

WATERSIDE COUNTRY VILLAGE

HOME OWNERS CONSTITUTION

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**CONSTITUTION OF
WATERSIDE COUNTRY VILLAGE**

DEFINITIONS

The following words and phrases shall, unless the context clearly indicates otherwise mean the following:

‘Architectural Guidelines’	rules, regulations, guidelines, to govern and control the design and construction of all buildings and structures on the Estate, including landscaping of gardens (Annexure B hereto).
"Association" (or Home Owners Association)	means the WATERSIDE COUNTRY VILLAGE
"Association area"	means the township of WATERSIDE COUNTRY VILLAGE and any extension thereto.
"Accounting Officer"	means the Accounting Officer of the Association.
"Chairman"	means the chairman of the Board of Trustees.
“Common Area”	all the roads, private open space, storm water, including all security fencing and gate(s), and services constructed on the Estate as well as all property registered in the name of the Association
“Conduct Rules”	those rules and regulations enacted from time to time by the Trustees of the Association to control, regulate and manage the general conduct and behavior of residents, their families, guests, visitors, contractors, employees and invitees in the Estate (annexed hereto marked Annexure C).

“Corporate Entities”	duly registered companies and/or close Corporations (registered with the Registrar of Companies or Close Corporations as the case may be) and/or the Trustee of trusts (duly registered with the Master of the High Court);
“Developer”	SOLEPROPS 156 (PROPRIETARY) LIMITED, Registration Number 1999/027559/07
“Development”	includes all references to WATERSIDE COUNTRY VILLAGE and the Estate developed on the Development Area;
“Development Area”	the area demarcated as such on the layout plan (Annexure A hereto) or any amendment thereof made on application by the Developer and approved by Buffalo City Metropolitan Municipality
“Development Period”	Commencing on registration of transfer of the first erf to a third party, by the Developer, and terminating on Sale and transfer of 80% of the residential erven.
“Erf”	any land which is capable of being registered in terms of the Deeds Registry Act No. 47 of 1937 as amended, and shall include, for the purposes of membership and voting rights, the owner where applicable, of a sectional title dwelling unit;
“Estate”	is synonymous to the Development Area;
“Flats”	means flats or dwelling units whether sectional title, or separate title, erected or to be erected on plots 38 and 93, as depicted on the layout plan;

"Layout plan"	(Annexure A hereto);
"Member"	Each owner of an Erf, (or sectional title dwelling unit applicable on plots 38 and 93 as depicted on the layout plan), and including the Developer, in respect of each of the erven which has not yet been transferred,
"Person"	includes a natural or juristic person, as the context dictates;
"Services Agreements"	Services Agreements entered into by and between Buffalo City Metropolitan Municipality and/or Eskom and/or any other legal entity with WATERSIDE COUNTRY VILLAGE.

Words importing the singular include the plural, and vice versa, and words importing any one gender include the other gender as well as a juristic person;

Subject to the aforesaid, any words or expressions defined in the Act or in any statutory modification of such Act in force at the date on which these presents become binding on the Association shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

1. **NAME OF ASSOCIATION**

The name of the association is WATERSIDE COUNTRY VILLAGE Home Owners Association.

2. **LEGAL STATUS**

The Association which is required in terms of Section 29 of the Land Use Planning Ordinance No.15/1985 shall be constituted by the Developer (on signature).

3. **OBJECTIVES**

The Main Objectives of the Association are to promote and manage the communal interests of its Members and, include but are not limited to:

- 3.1 Own, maintain and ensure the upkeep and control of the Common Area and any improvements thereon, including all services within the Common Area as determined in the Services Agreement;
- 3.2 Ensure that all municipal and related services are supplied to the Estate;
- 3.3 Ensure compliance by all Members with all conditions of establishment including township conditions imposed by the Local Authority (or any other authority) when approving the Estate Development;
- 3.4 Adopt and enforce such Title and other Conditions imposed by the Developer in any first Deed of Sale and /or transfer for the benefit of the Association and its Members to ensure the good and orderly governance and financial health of the Association;
- 3.5 To enforce and amend from time to time the architectural guidelines so as to maintain standards and guidelines for architectural design of all buildings and outbuildings, structures of any nature and all additions and alterations to any such buildings, outbuildings or structures erected or to be erected in the development area and, in particular to control the design of the exterior of such buildings, outbuildings or structures and the materials and colours used on such exterior to ensure an aesthetically pleasing character to all the buildings in the development area, to monitor and ensure that the buildings are correctly sited (including outbuildings, structures of any nature and of any additions and alterations thereto), the standards and guidelines for the design of all site works, buildings, structures, installations and projections on this property in the development area, including entertainment areas (and other outdoor improvements), pergolas, side walls, awnings, carports and the landscaping of the entire erf, or any alteration thereof, and paved path ways or any other matter referred to in the Architectural Guidelines and to set the standard and monitor and control all building contractors, a Code of Conduct relating to building contractors and to establish, monitor and control any committee or sub-committee established for the approval of any application submitted by a member including but not limited to building plans, alterations, landscaping or any other alteration thereto.
- 3.6 To enforce, amend and control the Environmental Guidelines so as to effectively preserve the environment;
- 3.7 Ensure the expeditious development of all Erven in the Estate;
- 3.8 Provide, maintain and manage access and egress control for the Estate Development;
- 3.9 Establish and maintain a security system.

- 3.10 To enforce the conduct rules and to enforce the provisions of this Constitution of the WATERSIDE COUNTRY VILLAGE Home Owners Association, and to enforce the system of fines or other penalties or any other remedy considered appropriate from time to time. The amounts of such fines may be reviewed, amended and/or confirmed at each Annual General Meeting. The Trustees shall nevertheless be entitled at their discretion from time to time to impose fines or any other remedy in respect of the offence.
- 3.11 Manage in so far as necessary the Club House (if applicable) or any other amenities.
- 3.12 To manage, jointly with other interested parties (owners of other properties) which adjoin or are in close proximity to the dam, the dam, and surrounding area. Whilst the proportion in which contributions will be made by the Home Owners Association to the cost of maintaining the dam will need to be negotiated from time to time with the other interested parties, it is envisaged that approximately half of all costs will be borne by the Home Owners Association. Regular maintenance will include (but will not be limited to) eradication of weeds, trimming of the grass along the water's edge, maintaining and monitoring water quality, or any other general maintenance of the dam considered necessary by the Home Owners Association. The eradication of weeds will include water, grass or other plants which are invasive within the dam area, and which require regular eradication.
- 3.13 To manage and enforce the responsibilities of the Home Owners Association, and to negotiate or re-negotiate, as the case may be from time to time the terms of the Water and Sanitation Services Agreement between the Home Owners Association and the Developer. A copy of the Water and Sanitation Services Agreement is attached hereto, embodying the terms of the Agreement currently applicable.
- 3.14 To do all things that may at the discretion of the Trustees be necessary to give effect to the provisions of the Constitution and Conduct Rules or to serve the purposes for which it has been constituted and, furthermore to do anything which may be necessary to facilitate the estate functions.

4. DEVELOPER'S RIGHTS RESERVED

- 4.1 The Developer will be entitled to develop, as sectional title, or as separate title, and as flats, townhouses or separate erven, additional dwellings on plots 38 and 93 in such manner as may be regarded as economically viable. Whilst it is the intention of the Developer to construct 8 sectional title dwellings on plot 38 and 12 sectional title flats on plot 93, the Developer shall not be limited to 8 dwellings on plot 38, and 12 flats on plot 93, as the case may be, and shall be entitled to increase or decrease the number of dwellings or flats which are constructed thereon, at its discretion. The Developer shall furthermore be entitled to exclude plot 38 and/or 93 from this development, and as a part of the Home Owners Association, at the Developers sole discretion, and every member of the Home Owners Association shall be deemed to have consented hereto, as far as

necessary.

