereunder defined);
- 3.19. **“Common Expenses”** shall include all those expenses incurred or be incurred by the Zone Management and the Management Company in the management and operations of the Common Areas and the Common Elements, costs of provision of urban management services, security, and landscaping;
- 3.20. **“Competent Authorities”** means any governmental entity, having statutory or regulatory competence to promulgate rules and regulations having the force of law touching and concerning Alaro City and the transactions and matters contemplated in these Operational Rules and “Competent Authority” shall be construed accordingly. For purposes of this Article, “Governmental Entity” means any national, state, local authority, relevant agencies, state corporations, and other bodies, (including any sub-division, court, administrative agency, commission, or other authority thereof) exercising any regulatory, taxing, importing or quasi-governmental authority;
- 3.21. **“Conditions of Approval”** shall mean such conditions or requirements that the DCC may impose on the Owner in approving site development plans, Building Plans, and/or Certificates of Compliance, which may include the grant of easements/servitudes;
- 3.22. **“Zone Management** shall mean Alaro City Development FZC or the assignee to which it specifically assigns its rights as Zone Management;
- 3.23. **“Zone Management’s Appointee”** means the Zone Management s Affiliates, third parties appointed by the Zone Management such as, without limitation, its servants, agents, independent contractors, and the like, and the Zone Management’s Appointee shall be construed accordingly;
- 3.24. **“Deed of Sublease”** means the deed of sublease executed by the Zone Management and the Owner, transferring title in a Plot to the Owner. A lease shall be construed accordingly;
- 3.25. **“Developer and Operator”** means Alaro City Development FZC;
- 3.26. **Development Approval**” means the approval to be obtained from the DCC in relation to the Construction of Plots and the alterations requiring approval;
- 3.27. **“Development Codes”** means any and all of the following either individually or collectively (as amended from time to time):
- 3.27.1 these Operational Rules;
- 3.27.2 the Alaro City Master Plan, as amended from time to time;

- 3.27.3 Development Control Guidelines, as amended from time to time;
 - 3.27.4 the Leases/Subleases over each Plot;
 - 3.27.5 the Environmental Management Plan (hereinafter defined);
 - 3.27.6 the Internal Environmental Standards (hereinafter defined);
 - 3.27.7 the Physical Planning Standards;
 - 3.27.8 the Restrictions;
 - 3.27.9 the Rules and Regulations; and
 - 3.27.10 the Alaro City Signage and Way-finding Policy.
- 3.28 **“Development Controls”** means the permitted use in relation to any part of Alaro City and each Plot as well as such other controls on Development that the Zone Management and/or the DCC may impose through, without limitation the Development Codes and all matters expressly set out therein, and which shall be enforced by the Zone Management and/or the DCC Provided that the Development Controls shall not interfere with the permitted use of the Plots;
 - 3.29 **“Development Control Company/DCC”** means the Free zone entity registered by the Zone Management with NEPZA to evaluate and process applications for Development Approval for the Construction of Plots and the alterations requiring approval, and to ensure compliance with environmental management and physical planning standards stipulated for Alaro City.
 - 3.30 **“Development Control Guidelines”** means the mandatory guidelines regulating among other things, the environmental management and physical planning standards stipulated for the maintenance of building standards with a view to ensuring an attractive and harmonious development within Alaro City, as may be amended from time to time;
 - 3.31 **“Development Program”** means a detailed program of works to be undertaken in respect of each Owner’s Development which shall be submitted to the DCC in accordance with these Operational Rules;
 - 3.32 **“Environmental Management Plan”** means, in relation to Alaro City, the Environmental Impact Assessment Report as approved by NEPZA and other Competent Authorities, which shall be applicable to the fullest extent possible, to all environmental management in relation to any construction and/or Development within Alaro City;
 - 3.33 **“Environmentally Sustainable”**, means undertaking the permitted use in relation to any part of Alaro City and each Plot in a manner aimed at ensuring that:

- 3.33.1 the risk of harm to the environment and to human health and safety is minimized to the extent reasonably possible under the circumstances;
- 3.33.2 the potential benefits to the environment and to human health and safety are maximized to the extent reasonably possible under the circumstances; and
- 3.33.3 legislation and any such other policies intended to protect the environment and human health and safety are complied with.
- 3.34 **“Financially Sustainable”** in relation to the provision of a Utility Service, means the provision of a Utility Service in a manner aimed at ensuring that the financing of that Utility Service is sufficient to develop, operate, maintain, repair, and replace the physical assets used in the provision of the Utility Service;
- 3.35 **“Forum”** shall mean the Consultative Forum of the Owners;
- 3.36 **“Gross Buildable Area”** or **“GBA”** means the total sum square meters of the area covered by the buildings at the floor level of each story at each Plot, provided that roofs (unless they include a loft or similar occupiable space); eaves, sunscreens and other architectural features; uncovered internal courtyards and light wells; public arcades connecting public spaces; and uncovered areas for parking and loading; are excluded from the calculation of gross building area;
- 3.37 **“Hazardous Material”** means any chemical, waste, gas, medicine, drug, plant, animal, or microorganism which is likely to be injurious to human health or the environment and any other material declared as such under the Environmental laws, Rules and Regulations, Internal Environmental Standards applicable to Alaro City, as may be amended from time to time);
- 3.38 **“Improvements”** means buildings, outbuildings, underground installations, gradings, slope and drainage alterations, earthworks, roads, driveways, parking areas, fences, screening walls and barriers, retaining walls, stairs, decks, windbreaks, landscaping, plantings, planted trees and shrubs, signage, poles signs, lighting, loading areas, and all other man-made changes to the natural configuration and vegetation of Alaro City, whether above or below the land surface;
- 3.39 **“Infrastructure Levy”** means the amount payable to the Management Company comprising of the proportionate amount of the Service Charge payable by an Owner in respect of any emergency, anticipated and planned Assessments and cost of maintaining, repairing, amending, altering, rebuilding, renewing and reinstating of the following infrastructure within Alaro City, which amount may be amended or revised from time to time and which shall be paid into the Sinking Fund to be maintained by Zone Management:
 - 3.1.3 Roadways and Stormwater Systems (defined below);
 - 3.1.4 street lighting;

- 3.1.5 security equipment;
- 3.1.6 dams and reservoirs; and
- 3.1.7 Natural Open Spaces (defined below).
- 3.40 **“Internal Environmental Standards”** means the internal environmental standards and policies as may be published by the Zone Management from time to time;
- 3.41 **“Management Company”** means the Zone Management or its affiliate, or a management company appointed by the Zone Management to run, manage and oversee Alaro City;
- 3.42 **“Natural Open Space”** means the network of rivers, riparian buffer zones, parks, conservation areas, and ecological corridors provided for in the Alaro City Master Plan;
- 3.43 **“Natural Resources”** means natural assets occurring in nature within the confines of Alaro City that can be used for economic production or consumption;
- 3.44 **“NEPZA”** means the Nigeria Export Processing Zones Authority
- 3.45 **“NEPZA Act”** means the Nigeria Export Processing Zone Act, Cap N107 Laws of the Federation of Nigeria, 2004
- 3.46 **“NIBOR”** means the Nigeria Interbank Offer Rate
- 3.47 **“Occupant”** shall mean a lessee or licensee of an Owner, or any other person or entity other than the Owner, in lawful possession and/or occupation of a Plot with the permission of the Owner;
- 3.48 **“Owner”** means and refers to the owner, whether one or more persons or entities, of a leasehold interest in Alaro City, pursuant to a Deed of Sublease, but excluding those having such interest merely as security for the performance of an obligation;
- 3.49 **“Permitted Use”** shall mean the use of any portion of Alaro City as defined by the Zone Management the Development Control Guidelines or other standards and guidelines issued by the Zone Management;
- 3.50 **“Person”** shall mean any individual, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof;
- 3.51 **“Physical Planning Standards”** means the development standards and the design guidelines of Alaro City available for perusal at its offices;
- 3.52 **“Planning and Design Review Requirements”** shall mean all the planning and design requirements stipulated in these Operational Rules, the Development

Control Guidelines, the Physical Planning Standards, and any rules, regulations or other standards and guidelines issued by the Zone Management or by the DCC on its behalf;

- 3.53 **“Plot”** shall mean and refer to any parcel of land, houses, apartments, shops, office floors, office suites, or any other unit in Alaro City, with the exception of areas dedicated to public use, that is leased or sub-leased to an Owner, Occupant or other end user. Plots shall be construed accordingly;
- 3.54 **“Project”** shall refer to all the developments comprising all the infrastructure, amenities, buildings, and all Improvements constructed in Alaro City in accordance with the Alaro City Master Plan, Site Development Plans, and Building Plans and subject to these Operational Rules;
- 3.55 **“Restrictions”** means all notices, orders, resolutions, demands, requirements, regulations, agreements, directions, or other matters affecting Alaro City and the Buildings as may be promulgated or made by any Competent Authority or Person whether or not having the force of law;
- 3.56 **“Roadways”** shall mean part of Alaro City that involves the road network (comprising *inter alia*, roads, bridges, footpaths designed and/or improved for ordinary use by vehicular traffic, pedestrians and cyclists) and drainage system owned by the Zone Management
- 3.57 **“Rules and Regulations”** shall mean such rules which shall be issued or promulgated from time to time by the Zone Management the DCC, the Management Company, Alaro City Utilities Entities in accordance with the provisions of the NEPZA Act and Regulations made pursuant thereto, and these Operational Rules relating to any aspect of Alaro City;
- 3.58 **“Service Charge** shall include rates and any other charges payable in respect of Alaro City, the Common Expenses (herein above defined), the Infrastructure Levy, fines and any other penalties, the provision of all other urban management services including the management fee payable to the Management Company, calculated based on such formula as shall be set by the Zone Management, the Management Company or its Appointees and/or Affiliate, which formula may be revised by the Zone Management or its Appointees and/or Affiliates from time to time in their sole and absolute discretion;
- 3.59 **“Service Charge Account”** means an account established by the Zone Management and/or the Management Company solely for the collection of the Service Charge;
- 3.60 **“Sinking Fund”** means the fund established by the collection of or the Zone Management’s Appointee into which the Infrastructure Levy shall be deposited for purposes of funding emergency, anticipated and future cost of maintaining, repairing, amending, altering, rebuilding, renewing and reinstating infrastructure within Alaro City. The Sinking Fund shall be a sub-account of the Service Charge Account;

- 3.61 **“Signage System”** shall mean the signage package and outdoor design guidelines approved by the Zone Management from time to time;
- 3.62 **“Site Development Plan”** shall mean an architectural plan, landscape architecture plan, and an engineering drawing of proposed Improvements to a given Plot showing, among such other requirements as may be prescribed from time to time by the Zone Management or the DCC, building footprints, pedestrian and vehicular access, parking, loading, drainage lines and facilities, sewer lines, water lines, lighting, and landscaping and garden elements, impact on adjacent land uses including public and natural open spaces and the aesthetic relationship of the proposed structures to the site. The Site Development Plan shall be prepared according to the requirements of, and submitted in the format required by the DCC;
- 3.63 **“Stormwater”** means water resulting from natural precipitation or the accumulation thereof and includes groundwater and spring water ordinarily conveyed by the Stormwater System;
- 3.64 **“Stormwater System”** means both the constructed and natural facilities, including roads, streetlights, street signs, culverts, pipes, canals, road crossings, bridges, watercourses and their associated floodplains, whether over or under public or privately owned land, used or required for the management, collection, conveyance, temporary storage, control, monitoring, treatment, use or disposal of Stormwater;
- 3.65 **“Utilities Services”** shall collectively refer to the supply of and establishment, acquisition, and maintenance of works for the supply and provision of, through service delivery agreements or such other manner as the Zone Management or the Zone Management’s Appointee shall in its sole and absolute discretion determine, portable water, sewerage, electricity, light, heat or power and telecommunication services and the installation, maintenance, adjustment, repair, alteration, removal or replacement of apparatus which is or is to be connected thereto and the sale of any fittings, lines and appliances relating thereto in accordance with the provisions of this Operational Rules and subject to any written laws relating thereto and **“Utility Service”** shall be construed accordingly.

ARTICLE 4: PROPERTY RIGHTS AND EASEMENT

- 4.1. Subject to the limitations hereinafter provided, every Owner shall have a right and easement of enjoyment in and to the Common Areas that shall be appurtenant and shall pass with the title to every Plot.
- 4.2. The Owner's right granted in Article 4.1 shall be subject to and limited by the following:
- 4.2.1. The right of the Zone Management to dedicate or transfer all or any part of the Common Area to any entity for such purposes as are consistent with these Operational Rules and in the Conditions of Approval.

- 4.2.2. Limited in that each Owner shall have rights only in those Common Areas for which such Owner shall pay any portion of the Service Charge related thereto and in those Common Areas over which rights are specifically granted to the Owner as specified in such Owner's Deed of Sublease.
 - 4.2.3. Each Owner's responsibility to pay their proportionate share of Service Charge, Fees, and other charges hereunder assessed by the Zone Management and/or the Management Company against that Owner's Plot.
- 4.3 The Zone Management hereby grants, establishes, covenants, and agrees that Alaro City and each Plot contained therein, and all Owners, Occupants and permittees of Alaro City, shall be benefited and burdened by:
 - 4.3.1 a non-exclusive, perpetual, and reciprocal cross-access easement for the non-exclusive right to access any drive aisles required for common access; available on or within any Plot;
 - 4.3.2 a non-exclusive, perpetual, and reciprocal cross-parking easement for the nonexclusive right to park on or within any designated parking areas or parking spaces located, constructed, and available on or within any Plot provided that this right does not extend to private parking spaces sold or otherwise allocated to specified Plot Owners;
 - 4.3.3 a non-exclusive, perpetual, and reciprocal rights and easements of drainage across stormwater, drainage, and retention structures and areas and to connect with, maintain, and make use of utility lines, wires, pipes, conduits, and cable television lines which may from time to time be in or along the Common Area.
- 4.4 The foregoing easements are subject to the right of the Zone Management to:
 - 4.4.1 exclusively manage, control, and/or concession the management and control of the Common Elements and all improvements thereon;
 - 4.4.2 grant or to dedicate to any Owner, the Management Company, the Zone Management's appointees or Affiliates, concessionaires, and/or any government agencies, and to reserve easements and rights of way in, though, under, over, and across the Common Elements for the installation, maintenance and inspection of roads, lines and appurtenances for public or private water, sewer, drainage, cable television, telephone, electricity, internet cables and other utilities, for the completion of Alaro City;
 - 4.4.3 vary the same in any lease or sub-lease to the Owners;
 - 4.4.4 promulgate rules and regulations for the use and enjoyment thereof; and

- 4.4.5 decline to approve any transfers of any Plot and Building Plans thereof and to suspend the enjoyment of any Owner for any period during which any assessment for Service Charge or any Fine or other charge or fee hereunder remains unpaid beyond any applicable notice and cure period, or for any period during which any infraction of its published rules and regulations continues.
- 4.5 In the event that an easement is to be created within a Plot in respect of which a lease has been created in favour of an Owner, the creation of the easement shall be undertaken in consultation with such Owner as follows:
- 4.5.1 the Zone Management will issue ninety (90) days' written notice to the Owner setting out the intention to create an easement and calling for a meeting with the Owner;
 - 4.5.2 the notice referred to in 4.5.1 shall be accompanied by an explanatory memorandum together with the technical drawings relating to the proposed easement;
 - 4.5.3 the Zone Management shall on or before the expiry of the ninety (90) days' notices convene a meeting with the Owner to explain to the Owner the nature and purpose of the easement in relation to Alaro City and the impact of the easement to the Owner's Plot; and
 - 4.5.4 upon agreement between the Zone Management and the Owner, the Zone Management shall at its cost draw a grant of easement to be executed by the parties.
- 4.6 Notwithstanding the foregoing or anything else contained herein to the contrary, the Zone Management shall have and hereby retains the right, but not the obligation (unless such obligation has been made by the Zone Management towards any Owner under separate binding contract), to create, install, construct, modify, repair, replace and maintain any part of the infrastructure for Alaro City that may consist of, but not be limited to, curbs, streets, service drives, sidewalks, and other hardscapes, landscaping, street trees, street lights, irrigation systems, brick pads, benches, bridges, street furniture, walking paths, parks, trash receptacles, drainage facilities, signage, utilities, and any apparatuses related thereto, as well as other improvements not necessarily enumerated above.
- 4.7 The Zone Management may at its sole and absolute discretion assign such right to the Zone Management's appointees or Affiliates. The said improvements may be installed along the roads or in the Common Area of Alaro City if deemed necessary or desirable by the Zone Management, in its sole and absolute discretion, for the overall functionality or aesthetics of Alaro City. Continued maintenance, repair, and replacement of any of the aforementioned infrastructure, improvements or Common Elements, if and once installed, shall be the responsibility of the Zone Management or the Management Company. Any costs and expenses associated with this right may be reallocated and assessed to all Owners by the Zone Management as part of the Service Charge. The Zone

Management may with the consent of the Owner modify an existing building located on a Plot, provided that where such building shall have been erected or constructed without the approval of the DCC obtained in accordance with the Development Control Guidelines or these Operational Rules or where such construction shall be commenced and proceeded contrary to the approved Building Plans, then the Zone Management and/or the DCC may at their discretion have the right to apply to the NEPZA and or other relevant Government agency responsible for matters relating to physical and land use planning in the free zone to take necessary action.

- 4.8 A way-leave is hereby granted to the Zone Management and its respective appointees or Affiliates and to any construction or management company selected by the Zone Management to enter in or cross over the Common Areas or to enter or cross over any Plot (where necessary to access) to create, install, construct, modify, repair, replace and maintain any of the aforementioned forms of infrastructure and/or Common Elements located within any portion of Alaro City.
- 4.9 The Zone Management has the right to exclusively supply all utilities within Alaro City or appoint its Affiliates and/or authorize a third party to supply utilities within Alaro City, subject to the payment of the relevant Utility Charges. The Zone Management shall have the right to own and/or lease or enter into concession agreements with respect to any Common Area for purposes of construction of infrastructure and supply of any Utility.
- 4.10 Except as expressly provided for under written law, the Zone Management reserves the right of admission into Alaro City, and as such may forbid or limit the entrance of those persons whose conduct contravenes these Operational Rules, Rules, and Regulations and set down code of conduct and shall to the extent permissible under law or equity take the necessary action to enforce this right. The right of the Zone Management to lease or enter into concession agreements with its affiliated or third parties with respect to Roadways, it being understood and agreed that notwithstanding the fact that the Roadways are leased or in concession, the Owners shall be required to pay an Infrastructure Levy with respect to the repair and maintenance of the Roadways.

4.11 Specific Easements

4.11.1 Communication and Security Easement

Alaro City is subject to a general communication and security easement in favour of the Zone Management, Zone Management's Appointees or Affiliates, the Management Company for the remainder of the term on the title to Alaro City and which grants them inter alia all such rights as they may require in order to install and maintain electronic surveillance security and data communication systems in Alaro City. The aforesaid easement shall also grant the Zone Management, Zone Management's Appointees or Affiliates or the Management Company the right to lay cables generally, to transmit data through such cables, and the right to enter upon the Plots to lay and maintain the same. The Zone

Management confirms that any personal information obtained through the electronic surveillance security and data communication system in Alaro City shall be handled in accordance with the provisions of the applicable laws or regulations.

4.11.2 Gas Pipeline Easement

4.11.2.1 Alaro City is subject to a piped gas easement in favour of the Zone Management, Zone Management's Appointees or Affiliates, for the remainder of the term on the title to Alaro City, which grants them inter alia all such rights as they may require in order to install and maintain a liquid or gas system of pipes or pipeline for consumption in Alaro City. The aforesaid easement shall also grant the Zone Management, Zone Management's Appointees or Affiliates, or the Management Company the right to lay pipe generally, to transport gas through such pipes, and the right to enter upon the Plots to lay and maintain the pipes, provided that the same shall not have a proven material adverse effect on the Plot or the use of the Plots.

4.11.2.2 Consequently, should the laying of the piped gas infrastructure be designed to pass through a Plot in respect of which a lease has been created in favour of an Owner, the laying of such infrastructure shall be undertaken in consultation with such Owner and the procedure provided for in Article 4.5 above shall apply with necessary modifications.

ARTICLE 5: RULES AND REGULATIONS

- 5.1 The Zone Management shall have the powers to promulgate Rules and Regulations that will govern the use and enjoyment of Alaro City in accordance with the NEPZA Act and Regulations made pursuant thereto. The Zone Management shall use its best endeavours to ensure that Owners are notified of Rules and Regulations.
- 5.2 Nothing in these Operational Rules shall be construed to preclude the Zone Management from exercising its powers to promulgate rules and regulations imposing or amending the fines and penalties for violations of the NEPZA Act and Regulations made pursuant thereto and these Operational Rules.