- 4.2 No erf shall be sub-divided or rezoned;
- 4.3 The Association shall at all times be entitled to draw water or electricity or any other service for the general benefit of the members for any bona fide purpose for the benefit of the members of the Home Owner's Association. The cost thereof shall be borne by the Association but recovered as part of the levy upon Members;
- 4.4 Ownership of an erf does not confer any right, including that of access, in respect of property owned by the Developer including any right of way or access across such property. The Association and all Members acknowledge and agree that the Developer, its successor/s in title, contractors and employees have certain rights, including rights of access across property owned by the Association and across the Estate, the right to develop other areas in the Development Area in the future, and also the right to share various services with the Association and to connect any parts of the Development Area to the services in the Estate.
- 4.5 Notwithstanding anything to the contrary hereinafter contained, the Developer reserves the right, at its discretion, during the development period, to nominate and appoint all Trustees.
- 4.6 The recreational facilities, roads and any other open spaces (common areas) will be held by the Association save as provided to the contrary in this Constitution.

5. POWERS AND OBLIGATIONS

- 5.1 The Association shall have all such powers to do all things and perform all such acts as are required and necessary to give effect to all the provisions and stipulations of this Constitution. Without limiting the generality of the above, the Association is empowered to formulate and enforce rules and regulations (including but not limited to those conduct rules referred to under paragraph 3.10 above) and to:
 - 5.1.1 determine and impose levies on all Members of the Association to meet all expenses of the Association;
 - 5.1.2 determine and impose penalty levies (fines) on Members who are in default of any provision of this Constitution and:
 - 5.1.2.1 any and all the Architectural Guidelines ,
 - 5.1.2.2 any and all Conduct Rules and

5.1.2.3 the due payment of any levy, special levy or penalty levy lawfully imposed.

- 5.2 The Association is obliged to manage the affairs and do all things and perform all acts required and necessary to give effect to all the provisions and stipulations of this Constitution.
- 5.3 Prior to the registration of transfer of any erf, as the case may be, by a member, the Association shall issue a certificate that all levies in respect of that erf have been duly paid and/or secured up to and including the anticipated date of registration of transfer and that it is satisfied that such member has complied with all the Association's conditions for alienation and of membership as determined in this Constitution.
- 5.4 The financial and administrative management of the Association's affairs shall vest in the Board of Trustees who shall, without limiting the generality of the above, manage, control and enforce the provisions of this Constitution and all rules and regulations enacted in terms hereof, and shall include but not be limited to the implementation and management of the Environmental Requirements, and more particularly to give effect to any environmental conditions imposed by any Competent Authority.

The Association shall manage and maintain all recreational facilities, services and private open spaces owned by or that vest in the Association.

6. LEVIES

- 6.1 The Association shall from time to time determine and impose levies (equally) upon Members, of this Association to meet all the expenses in respect of
- 6.1.1 the Common Area, buildings and improvements in the common area and private roads.
- 6.1.2 the management and administration of the Association and its affairs.
- 6.1.3 Salaries and wages of all administrative and other staff employed on the estate.
- 6.1.4 Refuse removal.
- 6.1.5 Water.
- 6.1.6 Insurance of any improvements including perimeter fences, entrance, security

systems, administration assets etc.

- 6.1.7 The operational expenses of the common facilities, salaries & wages in respect of the employees, equipment, maintenance, or any other expenses.
- 6.1.8 The replacement, maintenance and acquisition of equipment for the estate.
- 6.2 In calculating the amount of the levies, the Trustees shall take into account
 - 6.2.1 income (if any) earned by the Association;
 - 6.2.2 Municipal rates, taxes, service charges and levies payable in accordance with applicable legislation;
 - 6.2.3 the estimated amount which shall be required by the Association to meet the expenses during each financial year;
 - 6.2.4 any estimated deficiency from the preceding financial year, and determine, as near as practical in the circumstances, a levy upon Members, equal to such estimated amount,
 - 6.2.5 Depreciation allowances on all assets, in accordance with generally accepted accounting practice and sound policies determined by the Association in consultation with the Accounting Officers, from time to time.
- 6.3 The Trustees may, in such determination of levies for any particular financial year, include an amount to be held in reserve to meet any anticipated future expenditure of a non-recurring nature, over and above depreciation.
- 6.4 The determination of levies shall be made by the Trustees on or before 28 February of any particular year and shall take effect on the 1st day of the following financial year.
- 6.5 All levies shall be due and payable in advance in twelve (12) equal monthly instalments commencing on the first day of each of such financial year and thereafter on the first day of each succeeding month.
- 6.6 The Trustees shall not less than 30 (thirty) days prior to the end of each financial year give every Member, at the address chosen by him, a written notice of the Levies payable by that Member, including any contributions to the reserve fund.
- 6.7 Should the Trustees for any reason whatsoever fail to prepare and/or give due notice of the determination referred to above, every Member shall, until served with such notice,