ARTICLE 6: INTERNAL ENVIRONMENTAL STANDARDS

- 6.1 The Zone Management shall develop and promulgate Internal Environmental Standards setting out the objectives, principles, commitments, roles, and responsibilities in respect of Environmental Sustainability within Alaro City,

enforceable by the Zone Management either by itself or the Zone Management's Appointees or the DCC.

- 6.2 Every Owner shall at all times comply with the Internal Environmental Standards and any Owner (including their respective successors in title, heirs and permitted assigns and all end users, including lawful visitors, tenants, and other occupants thereof), or such other person, firm or corporation that shall violate the Internal Environmental Standards within Alaro City shall be liable for all costs incurred in remedying such violations, including, but not limited to statutory fees, professional and/or consultancy fees on a full indemnity basis, and court costs and be subject to such fines as may be imposed by the Zone Management.
- 6.3 If an Owner (including their respective successors in title, heirs, and permitted assigns and all end users, including lawful visitors, tenants, and other occupants thereof) or such other person, firm, or corporation within Alaro City breaches or fails to comply with, perform or observe any of the Internal Environmental Standards in any way or form whatsoever, the Zone Management shall issue the party in default a forty-eight (48) hours' notice (except in cases of emergency) (the "Notice") to remedy the non-compliance and simultaneously therewith the Zone Management may at their discretion send a copy of the Notice to the Authority and or other relevant agency responsible for matters relating to the environment in the Free Zone.
- 6.4 If upon the issuance of the Notice as prescribed above, the Owner shall not have remedied the breach in the manner stipulated in the Notice, it shall be lawful for the Zone Management (without prejudice to any other rights or remedies of the Zone Management) at any time thereafter:
 - 6.4.1 to apply to NEPZA or other relevant agency responsible for matters relating to the environment in the Free Zone to take necessary action against the party in default; or
 - 6.4.2 to enter into and upon the relevant Plot or any part thereof upon prior written notice of forty-eight (48) hours (except in cases of emergency) and remedy the breach at the cost of the Owner;
 - 6.4.3 to levy fines and charges assessed at such rate as shall be determined by the Zone Management from time to time; and
 - 6.4.4 terminate the lease of such Owner and exercise its right of entry into and forfeiture of the relevant Plot.

ARTICLE 7: THE ZONE MANAGEMENT

7.1 Powers and Functions

The Zone Management, either by itself or through the Zone Management's Appointee shall have the sole right to exercise the powers and undertake the functions which include but are not limited to the following:

- 7.1.1 the amendment of these Operational Rules from time to time provided that upon amendment of these Operational Rules, the Zone Management shall use its best endeavours to ensure that Owners are notified of the amendments;
- 7.1.2 overseeing the affairs of Alaro City and exercising executive authority;
- 7.1.3 developing and adopting policies, plans, strategies, and programs and setting targets for delivery of services by the Management Company;
- 7.1.4 formulating and implementing an integrated development plan and controlling land use, land development, and zoning;
- 7.1.5 promoting and undertaking infrastructural development and services within Alaro City;
- 7.1.6 implementing the recommendations of Owners with regard to the administration and management of the affairs within the development;
- 7.1.7 preparing annual budget estimates, the relevant components of the Service Charge, and ensuring that the books of accounts of the Management Company are properly kept as required by the law and its constitutive documents;
- 7.1.8 suspending the provision of services to such Plots for any period during which any assessed amounts in respect of the Plot remain unpaid;
- 7.1.9 enforcing the provisions of this Operational Rules and any rules made thereunder including the planning and design review requirements and enjoining and/or seeking damages from any owner or occupant for violation of such provisions or rules;
- 7.1.10 levying and collecting Service Charge, fines, and penalties for violations of these Operational Rules and enforcing payment of such fines and penalties, all in accordance with these Operational Rules;
- 7.1.11 ensuring compliance with the provisions of Operational Rules, the Rules and Regulations, Internal Environmental Standards, policies, and guidelines promulgated with respect to Alaro City, by all Owners and occupiers within Alaro City;
- 7.1.12 taking any and all other actions and entering into any and all other agreements as may be necessary or proper for the fulfilment of its obligations hereunder, or for the enforcement of these Operational Rules, the Rules and Regulations, Internal Environmental Standards, policies and guidelines promulgated with respect to Alaro City;

- 7.1.13 adjusting the amount collected and using any insurance proceeds to repair damaged or replace lost property; and, if proceeds are insufficient to repair damaged or replace lost property, to assess and charge the Owners in proportionate amounts to cover the deficiency;
- 7.1.14 monitoring the impact and effectiveness of any services, policies, programs or plans through establishing performance management systems;
- 7.1.15 promoting a safe and healthy environment;
- 7.1.16 ensuring a 'One-Stop' shop within Alaro City is established and operationalized to facilitate the processing and issuance of development and construction permits as envisaged under the provisions of the NEPZA Act.
- 7.1.17 making rules, regulations, and guidelines for the operation of the Common Areas, streetscaping, pedestrian, utility, and street maintenance easements as specified herein and amend them from time to time;
- 7.1.18 entering into contracts, to maintain one or more bank accounts with respect to the Service Charge including a sub-account into which the Infrastructure Levy shall be remitted, and generally, to have all of the powers necessary or incidental to its operation and management;
- 7.1.19 retaining the services of legal and accounting firms or such other service providers as would be required for the discharge of its duties and obligations;
- 7.1.20 ensuring the creation and maintenance of the Sinking Fund for purposes of maintenance and repair of infrastructure; and
- 7.1.21 any other matters incidental to the above.

ARTICLE 8: MANAGEMENT COMPANY

8.1 Structure

The Management Company shall be established as a free zone company in accordance with the Laws of the Federal Republic of Nigeria.

8.2 Operations

The Management Company's operational structure will be determined in its business plan.

8.3 Appointment, Role, and Functions

The Zone Management shall have the exclusive right and power to employ the Management Company (by whatever name so-called) to enforce these Operational Rules, manage the Common Areas and Services within Alaro City, perform the duties and functions delegated to it by the Zone Management and to:

- 8.3.1 exercise on behalf of the Zone Management its powers and responsibilities as set out in these Operational Rules;
- 8.3.2 to monitor and enforce the Internal Environmental Standards together with the Environmental Management Plan;
- 8.3.3 to employ independent contractors or such other employees as it may deem necessary and to describe their duties and to set their compensation;
- 8.3.4 provide urban management services in Alaro City, in line with the vision for Alaro City and in accordance with the Alaro City urban management business plan, which will include:
 - 8.3.4.1 safety and security, including:
 - 8.3.4.1.1 visible street foot patrols and vehicles;
 - 8.3.4.1.2 CCTV and monitoring of public open space and parks;
and
 - 8.3.4.1.3 joint operational centers.
 - 8.3.4.2 emergency services including, ambulance rescue, air rescue, and fire;
 - 8.3.4.3 disaster management services including:
 - 8.3.4.3.1 disaster management policies and procedures for private space and public space; and
 - 8.3.4.3.2 disaster management planning in the public space.
 - 8.3.4.4 refuse and waste removal, including:
 - 8.3.4.4.1 collection and disposal of refuse;
 - 8.3.4.4.2 street cleaning including sweeping, removal of rubble, and removal of graffiti; and
 - 8.3.4.4.3 recycling.

- 8.3.4.5 landscaping, including public and private (upon being contracted to do so) open space management and maintenance including grass and tree cutting and nursery management;
- 8.3.4.6 health, safety, and environmental management, including health inspectorate dealing with among other things, restaurants, and pollution.
- 8.3.4.7 development, promulgation, and enforcement of a traffic code, including and not limited to access control, traffic control, and parking management;
- 8.3.4.8 development, promulgation, and enforcement of laws, rules, regulations, guidelines, and other Operational Rules relating to Alaro City;
- 8.3.4.9 outdoor advertising and signage including approval control and revenue collection;
- 8.3.4.10 informal sector management, including the management of informal trading, public transport, and management of passenger service vehicles;
- 8.3.4.11 Geographical Information Systems (GIS), including:
 - 8.3.4.11.1 mapping;
 - 8.3.4.11.2 boundary demarcation;
 - 8.3.4.11.3 road hierarchy;
 - 8.3.4.11.4 service layouts; and
 - 8.3.4.11.5 management of register of rights.
- 8.3.4.12 wetland and conservation area management;
- 8.3.4.13 positioning, place marketing and tourism promotion;
- 8.3.4.14 financial management, including:
 - 8.3.4.14.1 auditing and monthly management reporting; and
 - 8.3.4.14.2 invoicing, billing, and collections.
- 8.3.4.15 management and administration, including:
 - 8.3.4.15.1 company secretarial and corporate governance for the Management Company; and

- 8.3.4.15.2 monthly and annual operational and company reporting;
- 8.3.4.16 asset management;
- 8.3.4.17 urban monitoring, including:
 - 8.3.4.17.1 management of service level agreements; and
 - 8.3.4.17.2 compliance reporting.
- 8.3.4.18 stakeholder management, including:
 - 8.3.4.18.1 interactions with local, state and national governments;
 - 8.3.4.18.2 property owners' businesses; and
 - 8.3.4.18.3 residents, workers, and visitors.
- 8.3.4.19 communication, including:
 - 8.3.4.19.1 website maintenance;
 - 8.3.4.19.2 newsletters;
 - 8.3.4.19.3 resident development programs;
 - 8.3.4.19.4 property owners and tenant database; and
 - 8.3.4.19.5 engaging the brand building and marketing process.
- 8.3.4.20 operations and management of:
 - 8.3.4.20.1 classified roads subject to the required National, state, and local Government's approvals;
 - 8.3.4.20.2 other roads and stormwater;
 - 8.3.4.20.3 road signs, marking, and traffic signals;
 - 8.3.4.20.4 kerbs and road maintenance;
 - 8.3.4.20.5 refuse disposal sites and processes;
 - 8.3.4.20.6 pre-paid metering and smart grid services;
 - 8.3.4.20.7 vendor service;

8.3.4.20.8 maintenance of installations;

8.3.4.20.9 financial administration and reporting; and

8.3.4.20.10 compliance reporting.

8.3.5 The urban management services listed in Article 8.3.4 to be provided by the Management Company shall be provided to Owners in a progressive and phased manner and no Owner shall be charged for a service not rendered.

8.3.6 If applicable, operate and manage the infrastructure services and utilities on behalf of Zone Management or the Zone Management's Appointee and where such infrastructure services and utilities have been in concession to third parties to manage the concession agreement and relationship with the concessionaire on behalf of the Zone Management.

8.3.7 To manage the billing and revenue collection processes on behalf of the Zone Management in respect of the Service Charge including the Infrastructure Levy and in accordance with the business plan and financial model of tariffs, consumption charges, levies and any penalties and fines imposed by the Zone Management from time to time.