continue to pay the levy previously imposed and shall after such notice pay such levy as may be specified in the notice, in the manner specified in the notice, together with any arrear levies.

- 6.8 The Trustees may at any time impose special levies upon the Members in respect of any expenses of a non recurring nature as are mentioned above and such special levies may be imposed in the sum or by such instalments and at such times as the Trustees shall deem fit. Provided however that the Trustees shall not be entitled to raise special levies during the development period unless a general meeting has been called for this purpose.
- 6.9.1 Any amount due by any Member by way of a levy shall be a debt due by that Member to the Association.
- 6.10 Without prejudice the Association's right to recover arrear levies which, despite the efforts of the Trustees, have not been settled as at date of registration of transfer of a members property, the responsibility in respect of levies shall pass to the Purchaser, and shall cease in respect of such departing member, on termination of membership of the Association.
- 6.11 No levies paid by a Member shall under any circumstances be repayable by the Association upon termination of his membership. A Member's successor in title to any erf shall, as from the date upon which he becomes a Member pursuant to the transfer of that erf into his name, be liable to pay the levies attributable to that erf.
- 6.12 No Member shall be entitled to any of the privileges of membership (including the right to vote) of the Association unless and until he shall have paid all levies and penalty levies due and payable to the Association in respect of his membership.
- 6.13 Notwithstanding anything to the contrary herein contained, the Developer shall not be obliged to make any contribution towards levies, for so long as (and in respect of) any erf (or sectional title dwelling unit, as the case may be on plot 93 as depicted on the layout plan) held by it, has not yet been transferred to a third party.
- 6.14 The Trustees are empowered to impose penalty levies (fines) in respect of non-compliance with the provisions of this Constitution and to charge interest on any arrear levies and to determine the rate of interest from time to time chargeable upon such arrear levies, which shall be in addition to such other rights as the Association may have in law against the Members, provided that such interest shall not exceed the rate laid down in terms of the National Credit Act or any statutory modification or re-enactment thereof.
- 6.15 Should any dispute arise at any time between the Members and the Trustees in regard to the determination or calculation of the Levies,

6.15.1 such dispute shall be referred to the Association's Accounting Officers (acting as experts and not as arbitrators) whose decision of the dispute shall be final and binding on the Members and the Trustees;

6.15.2 pending the determination of such dispute, Members shall pay the levies determined by the Trustees.

6.16 All levies of all erven (including each flat, sectional title dwelling unit, or townhouse, as the case may be, constructed on plot 93 as depicted on the layout plan) shall be raised equally (except where penalties apply due to late payment or for any other reason) although charges in respect of service consumption shall be raised as far as possible on the basis of actual expenses incurred in respect of each property.

7.1 TITLE AND ESTABLISHMENT CONDITIONS

In addition to any other title deed conditions imposed by the Developer at its sole discretion so as to give effect to the provisions of this Constitution or any condition imposed by the Local Authority, and including servitudes for service, the Developer shall be entitled to impose as a condition of title, a condition in favour of the Home Owner's Association so as to ensure that transfer of the property may not be effected without the Home Owners Association's prior written consent in this regard. The purpose of this condition shall be to ensure that all levies and/or penalty levies and other obligations/indebtedness by the owner of the property have been settled and, furthermore that the levies have been guaranteed in favour of the Home Owner's Association (to be paid / settled in full on registration), prior to registration of transfer, to the satisfaction of the Trustees.