8.3.8 To enforce the Rules and Regulations and the Operational Rules promulgated therefrom.

8.3.9 To suspend any Services due to any Owner occurring from the non-payment of the Service Charge (or any part thereof) by any Owner or in the event of breach of any condition of these Operational Rules or laws, rules, regulations, standards or other Operational Rules applicable to Alaro City.

8.4 Service Charge payable by Owners

8.4.1 Owners will pay Service Charge quarterly in advance payable on the first day of the relevant quarter to the Zone Management through the Management Company provided that should Service Charge remain unpaid for a period of Fourteen (14) days from the due date:

8.4.1.1. the Service Charge due shall attract an interest of NIBOR+12% per annum, such interest shall accrue on a daily basis based on a three hundred and sixty-five (365) day year and compounded monthly for the period from the due date to and including the date of payment.

8.4.1.2. the Zone Management or Management Company, may discontinue the provision of Services to the Owner until the Owner settles such outstanding Service charge;

8.4.1.3. the Zone Management or Management Company, may publish the names of the defaulting Owners in such medium as it deems fit;

- 6.4.5 the Zone Management or Management Company, may terminate the lease of such defaulting Owner and exercise its right of re-entry into and forfeiture of the relevant Plot; and
- 8.4.1.4. the Zone Management or Management Company, may impose or publish such other measures and penalties as it deems fit in such circumstances.

8.5 Allocation and apportionment of payments

8.5.1 Allocation and apportionment of any payments received from the Owners in respect of Service Charge will be implemented in the following manner in respect of any indebtedness on the part of the Owners:

8.5.1.1 Any additional statutory fees that may be levied by any Government authorities;

8.5.1.2 Costs for the provision of urban management services including but not limited to:

8.5.1.2.1 Waste management;

8.5.1.2.2 Security services and systems maintenance;

8.5.1.2.3 Landscaping and Horticulture;

8.5.1.2.4 City Services Personnel;

8.5.1.2.5 Unplanned or Emergency Repairs;

8.5.1.2.6 Fire Equipment Servicing;

8.5.1.2.7 Administrative Charges;

8.5.1.2.8 The Infrastructure Levy.

8.5.2 Service Charge shall be paid into the Service Charge Account.

8.6 Metering

The Management Company and the Utilities Companies may introduce prepaid metering and smart cards to which all payments will be linked.

8.7 Specific fees

The following fees and charges will be payable to the Management Company in respect of specific services rendered:

8.7.1 on street parking which will be managed by the Management Company;

- 8.7.2 facilities hire in respect of community facilities and public open spaces for events; and
- 8.7.3 outdoor advertising revenue.

8.8 Road Safety Management

The Management Company shall for and on behalf of the Zone Management, implement and enforce a road transport and safety policy or traffic code as shall be promulgated by the Zone Management and shall have powers to:

- 8.8.1 Prescribe speed limits;
- 8.8.2 Designate specific transit areas for heavy commercial use vehicles;
- 8.8.3 Levy road overload fines and weighbridge fees for all heavy commercial vehicles as prescribed in the Alaro City road use policy or any other Alaro City Regulation;
- 8.8.4 Levy fines for road policy violations; and
- 8.8.5 Enforce access controls.

ARTICLE 9: CONSULTATIVE FORUM OF OWNERS

9.1 Structure

- 9.1.1 There shall be a Consultative Forum of Owners in Alaro City.
- 9.1.2 The Forum shall serve as a platform for Owners to review, discuss, and provide their valuable insights and recommendations on the management and governance of Alaro City.

9.2 Composition of the Forum

- 9.2.1 The Forum shall comprise representatives of the Owners within Alaro City.
- 9.2.2 The representatives shall be elected by the Owners through a transparent and democratic process directly or indirectly overseen by the Zone Management.
- 9.2.3 The number of representatives and the duration of their term shall be determined through a separate resolution adopted by the Forum and approved by the Zone Management.

9.3 Objectives

The objectives of the Forum are as follows:

- 9.3.1 To foster active participation and engagement of Owners in the management and governance of Alaro City.
- 9.3.2 To provide a platform for Owners to share their perspectives, experiences, and suggestions regarding the development, maintenance, and enhancement of Alaro City.
- 9.3.3 To ensure that the Rules and Regulations formulated for Alaro City are inclusive, responsive, and reflective of the vision for Alaro City.

9.4 Authority, Role and Function of Consultative Forum of Owners

The Forum shall have and exercise authority specifically granted to it by the Zone Management by:

- 9.4.1 Deliberating and making proposals on the provision of services and on any other matter of concern to the Owners provided that the Zone Management shall have veto powers on any such proposal;
- 9.4.2 Proposing issues for inclusion in policies, with respect to Alaro City;
- 9.4.3 Planning strategies for engaging on matters of concern to Owners within Alaro City and receiving representations, including receiving feedback on issues raised by the Owners;
- 9.4.4 Ensuring compliance with the provisions of this Operational Rules, and the Rules and Regulations promulgated with respect to Alaro City.
- 9.4.5 Prepare reports, recommendations, and other outputs arising from the deliberations of the Forum and submit same to the Zone Management for consideration.
- 9.4.6 provide a platform for Owner to share their perspectives, experiences, and suggestions regarding the development, maintenance, and enhancement of Alaro City.
- 9.4.7 Advise on matters related to land use, infrastructure development, community facilities, and other relevant aspects pertaining to Alaro City;
- 9.4.8 Collaborate with the Zone Management to ensure effective communication, coordination, and possible implementation of the decisions taken by the Forum; and
- 9.4.9 Organize regular meetings, consultations, and workshops to facilitate meaningful discussions and knowledge sharing among the Owners.

ARTICLE 10: ALARO CITY UTILITY ENTITIES

- 10.1 The Zone Management has or shall establish the following Alaro City Utility Services Entities:
- 10.2 Alaro Power FZE, established to amongst other things, supply light, heat, power and electricity to all Owners within Alaro City;
- 10.3 Alaro Water and Sewerage FZE, established to amongst other things, provide water and sewerage services to all Owners within Alaro City;
 - 10.3.1 Alaro Telco FZE, established to amongst other things, provide information, technology and communication services to all Owners within Alaro City;
 - 10.3.2 Alaro Connect FZE, established to amongst other things, administer the Utilities Services Entities and handle the power distribution services;
 - 10.3.3 Alaro Gas FZE established to amongst other things, provide gas for the purpose of power generation within Alaro City; and
 - 10.3.4 Alaro City Services FZC established to amongst others things administer urban city services, planning, governance, and regulations.

ARTICLE 11: COVENANTS AND RESTRICTIONS FOR USE

11.1 Permitted and Conditional Uses

The only uses permitted or conditionally allowed for all Plots within Alaro City shall be those uses specifically allowed for in the Owner's Deed of Sublease, Development Control Guidelines and in terms of the Alaro City Master Plan, which may be amended by the Zone Management at its owns sole and absolute discretion.

11.2 Use

- 11.2.1 No Plot shall be used except for the Permitted Use as provided under the Development Control Guidelines and the Alaro City Master Plan. An Owner of a Plot shall not be entitled to make an application to rezone the Plot or to change its use from that currently specified in the Alaro City Master Plan.
- 11.2.2 Every Owner shall be responsible for compliance with all applicable laws, regulations, and directives of Competent Authorities pertaining to the use and occupation of the Plot by the Owner and its employees, contractors, occupiers, invitees, lawful visitors, including but not limited to laws, regulations and directives pertaining to physical planning,

environmental conservation, occupational safety and health, utilities, natural resources and operation of a 'free zone' as such term is defined in the NEPZA Act.

11.3 Rights of the Zone Management to Facilities

Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Zone Management to maintain, during the period of the sale of Plot, upon such portion of the Plot as the Zone Management deems necessary, such facilities, as in the sole opinion of Zone Management may be reasonably required, convenient or incidental to the sale of said Plot, including, but without limitation, a business office, storage area, construction yard, signs, and sales office.

11.4 Roof Spaces

11.4.1 The Zone Management shall have the right to lease back the unused part of the roof space for the purposes of the installation of solar panels/photovoltaic cells for the production of electricity for the benefit of the occupiers of the building and other occupiers of Alaro City on reasonable terms to be agreed between the Zone Management and the Owner.

11.5 Nuisances

11.5.1 No Owner shall permit any use of his Plot or any building structure thereon for any purposes which shall increase the fire hazard to adjoining Plots; or for any purpose which constitutes a nuisance or causes the emission of odours or gases objectionable to personnel or injurious to products stored upon Plots within Alaro City; or for any purposes calculated to injure the reputation of said Plot, or neighbouring plots or for any purpose or use in violation of any laws. No obnoxious or offensive trade or activity shall be carried on or upon any of the Plots in Alaro City, nor shall anything be done thereon which may be or become an annoyance or a nuisance to Alaro City. Written approval of the Zone Management of a particular use shall be conclusive evidence of compliance with this restriction insofar as these Operational Rules controls. For avoidance of doubt, nuisances shall include uncleared bushes.

11.5.2 No Owner shall do or allow to remain upon the Plot anything which may in the opinion of the (which opinion shall be final and conclusive) or any entity acting on behalf of the Zone Management, be or become or cause a nuisance, annoyance, disturbance, inconvenience, injury or damage to the owners of the other Plots in Alaro City, the lessees or visitors or other occupiers of or visitors to Plots within Alaro City.

11.5.3 No Owner shall block or permit the blockage, interfere with, or otherwise impede the passage of any pedestrian or vehicle on any Road or sidewalk or other pedestrian way, or portion thereof.

- 11.5.4 No Owner shall damage or allow the damage of infrastructure which include signage, road, kerbs, culverts, street lights, barriers, gates, auxiliary buildings, landscaping, and equipment.
- 11.5.5 No Owner shall throw or allow the throwing, dropping, placing, or otherwise deposit garbage, paper, paper or plastic products, cans, rubbish, or other debris in Alaro City.
- 11.5.6 No Owner shall pick over or allow the pick over, interference, disturbance, removal or scattering of any material placed out for Alaro City refuse collection, or placed in a garbage or other refuse receptacle intended for the collection of garbage, paper, cans, rubbish, or similar items of refuse.

11.6 Boreholes

Unless otherwise expressly permitted by the Zone Management, the Owner shall not drill a borehole on any part of Alaro City.

ARTICLE 12: PLANNING, DESIGN REVIEW AND CONSTRUCTION REQUIREMENTS

12.1 The DCC

- 12.1.1 The Zone Management is the holder of a free zone development licence with the obligation to develop, operate and manage Alaro City in conformity with the NEPZA Act, Regulations made pursuant thereto and its license.
- 12.1.2 The Zone Management, has been granted the power to formulate development rights relating to any building, Improvements or other structures to be erected in Alaro City or any alterations or extensions to be effected to any existing building, Improvements or structures in Alaro City which shall at all times be erected strictly in accordance with the Development Codes, the design review process as outlined in the development control guidelines for buildings and other forms of developments consistent with the attendant laws, regulations, standards, and policy guidelines to provide a single reference framework for developers and regulatory agencies with regard to development control processes within and applicable to Alaro City and specifically in accordance with building plans which have been submitted to and approved in writing by the DCC.
- 12.1.3 The Zone Management has appointed the DCC in order to maintain high standards and with a view to ensuring an attractive and harmonious development within Alaro City and in order to promote and sustain design vision, the aesthetic quality of buildings and landscaping and the vision in line with the Master Plan. The Owners of the Plots within Alaro City shall, at their sole cost and expense, be

required to adhere to the Development Codes and any development or Improvements by the Owners shall at all times, comply with the provisions of the Development Codes.

12.1.4 In order to achieve the objective of Alaro City of developing a world-class private city and to protect the investments of all stakeholders within Alaro City, including but not limited to all Owners within Alaro City, and further acknowledging that the construction and development of Plots by all the Owners within Alaro City is a critical component towards achieving the said objectives, the Zone Management has formulated the Development Codes to be adhered to by all Owners of the Plots within Alaro City.

12.1.5 The Zone Management has designated the permitted use in relation to each Plot, as well as imposed Development Controls through, without limitation, the Development Control Guidelines, and all matters expressly or by implication set out there shall be enforced by the DCC.

12.1.6 No works whatsoever shall commence or be undertaken, including any earth works, alterations, repairs, modifications, renovations or extensions, until such time as the Development Approvals have been obtained.

12.2 Objectives of the DCC

The objectives of the DCC are to:

- 12.2.1 ensure that Site Development plans are developed in accordance with the vision for Alaro City and the Development Control Guidelines;
- 12.2.2 ensure that the development of any particular site or land parcel within Alaro City is in line with the character of the Alaro City development and constitutes a development of quality;
- 12.2.3 ensure that the development of any particular site or land parcel conforms with the requirements of the Development Control Guidelines;
- 12.2.4 endeavour to minimize any negative impact of proposed developments on adjacent sites;
- 12.2.5 monitor the use of GBA on a site and ensure it is in accordance with the terms of the Development Control Guidelines ensuring the maximization of development rights;
- 12.2.6 monitor compliance with design guidelines and controls;

- 12.2.7 monitor compliance with the Internal Environmental Standards and the Environmental Management Plan;
- 12.2.8 coordinate the shared use of vehicle access, parking, loading as well as access to utilities and service facilities between developments;
- 12.2.9 promote synergy in the developments and growth of the urban area; and
- 12.2.10 do or take any action to ensure that all developments contribute to the realization of the vision for Alaro City and maintain the quality and nature of the overall development.

12.3 Role, Functions, and Rights of the DCC

- 12.3.1 review, assess and accept concept designs, site development and detailed building plans in compliance with the Development Control Guidelines, including but not be limited to developments and building by Owners, outdoor advertising and signage applications in terms of the Alaro City outdoor advertising and signage policy as well as landscaping and the placement of street furniture within the public domain in terms of the urban design guidelines.
- 12.3.2 review, apply and make recommendations in terms of the plans submitted and the existing Development Controls.
- 12.3.3 appoint independent expert consultants at the cost of the Owner to assist the DCC in undertaking and implementing its mandate under this Article 12.

12.4 Package of Plans and Designs

Development control at Alaro City from a planning and development context is based on the “package of plans and drawings” approach and contains the following key elements:

- 12.4.1 Alaro City Master Plan;
- 12.4.2 Architectural Drawings;
- 12.4.3 Structural Drawings;
- 12.4.4 Mechanical Drawings;
- 12.4.5 Electrical Drawings;
- 12.4.6 Plumbing Drawings;
- 12.4.7 Fire Systems Design Drawings;
- 12.4.8 Geotechnical soil Investigation Report; and

12.4.9 Any other building plans.

12.5 Master Plan

12.5.1 The Master plan is the overarching design document which lays out the framework for development and re-development of Alaro City, the vision for the development and which defines its nature and extent of Development Controls.

12.5.2 The Master Plan contains, but not limited to the following:

12.5.2.1 Alaro City vision;

12.5.2.2 Development concept and guidelines;

12.5.2.3 Planning and design approach; and

12.5.2.4 Overarching design codes.

12.6 Architectural Drawings

12.6.1 Every development within Alaro City must prepare Architectural Drawings which must be submitted for approval in writing to the DCC;

12.6.2 The architectural drawing is a technical drawing used to develop the building design idea into a coherent proposal, to communicate ideas and concepts, and to aid construction based on design intent, as a record of the design and planned development, or to make a record of a building that already exists. The Architectural Drawings are made according to a set of conventions, which include but not limited to the following:

12.6.2.1 the site layout;

12.6.2.2 Landscaping and signage layout;

12.6.2.3

12.6.2.4 Building floor plan, section, and elevations;

12.6.2.5 sheet sizes, units of measurement, and scales; and

12.6.2.6 annotation and cross referencing.

12.7 Structural Drawings

12.7.1 Every development within Alaro City must prepare structural drawings. Structural drawings are a set of plans and details prepared by a registered

professional structural engineer based on the architectural drawings. The structural drawings primarily relate to the design and detailing of load-carrying members of a structure such as:

12.7.1.1 Foundation;

12.7.1.2 Beams, columns, slabs, and floors;

12.7.1.3 Reinforcement bars, and/or structural steel members; and

12.7.1.4 Roof.

12.8 Mechanical Drawings

Every development within Alaro City must prepare mechanical Drawings. The mechanical drawings display the information in relation to various mechanical systems of a structure such as the HVAC (heating, ventilation, and air conditioning)

12.9 Electrical Drawings

Every development within Alaro City is required to have electrical drawings which is the technical drawing which shows information about power, lighting, and communication for an engineering or architectural project. Any electrical drawing consists of lines, symbols, dimensions, and notations to accurately convey an engineering design for installation of an electrical system.

12.10 Plumbing Drawings

Every development within Alaro City is required to have plumbing drawings which is a set of drawings that shows the layout of systems of pipes and piping arrangements that serve the process of carrying fresh water into a structure and disposal of wastewater from the structure safely. A plumbing drawing is used to show the location of Fixtures, sanitaryware, pipework, valves, and illustrates how fresh water is to be supplied into a structure and wastewater removed.

12.11 Fire Systems Design Drawings

12.11.1 Every development within Alaro City is required to have a fire systems design drawings which outlines the requisite design criteria and documentation for the procurement/manufacture/construction/installation and commissioning of the fire systems and this typically outlines the design details relating to:

12.11.1.1 Automatic Fire Sprinkler System;

12.11.1.2 Fire Hydrant Systems, Fire Hose Reel Systems, and Fire Detection and Alarm Systems.

12.12 Geotechnical Soil Investigation Report;

Every development within Alaro City is required to have a geotechnical soil investigation and must have a geotechnical soil investigation report prepared. A geotechnical soil investigation report is prepared by geotechnical engineers after carrying out in-situ and laboratory tests to determine the stratigraphy (study of rocks) and relevant physical properties of the soil underlying the plot. This is done to ensure that this substructure, which is eventually going to hold up structures, is safe and enduring. Tests generally fall into 4 categories, namely test pits, trenching, boring and in situ testing.

12.13 Other Building Plans

12.13.1 Every development within Alaro City will be required to submit building plans subject to the Development Control Guidelines.

12.13.2 The building plan submission checklist shall include the following:

12.13.2.1 detailed design plans and elevations, landscape and signage plans;

12.13.2.2 a schedule of materials, colours and other relevant finishes;

12.13.2.3 a matrix on environmental compliance in accordance with the Internal Environmental Standards;

12.13.2.4 an Environmental Impact Assessment Report;

12.13.2.5 proof of compliance with health and safety standards; and

12.13.2.6 alternative energy resources, solar geysers and rain water harvesting systems in line with the Alaro City requirements.

12.14 Development Approval Application

12.14.1 An application for Development Approval ("Development Approval Application") shall be submitted by the Owner or the Owner's Nominee (the "Applicant"), within three (3) months from the date of execution of the Deed of Sublease between Zone Management and the Owner or such other time as the DCC shall determine from time to time.

12.14.2 An Development Approval Application shall be made to the DCC in the prescribed form as shall be determined by the DCC and signed and dated by the Applicant.

- 12.14.3 The Applicant shall be required to submit any other information or documents which may be required by the Alaro City Utility Services Entities.
- 12.14.4 The Zone Management and the DCC reserve the right to appoint independent expert consultants at the cost of the Applicant if in the Zone Management's and/or the DCC's view the development is of such a nature as to require a specialised review of the Development Approval Application.
- 12.14.5 The DCC shall have the right to charge a fee in connection with the submission of the Development Approval Application, oversight of the construction works to ensure compliance, issuance of compliance and occupation certificates, which fee shall be reviewed by the DCC from time to time.

12.15 Decisions on Development Approval Application

- 12.15.1** When deliberating on any Development Approval Application, the DCC shall, where applicable, consider the following, amongst others:
 - 12.15.1.1** the development principles as set out under the Development Codes;
 - 12.15.1.2 compliance with the Environmental Management Plan;
 - 12.15.1.3 compliance with Environmental Standards;
 - 12.15.1.4** compliance with the Planning Laws and any other laws relating to planning, land use management and environmental matters; and
 - 12.15.1.5** any other factor which in the opinion of the DCC is relevant, including timeframes on undertaking the development of the Plots.

12.16 Powers of the DCC in Decision Making

- 12.16.1** The DCC while making decisions must:
 - 12.16.1.1 consider and determine all Development Approval Applications lawfully referred or submitted to it;
 - 12.16.1.2 provide written reasons for any decisions taken; and
 - 12.16.1.3 keep a register of all decision notices.
- 12.16.2 The DCC while making decisions may:

- 12.16.2.1 impose any reasonable conditions including conditions related to the provision of engineering services;
- 12.16.2.2 conduct an investigation into any matter relevant to an Development Approval Application under its consideration;
- 12.16.2.3engage an independent expert consultant at the Applicant's cost where the DCC deems it necessary;
- 12.16.2.4request further information from the Applicant; and/or
- 12.16.2.5conduct a site inspection of Plot during working hours to confirm *inter alia* compliance with Internal Environmental Standards as well as health and safety requirements.