7.2 GENERAL SERVITUDE

7.2.1 Notwithstanding any other provision or condition herein, the Seller or the Association shall be entitled (before or after registration of any of the erven), for the benefit of any member / members (as the case may be) to impose by the registration of a Notarial Servitude or, as an unregistered right, within the lateral (side) or rear boundaries and the street boundary of any erf /erven, cables, water pipes, sewers, storm water drains, or any other service reasonably required.

7.2.2 The following conditions may be inserted as conditions of title against every erf transferred and the remainder (or at any time after registration of transfer of any erven) but, shall, notwithstanding that they are not imposed or registered against the title of such erf or erven shall be deemed to have been registered and shall apply to every erf :-

- (a) The owner of this erf shall without compensation, be obliged to allow gas mains, electricity, telephone, computer, electronic, telecommunication, and television cables and/or wires and main and/or other water pipes and the sewage and drainage, including storm water of any other erf or erven to be conveyed across this erf, and surface installations such as mini substations, meter kiosks and service pillars to be installed thereon if deemed necessary by the local authority (or the developer or the Trustees of the Home Owners Association) and in such manner and position as may from time to time be reasonably required. This shall include the right of access to the erf at any reasonable time for the purpose of constructing, altering, removing or inspecting any works connected with the above.
- (b) The owner of this erf shall be obliged, without compensation, to receive such material or permit such excavation on the erf, as may be required to allow use of the full width of the street and provide a safe and proper slope to its bank owing to difference between the levels of the street as finally constructed and the erf, unless he elects to build retaining walls to the satisfaction of and within a period to be determined by the local authority (or the developer or the Trustees of the Home Owners Association).
- (c) The Erf shall only be used for purposes permitted in terms of the Town Planning Scheme and as may be determined by the members of the Home Owners Association by special resolution.

7.2.3 Provided further that, at the discretion of the Local Authority, the developer, or the Trustees of the Home Owners Association, any of the foregoing conditions or any similar condition, considered at the discretion of the local authority, developer or Trustees of the Home Owners Association to be necessary, may be registered Notarially at any time.

8. RESALE OF ERVEN

The Trustees shall be entitled from time to time to determine the policy on advertising and/or access to the property by agents and/or purchasers.

9. NON-PROFIT DISTRIBUTING CHARACTER

9.1 The income and property of the Association shall be used solely for the promotion of its stated objectives. No portion of the income or property of the Association shall be paid or distributed directly or indirectly to any person (otherwise than in the ordinary course of

undertaking any public benefit activity) or to any member or Trustee of the Association or Management Committee, except as:

- 9.1.1 reasonable compensation for services actually rendered to the Association;
 - 9.1.2 reimbursement of actual costs or expenses reasonably incurred on behalf of the Association.
- 9.2 Upon the dissolution of the Association, after all debts and commitments have been paid, any remaining assets shall not be paid to or distributed amongst members, but shall be transferred by donation to some other non-profit organisation which the Trustees (and failing which any division of the High Court) considers appropriate and which:
- 9.2.1 has objectives the same or similar to the objectives of the Association; and
 - 9.2.2 should the Association be exempt from the payment of any taxes and duties, is also exempt from the same taxes and duties.
- 9.3 The Association intends to apply to the South African Revenue Services for exemption from appropriate taxes and duties.

10. **MEMBERSHIP & VOTING RIGHTS**

- 10.1 Membership of the association shall be limited to any person who is in terms of the Deeds Registries Act reflected in the records of the Deeds Office concerned as the registered owner of any erf in the association area.
- 10.2 Where any erf is owned by more than one person, all the registered owners of that erf shall together be deemed to be one Member of the association and shall have the rights and obligations of one Member of the association. Where any erf is owned by a Corporate Body, Close Corporation, Company or the Trustees of a Trust on behalf of that Trust, as the case may be, they shall jointly have the rights and obligations of one member of the association. The joint owners of an erf or the members, shareholders, Trustees or Trustees, as the case may be, shall nominate one of their number who shall enjoy the rights and obligations of membership on behalf of such Member. Provided however that in the event of the involvement of more than one person, whether as owners in their personal capacity or representative capacity, such person or persons shall be obliged to nominate in writing, one of them, from time to time, to represent the owner/ s.
- 10.3 The joint owners of an erf or the members, shareholders, Trustees or Trustees, as the case may be, shall be jointly and severally liable to the association for the due performance of any obligation of the owner or owners of the erf to the association;
- 10.4 When a member becomes the registered owner of an erf in the association area, he shall