12.16.3 The DCC shall at the respective Owners costs and expense be entitled to oversee and enforce the Owners covenants on development of such Owners Plot and the Implementation of the Development Controls set out in the Owners Deed of Sublease.

12.17 Decision Notice

12.17.1 The DCC shall communicate its decision concerning the Development Approval Application in writing (the "Decision Notice") within reasonable time and shall thereby:

12.17.1.1approve a Development Approval Application in whole or in part;

12.17.1.2approve a Development Approval Application subject to conditions;

12.17.1.3refuse a Development Approval Application; or

12.17.1.4postpone its decision on any Development Approval Application in order for a site inspection of Plot or other investigations to be conducted; to seek and obtain technical advice or further information requested from the Applicant, provided the decision may not be postponed, in one instance or cumulatively, for a period exceeding sixty (60) days.

12.18 Powers of the DCC

12.18.1 For the purpose of ensuring the development of Alaro City meets the standards and complies with the development vision as expressed in the Alaro City Master Plan and the Development Control Guidelines, as an area of high standards, and to ensure reasonable compatibility of architectural designs, the Zone Management and the DCC shall have the power to generally enforce the Planning and Design Review Requirements and to:

- 12.18.1.1 control all Improvements as set forth in this Article;
- 12.18.1.2 inspect on-going works at such times and intervals as shall be determined by the Zone Management upon issuance of a notice of forty-eight (48) hours to the affected Owner for scheduled inspections and without any notice to the Owner for ad hoc or unplanned inspection during instances deemed necessary by the DCC to ensure compliance.
- 12.18.1.3 issue stop orders and/or order the removal of any Improvement or structure where the construction is commenced without the requisite approvals;
- 12.18.1.4 make such exceptions to these covenants, and to waive particular violations, as either shall deem necessary, appropriate, or proper.
- 12.18.2 From time to time, and in its sole discretion, the DCC may amend its development, design and Physical Planning Standards in any manner consistent with the statement of purpose set forth in Article 1 of these Operational Rules.
- 12.18.3 Approval of Site Development Plans, Building Plans shall be based on, but not limited to compliance with the Development Control Guidelines (including Physical Planning Standards), adequacy of the dimensions of Improvements, engineering (civil, mechanical, electrical); foundations; storm drainage considerations, conformity and harmony of exterior design of neighbouring structures, improvements, operations and uses; relating topography, grade and finished ground elevation of the Plot being improved to that of the neighbouring Plots and street frontages; and location and orientation of the improvements with respect to adjacent streets, setbacks and the overall design intent of Alaro City .
- 12.18.4 Landscape treatment not covered by the Development Control Guidelines shall be provided in accordance with applicable laws and such rules and standards established by the Zone Management to give unity and direction throughout the diverse areas of Alaro City.
- 12.18.5 The decision of the DCC in approving or not approving any approval application shall be final and binding on the applicant.

12.19 Control of Improvements

- 12.19.1 No Improvement, or change to any existing Improvement of any type shall be made on any portion of any Plot within Alaro City until the Site Development Plan and Building Plan have been approved in writing by the DCC in accordance with the Planning and Design Review

Requirements including but not limited to the Alaro City Master Plan, the Development Control Guidelines, Physical Planning Standards, its Rules and Regulations, Internal Environmental Standards, Environmental Management Plan and any policy adopted by the Zone Management from time to time.

- 12.19.2 The DCC shall determine the information required and the review procedure, including the DCC approval periods and appeals procedures and the approval fees.
- 12.19.3 No construction on any of the Plots shall begin or continue until and unless the Owner and the Owner's Contractor/s have signed a contractor's code of conduct adopted by the DCC from time to time.
- 12.19.4 If any Improvement or change requiring approval shall be undertaken on any Plot, and the said approval has not been obtained from the DCC, or if any Improvement or change which is not in conformance with approved plans and specifications shall be undertaken on any Plot, the said Improvement or change shall be deemed to have been undertaken in violation of these Operational Rules; and, upon written notice of the DCC, any such Improvement or change deemed to be in violation shall be removed or altered so as to extinguish such violation. If, thirty (30) days after the notice of such violation, the Owner of such Plot in question shall not have taken reasonable steps toward the removal or alteration of the same, the Zone Management or its duly authorised representative, shall have the right, to enter the said Plot and to take such steps as may be necessary and as available in law or equity to extinguish such violation and fine the Owner, and all costs, the fine, expenses, and legal fees pertaining thereto shall be a binding obligation of the Owner as well as a lien on the Plot in question. Any lien so registered shall be subordinate to the lien of any existing deed of trust made in good faith and for value.
- 12.19.5 Any agent of the Zone Management or the DCC may, at reasonable times and upon issuance of a notice of at least forty eight (48) hours for scheduled inspections and without notice for other circumstances as the DCC may deem fit ,enter and inspect any Plot and Improvements thereon for the purposes of ascertaining whether the maintenance of such Plot, and the maintenance, construction or alteration of Improvements thereon, are in compliance with the provisions of these restrictions and the Internal Environmental Standards, and no such persons shall be deemed to have committed a trespass or other wrongful act by such entry or inspection.
- 12.19.6 For the avoidance of doubt a development, Improvement or alteration done without approval of the DCC shall be in violation of these Operational Rules and liable to be removed under this Article notwithstanding that the plans or designs for the same may have been approved by a local authority or other government planning authority.

- 12.19.7 The Owner shall procure its contractor(s) to issue an undertaking in writing to the DCC before the commencement of construction or related works on the Plots, in which the contractor(s) shall undertake to undertake the construction or related works in accordance with the development approvals issued by the DCC and no construction or related works shall commence prior to the issuance of the undertaking.
- 12.19.8 Each Owner shall ensure that construction of the Owner's Improvements shall be undertaken in accordance with the Development Program and shall be completed on or before twenty-four (24) months following the execution of the Deed of Sublease in relation to the Plot, such completion to be evidenced by the issuance of a Certificate of Compliance (defined below) by the DCC. Notwithstanding anything else provided herein, the period of construction as agreed between the parties and recorded in the Deed of Sublease shall take precedence over the period provided herein.
- 12.19.9 In the event that an Owner fails to complete construction of the Owner's Improvements on or before the date contemplated in Article 11.14.8 above, then in such circumstances the Owner shall pay to the Zone Management a fine and such fine shall be deemed to form part of the Service Charge. The fine shall be at the rate of one percent (1%) per month of the Owner's Lease Premium and compounded monthly for the duration that the Owner does not complete construction of the Owner's Improvements.
- 12.19.10 The Owner shall pay levies with respect to provision of utilities from the date of commencement of the supply of such utilities to the Owner.

12.20 Approvals

- 12.20.1 The DCC shall have the right to disapprove any final construction drawings and specifications because they fail to comply with any criteria or requirement of this Operational Rules, the Planning and Design Review Requirements, the Alaro City Master Plan, the Development Control Guidelines, the Physical Planning Standards, environmental protection standards, health and safety standards or the Conditions of Approval of the DCCDCC as amended from time to time.
- 12.20.2 In any case where the DCC shall disapprove any construction drawings or specifications submitted hereunder or shall approve the same only as modified or upon specified conditions, notice of such disapproval or qualified approval shall be accompanied by a statement of the reasons therefore. In any such case, the DCC, if requested, shall make reasonable efforts to assist and advise the Owner or applicant in the preparation of acceptable construction drawings, specifications and any other submissions required to achieve a satisfactory approval.

12.21 Liability for Violation

Any person, firm or corporation that shall violate Articles 10 and 11 shall be liable for all costs incurred in remedying such violations, including, but not limited to lawyer's fees on a full indemnity basis, and court costs and be subject to such fines as may be imposed by the DCC.

12.22 Appeal

- 12.22.1 In the event that the Owner is aggrieved by the decision of the DCC, and has either discovered new and important matter or evidence which after exercise of due diligence was not within the knowledge of the Owner at the time of submitting the approval application or the decision was made on account of clerical or arithmetical mistake or error apparent on the face of record or for any other sufficient reason, may, apply in writing for a review of the decision of the DCC without unreasonable delay.
- 12.22.2 Where it appears to the DCC that there is not sufficient ground for a review, it shall dismiss the request.
- 12.22.3 Where the DCC is of the opinion that the request for review is merited, it shall grant the same: provided that no request for review shall be granted on the ground of discovery of new matter or evidence which the Owner alleges was not within its knowledge or could not be adduced by it when the DCC made its decision without strict proof of such allegation.

12.23 Design Review Fee

The DCC will charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to this Article 12 can charge and for ongoing oversight of construction works, payable at the time such plans and specifications are so submitted. The amount of such fee shall contain the management costs, the cost of making such examination or building plan reviews (including the cost of any professional fees incurred in connection therewith), the cost of DCC construction quality checks and inspections/ oversight of the construction works from the site handover date to the issuance of occupation certificates and any other costs deemed necessary by the DCC to facilitate the execution of its mandate. All DCC costs shall be determined the DCC and reviewed from time to time by the DCC.

12.24 Certificate of Compliance

- 12.24.1 Upon completion or alteration of any Improvement on any Plot undertaken and completed in accordance with plans and specifications approved by the DCC, and on written request of the Owner of such Plot, a Certificate of Compliance shall be issued in a form suitable for registration ("Certificate of Compliance"). Preparation and registration of such Certificate of Compliance shall be at the expense of such Owner. Any Certificate of Compliance issued in accordance with the provisions of this paragraph shall be prima facie evidence of the facts therein stated,

and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such Certificate of Compliance shall be conclusive evidence that all improvements and/or alterations described therein comply with all requirements of these Operational Rules.

- 12.24.2 No Improvement shall be used or occupied without the Owner first having obtained a Certificate of Compliance from the DCC.

12.25 Vacancies

The Zone Management shall have the exclusive right and power at any time and from time to time to create and fill vacancies on the DCC.

12.26 Function

No Improvements shall be constructed, erected, placed, altered, maintained or permitted on any Plot until plans and specifications, in such a form and detail and under such submitted procedures as the DCC may deem necessary, or desirable, as amended from time to time, shall have been submitted to and approved in writing by such DCC. The DCC shall have the power to employ professional consultants, if it deems necessary, to assist it in discharging its duties.

12.27 No Construction or Use Prior to Approval

- 12.27.1 No earthworks or building improvement of any kind shall be commenced, installed, erected, placed, assembled, altered, moved onto, or permitted to remain on any Plot, nor shall any uses be commenced on any Plot unless and until the final construction drawings and specifications for the same (including a description of the proposed use) have been submitted to, reviewed and approved by the DCC.
- 12.27.2 No Owner shall apply to any public authority for any construction or building permits for any project, Buildings or Improvements before written approval of the final construction drawings and specifications for said project, Buildings or Improvements have been given by the DCC, unless the DCC has waived this requirement (within its powers to do so) with written notification to such Owner.
- 12.27.3 No Owner shall apply to any public authority for any certificate of occupation for any project before a Certificate of Compliance has been issued by the DCC.

12.28 Governmental Approval

Approval by the DCC shall be separate from all review and approval procedures by the Competent Authorities, if required. Any material changes made to the final construction drawings and specifications resulting from the requirements of such authority or entity must be resubmitted and reapproved by the DCC.

12.29 Inapplicable to Zone Management

This Article 12 shall not apply to the Zone Management, and the Zone Management need not seek or obtain the DCC approval for any Improvement constructed or placed, or landscaping done by the Zone Management, on any Plot in Alaro City owned by the Zone Management, on Common Areas, or within street rights-of-way designated as a streetscape, pedestrian, utility, and street maintenance easement. Notwithstanding the foregoing, Zone Management shall in no way be relieved from any obligations they may have as Owners with regard to planning, design and construction under the Alaro City Master Plan.

12.30 Vehicle Parking

Parking spaces shall not be used for permanent or temporary storage of junk vehicles, private vehicles offered for sale, house trailers or public service vehicles. Each Plot must provide adequate off-street parking, including basement parking where required by the Alaro City Master Plan and the Development Control Guidelines. All parking requirements are subject to the requirements of the applicable Laws and regulations of the relevant Competent Authority.

12.31 Loading and Trash Handling Areas

- 12.31.1 All Owners shall submit a solid waste management strategy together with submission of building plans to the DCC, without which the DCCDCC shall not approve any Improvement plan submission.
- 12.31.2 The solid waste management strategy shall conform to the requirements of the Environmental Impact Assessment (EIA) for Alaro City and the Improvement specific EIA, and shall address solid waste management during construction and following use or occupation of the Improvements.
- 12.31.3 The Zone Management shall have the right to dispose of waste in accordance with the Zone Management's standards including but not limited to disposal requirements as provided under applicable laws, approved landfills or through waste-to-energy process, including incinerations.

12.32 Effluent Discharge

- 12.32.1 Prior to discharge of any effluent into the Storm Water Systems, the Owner shall obtain the necessary licence from a Competent Authority for discharge of such effluent and submit it to the DCC.
- 12.32.2 Prior to being granted the licence to discharge effluent into the Storm Water System the Owner shall develop and install an appropriate plant for treatment of such effluent in accordance with Building Plans submitted to the DCC.
- 12.32.3 All Owners, save for residential Owners, shall obtain an effluent discharge license annually from the relevant Competent Authority and

shall within the first quarter of every year submit to the DCC evidence that the effluent discharge license has been obtained.

- 12.32.4 Owners shall discharge any effluent only into the Storm Water Systems and shall obtain the necessary licence from a Competent Authority for discharge of such effluent and submit it to the DCC in accordance with the conditions set down by the DCC and in their respective Deed of Subleases.
- 12.32.5 The DCC will be responsible for ensuring compliance with this Article 12.26 including issuance of stop orders and/or imposing penalties for non-compliance as appropriate at such rates as may be determined by the Zone Management and or the DCC from time to time.
- 12.32.6 The DCC or any other authorized by the Zone Management will undertake quarterly spot checks on Effluent Discharge at the Owner's cost to ascertain compliance.

12.33 Environmental, Occupational, Health and Safety

Every Owner shall at all times undertake to;

- 12.33.1 Comply and procure compliance by third parties appointed by the Owner and without limitation, its servants, agents, independent contractors with the Environmental, Health, and Safety requirements as set out in the applicable laws and Regulations made pursuant thereto, the Environmental Management Plan and all other written law;
- 12.33.2 At all times ensure that any actual or alleged violation of Environmental, Occupational Health, and Safety requirements set down by the Zone Management in accordance with the law, emanating from, including but not limited to, investigatory, remedial or corrective obligations, relating to the Owner shall be rectified at the Owners sole cost and expense;
- 12.33.3 Not to emit pollutants to the environment which would alter physical, thermal, chemical, biological, or radio-active properties of any part of the environment within Alaro City by discharging, emitting, or depositing wastes so as to affect any beneficial use adversely, to cause a condition which is hazardous or potentially hazardous to public health, safety or welfare, or to animals, birds, wildlife, fish or aquatic life, or to plants.
- 12.33.4 Not treat, store, dispose of, arrange for or permit the disposal of, transportation, handling, or release any substance, including without limitation, any Hazardous Material, or own or operate any property or facility (and no such property or facility is contaminated by any such substance) in a manner that would be in breach of the Internal Environmental Standards and that would reasonably be expected to give rise to material liabilities, including any material liability for investigation

costs, response costs, remedial costs, corrective action costs, personal injury, property damage, Natural Resources damages or legal or consultant fees and costs, pursuant to all written laws.

- 12.33.5 The DCC will be responsible for ensuring compliance with this Article 11.27 including issuance of stop orders and/or imposing penalties for non-compliance as appropriate.

12.34 Storm Water Management

- 12.34.1 In order to secure that all developments within Alaro City are ecologically sustainable and to promote a safe and healthy environment, the DCC shall regulate activities which may have a detrimental effect on Alaro City and in particular the operation or maintenance of Stormwater Systems. Consequently, the Owner shall not within or without Alaro City:

- 12.34.1.1 cause, discharge or permit to enter the Stormwater System any solid, liquid, foul-water or gaseous substance; or anything other than Stormwater; or anything which may damage the Stormwater System or interfere with the operation of the Stormwater System or is likely to pollute or contaminate the water in the Stormwater System;
- 12.34.1.2 obstruct, block or reduce the capacity of the Stormwater System;
- 12.34.1.3 open a pipe, culvert or canal which forms part of the Stormwater System;
- 12.34.1.4 construct or erect any structure over or in such a position or manner as to destroy, damage, endanger, block or interfere with the Stormwater System or operation thereof;
- 12.34.1.5 drain, abstract or divert any water directly from the Stormwater System;
- 12.34.1.6 fill, excavate, shape, landscape, open up or remove the ground above, within, under or immediately next to any part of the Stormwater System;
- 12.34.1.7 change the design, the use of or modify any feature of the Stormwater System which alone or in combination with other existing activities may cause an increase in flood levels or create a potential flood risk;
- 12.34.1.8 undertake any activity which alone or in combination with other existing or future activities, may cause an increase in flood levels or create a potential flood risk or may result in a potential to increase soil erosion or which may cause damage to another person's premises or interfere with the existing

Stormwater System infrastructure or which will or which in the opinion of the DCC could impair the effective functioning of the Stormwater System;

12.34.1.9 bridge over or enclose any gutter or Stormwater drain which forms part of Zone Management's Infrastructure; or

12.34.1.10 remove manhole covers, grids and other equipment which form part of the Stormwater System.

12.35 An Owner may not cause or permit any Stormwater within or without Alaro City to enter the sewage disposal system. If an incident contemplated in this Article 12.29 and the sub articles thereof within Alaro City and the incident is a result of the direct action of the Owner, then in such circumstances, the Owner must immediately report the incident to the DCC and at its own cost, take all reasonable measures to contain and minimise the effects of the incident, which measures may include, but are not limited to undertaking of cleaning up operations and where necessary, the rehabilitation of the surrounding environment.

12.36 The DCC shall have the power to request an Owner to submit a stormwater management plan which shall be based on a national design method as determined by the DCC, from time to time.

ARTICLE 13: INFRASTRUCTURE LEVY

13.1 The Infrastructure Levy shall be expended in respect of periodically recurring services listed below, whether recurring at regular or irregular intervals provided that in determining such reasonable provision, the Zone Management and/or the City Management may take professional advice (if it reasonably determines such advice to be necessary) and provided further that:

13.1.1 such reasonable provision shall be determined on the assumption that the cost of replacement and/or repair of such items or infrastructure is calculated on such life expectancy as the Zone Management, and/or the City Services Company may reasonably determine and that each year the Owners will be required to pay Infrastructure Levy to cater for the anticipated cost of renewal or replacement to the intent that a fund or funds be accumulated sufficient to cover the cost of renewal or replacement by the end of the anticipated life of such item;

13.1.2 any expenditure by the Zone Management, and/or the Management Company in respect of the services set out below in connection with the renewal or replacement of an item referred to there shall be met out of the Sinking Fund;

13.1.3 The Management Company shall upon receipt of Service Charge into the Service Charge Account, transfer the Infrastructure Levy into a sub-account designated for such purpose; and

- 13.1.4 The Zone Management shall operate an Infrastructure Levy account for purposes of depositing and managing the Infrastructure Levy provided that the Zone Management, may invest any amounts deposited into the such account in interest earning bank deposits and Government Securities and provided further that any interest and/or other earnings realised from such investments shall be treated as part of the Infrastructure Levy and shall be applied to the cost of maintaining, repairing, amending, altering, rebuilding, renewing and reinstating of the infrastructure within Alaro City.
- 13.2 The Infrastructure Levy shall cater for the cost of (but not limited to) the following:
- 13.2.1 maintaining, repairing, amending, altering, rebuilding, renewing and reinstating:
- 13.2.1.1 the roads, pavements and sidewalks;
- 13.2.1.2 street lights and traffic lights;
- 13.2.1.3 road signage;
- 13.2.1.4 security equipment;
- 13.2.1.5 Stormwater drainage system;
- 13.2.1.6 and keeping the above infrastructure and services in good and substantial repair, order and condition and renewing and replacing all worn or damaged parts thereof;
- 13.2.2 maintaining the Natural Open Spaces; and
- 13.2.3 keeping all equipment, apparatus, fixtures and fittings related thereto in good repair and condition and to have such equipment, apparatus, fixtures and fittings in the Common Areas regularly serviced and (if necessary) repaired and to replace any of the said equipment, apparatus, fixtures and fittings in the event of them being damaged beyond repair or destroyed.
- 13.3 Calculation and payment of the Infrastructure Levy
- 13.3.1 The Zone Management shall have the right to review the Infrastructure Levy annually.
- 13.3.2 The Zone Management and/or the Management Company shall present the documents listed below for inspection purposes, in respect of the management and maintenance of the infrastructure in respect of which the Infrastructure Levy is payable, during the Annual General Meeting of Zone Management:
- 13.3.3 Audited Financial Statements with respect to the Infrastructure Levy; and

- 13.3.4 Annual Budget for the following year with respect to the Infrastructure Levy. Provided that the annual budget shall not in any way prevent the Zone Management and /or the Management Company from spending money for any unanticipated expenditure.

ARTICLE 14 : UTILIZATION OF LOCAL LABOUR

- 14.1 The Zone Management is committed to promoting development initiatives within Alaro City aimed at:
- 14.1.1 ensuring that genuine and operationally linked construction and labour skills are imparted to local communities surrounding Alaro City;
 - 14.1.2 guaranteeing long term employment opportunities to the people forming part of the local communities surrounding Alaro City; and
 - 14.1.3 ensuring equitable sourcing of unskilled and semi-skilled labour force from the community surrounding Alaro City.
- 14.2 Every Owner shall, in good faith, undertake to ensure that the contractors and subcontractors undertaking any development on the Plots adhere to the aims and objectives set out in these Operational Rules;
- 14.2.1 utilise, whenever reasonably possible, at a market related rate, unskilled and semi-skilled labour force from the community surrounding Alaro City; and
 - 14.2.2 employ such local individuals as are trained at the training facilities within Alaro City provided that the costs, remuneration and other terms of employment shall be market related and in accordance with written laws relating thereto.

ARTICLE 15: UTILITY SERVICES

15.1 Provision of Utility Services

- 15.1.1** The Zone Management is entitled to exclusively provide utilities and other services in Alaro City and to charge fees for such services pursuant to the NEPZA and Rules and Regulations made pursuant thereto. The Zone Management established the Alaro City Utility Services Entities and having regard to all practical considerations will use its best endeavours to ensure that the Alaro City Utility Services Entities provide services to all Owners as end users, in a Financially Sustainable and Environmentally Sustainable manner and to further ensure that Alaro City is a viable city.

- 15.1.2** Subject to any written law relating thereto and grant of requisite licenses by the relevant Competent Authorities, the Zone Management either by itself or its appointees or affiliates, shall use its best endeavors to undertake the supply of and establish, acquire and maintain works for the supply of Utilities Services within Alaro City; and without prejudice to the generality of the foregoing, the Zone Management whether by itself or through its appointees or Affiliates, may sell (including sale against payment by installments) lines, fittings and appliances relating to the Utilities Services to Owners within Alaro City as end users, in accordance with the terms and conditions of regulations to be promulgated by the Zone Management.
- 15.1.3** The Owners within Alaro City as end users, shall not be supplied with any Utility Services unless such Owner has applied to be supplied with such Utility Services by the Alaro City Utility Services Entity concerned using the prescribed form and such application has been granted. The Alaro City Utility Services Entities shall not unreasonably withhold or delay the grant of such application.
- 15.1.4** When a Alaro City Utility Services Entity grants or otherwise approves an application for supply of the Utility Services, this shall constitute a binding contract between the relevant Alaro City Utility Services Entity and the Owner within Alaro City, as an end user thereof, and such binding contract shall take effect either on the date (i) referred to or stipulated in the application form or (ii) of the approval.
- 15.1.5** The Owner shall be responsible for taking measures to secure the electricity or water meter and such other fixtures or fittings for provision of any other Utilities Services and shall at all times ensure its visitors, employees or its agents shall not reconnect, attempt to reconnect or cause or permit a reconnection to any Utilities Services where the Alaro City Utility Services Entity concerned has restricted or disconnected such supply, tamper, break or interfere with Alaro City Utility Services Entities' and/or or Alaro City Utilities Services Administrator equipment or unlawfully use or interfere with Utilities Services provided by Alaro City Utility Services Entities or knowingly consume, use or distribute any Utilities Services which has been obtained in an unlawful manner.
- 15.1.6** To the extent that the provision of any Utility Service is subject to the Alaro City Utility Services Entity concerned obtaining any permit, license or consent from any Competent Authority, then in such circumstances, the obligation of the Zone Management, to provide the Utility Service concerned shall be suspended and shall not come into force and effect unless and until the Alaro City Utility Services Entity concerned obtains and maintains such permit, license or consent.
- 15.1.7** the Zone Management, and/or Alaro City Utility Services Entity shall not be liable for any damage or loss caused by lack of supply of any Utility or the diminution of the provision of the Utility.

ARTICLE 16: GENERAL PROVISIONS

16.1 Duration

These Operational Rules and the covenants, restrictions, changes, and liens set out herein shall run with and bind the Plot and Alaro City and shall inure to the benefit of and be enforceable by the Zone Management, the Management Company and every Owner of any part of Alaro City, including the Zone Management and its legal representatives, heirs, successors and assigns, for a term equivalent to the leasehold interest in Alaro City held by the Zone Management and its successors and assigns after which time this Operational Rules shall automatically be extended for successive periods equivalent to the extension of the lease term of Alaro City granted by the Lagos State Government.

16.2 Termination and Modification

16.2.1 The Zone Management shall have the sole right and power at all times to amend or modify these Operational Rules from time to time.

16.2.2 This Operational Rules, or any provision hereof, or any covenant, condition, restriction and reservation contained herein, may be terminated, extended, modified or amended, as to the whole of Alaro City or any portion thereof by the Zone Management solely.

16.2.3 **PROVIDED THAT** the Zone Management shall use its best endeavours to ensure that Owners are notified of any extension, modification or amendment to this Operational Rules

16.3 Conflict

16.3.1 In these Operational Rules, if there shall be any inconsistency or conflict between the provisions of any other document and the provisions of these Operational Rules, the provisions of these Operational Rules shall prevail.

16.3.2 The Zone Management shall not grant any lease with conditions, covenants and restrictions inconsistent with the conditions, covenants and restrictions in these Operational Rules and in the event that there shall be a conflict between conditions, covenants and restrictions in any lease and these Operational Rules, the conditions, covenants and restrictions in these Operational Rules shall prevail.

16.4 Waiver or Invalidity

Any waiver or failure to enforce any provision of these Operational Rules in a particular situation shall not be deemed a waiver or abandonment of such provision as it may apply in any other situation or to the same or similar situation at any other location in Alaro City or Project. Invalidity by Court adjudication of any provision of these Operational Rules shall not affect the validity of any other provision, and all other provisions thereof shall remain in full force and effect.

16.5 Notices

Any notice required or permitted herein shall be in writing and emailed, mailed, postage prepaid, by registered mail and shall be directed as follows:

- 16.5.1** if intended for an Owner, to the address of the Plot, if improved;
- 16.5.2** if the Plot is not improved, to the address set forth in the Deed of Sublease;
- 16.5.3** if none of the foregoing, to the last known address of the Owner;
- 16.5.4** if intended for the Zone Management, to the address as set forth herein; and

16.6 Constructive Notice and Acceptance

Every person who now or hereinafter owns or acquires any right, title or interest in or to any portion of Alaro City is and shall be conclusively deemed to have consented and agreed to every covenant, condition and restriction contained herein, in the instrument by which such person acquired an interest in such Plot.

16.7 Enforcement

Violation or breach of any covenant, condition or restriction herein contained shall give the Zone Management and/or the Management Company and/or the Zone Management's appointees or Affiliates, in addition to all other remedies, the right to proceed at law or in equity to compel compliance with the terms of these Operational Rules, and to prevent the violation or breach of any of them, and all of the expenses of such litigation shall be borne by the Owner, provided such proceeding results in a finding that such Owner was in violation of these Operational Rules. Expenses of litigation shall include reasonable lawyer's fees.

16.8 Liability of Zone Management

The Zone Management, the Management Company and the Alaro City Utility Services Entities are hereby expressly relieved of any liability to any Owner, and to any other party to the extent permitted by law, for any act of omission or commission in connection with performance of their functions, except for wilful misconduct or act of bad faith.

16.9 Severability of Covenants, Conditions and Restrictions

Invalidation of any one or more of the covenants, conditions and restrictions or other provisions herein or hereafter set forth by any Judgment or Court Order shall in no way affect any of the other covenants, conditions and restrictions which shall remain in full force and effect.

16.10 Contract for Property Management

- 16.10.1** In accordance with the provisions of Article 6, the Zone Management will retain the services of the Management Company to undertake the functions specified therein on behalf of the Zone Management.
- 16.10.2** The parties referred to in 16.10.1 above will conclude service level agreements setting out the required service levels, response times, the consequences of failure to perform, and such other standard terms and conditions usually associated with service level agreements in their respective areas of responsibility.
- 16.10.3** The service level agreements shall include a right of termination without cause which may be exercised the Zone Management at any time.

16.11 Amendment of Plans

By the acceptance of the Deed of Sublease conveying title to a Plot, the Owner thereof shall be deemed to consent to amendments or modifications of the Alaro City Master Plan for purpose of technical corrections, boundary line adjustments, etc. So long as any amendment or modification does not materially reduce the usability of any Owner's Plot and takes into account preservation of Common Areas, Common Elements and Natural Open Spaces, the Zone Management may execute any amendment or modification of the Alaro City Master Plan as an Owner's attorney in fact.

16.12 Disputes

- 16.12.1** The Zone Management shall establish a framework for avoidance, amelioration and resolution of conflict between the Zone Management, the Owners, and Occupiers through promulgation of a Grievance Handling Policy (which may be amended from time to time).
- 16.12.2** The Parties in dispute shall in good faith resolve the dispute in accordance with the provisions of the Grievance Handling Policy.

16.13 Rules

There shall be no violation of any rules which may at any time be adopted by the Zone Management and/or Management Company. Such rules must be in writing. Alaro City Management Company is hereby authorized to adopt such rules and to enforce the same by any enforcement provision hereof or as otherwise permitted by law provided that should there be any conflict between the rules adopted by the Zone Management and/or the Management Company, the rules made by the Zone Management shall prevail.

16.14 Inspection

The Zone Management and its Affiliates may from time to time at any reasonable hour or hours, enter and inspect any of the affected Plots to ascertain compliance with these Operational Rules.

16.15 Captions

The captions, section numbers and article numbers appearing in this Operational Rules are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or articles nor in any way modify or affect these Operational Rules.

16.16 Effective Date

These Operational Rules shall become effective upon their approval by NEPZA.

SCHEDULE A

DESCRIPTION OF ALARO CITY

ALL THAT that piece of land situated in North West Quadrant of the Lekki Free currently measuring approximately 1,000 hectares of land, comprised in Certificates of Occupancy dated 28 June 2017 and 29 November 2019 and registered respectively as No. 100 at Page 100 in Volume 2017E and registered as No. 62 at Page 62 in Volume 2019A.

SCHEDULE B
ALARO CITY MASTERPLAN