ipso facto become a member of the association, and when he ceases to be the owner of any such erf in the association area, he shall *ipso facto* cease to be a Member of the Association.

- 10.5 Every Member of the association shall be obliged to give prior written notice to the association of any change in such Member's membership, shareholding, Trusteeship or Trusteeship. In addition, every new holder of a members interest, shareholding, Trusteeship or Trusteeship (except where, at the discretion of the Trustees of the association, the Trustees or Trustee is released in writing from his obligation to do so, by virtue of having been appointed in his professional capacity and does not have any direct or indirect interest in the property through his position in this regard) in respect of any Member of the association shall sign and deliver to the association, prior to his taking office in such capacity, the association's standard form suretyship documentation and acknowledgement of its Rules and regulations.
- 10.6. No member shall let or otherwise part with occupation of his erf whether temporarily or otherwise, unless:
- 10.6.1 he has agreed in writing with the proposed occupier of such erf as a *stipulatio alteri* in favour of the association that such occupier shall be bound by all the terms and conditions of these presents, and such written agreement is lodged with the association prior to the proposed occupier taking occupation of the erf in question.
- 10.6.2 The erf is let with the written consent of the Trustees, which consent shall not be unreasonably withheld.
- 10.6.3 If any tenant, guest, employee or other invitee of any member fails to comply with any of the provisions of the Constitution, the Trustees shall be entitled to deny the tenant, guest, employee or other invitee access to the estate.
- 10.6.7 No member shall operate or conduct a time share scheme as contemplated under TimeShare Act No 75 of 1983 in respect of any erf owned by him.
- 10.6.8 Except with the written approval of the Developer during the development period, and thereafter with the written consent of the Association, syndication ownership of any erf forming part of the estate is limited to (3) three natural persons, irrespective of whether the natural persons are:-
- 10.6.8.1 registered co-owners of the erf; or
- 10.6.8.2 Hold an interest in any entity that is the registered owner of the erf.

Unless such syndication has been approved in writing by the developer.

- 10.9 A registered owner of an erf may not resign as a Member of the Association.
- 10.10 The rights and obligations of a Member shall not be transferable and every Member shall:
- 10.10.1 further to the best of his ability the objects and interest of the association;
- 10.10.2 Observe all rules made by the association or the Trustees;
- 10.10.3 Sign all documents and do all things necessary to enable whatever servitudes may be required for services to be registered whether over or in favour of any erf in the association area and including the provision of security and recreational facilities. Provided that should it be necessary for a servitude to be registered in favour of the association over an erf in the association area not belonging to the association, then the owner of such erf shall be entitled to be paid reasonable compensation equal to the extent, if any, to which the market value of such erf is reduced as a result of the registration of such servitude;
- 10.11 Each registered owner of a single residential erf shall have one vote for each erf owned (including the Developer who shall be entitled to one vote in respect of each erf held by it).
- 10.12 The developer shall be entitled to a vote in respect of each erf not yet transferred but shall not, during the development period, be obliged to make any contribution to levies on any erven not yet transferred (still held by the developer).

11. TRUSTEES

- 11.1 During the Development Period, the Developer shall be entitled to appoint all of the Trustees.
- 11.2 After the development period, or earlier at the discretion of the Developer, members shall be entitled to elect the Trustees.
- 11.3 There shall be a minimum of 3 Trustees of the association.
- 11.4 All Trustees shall be natural persons, and shall either be registered owners of erven or duly authorised representatives of registered owners of the erven (in the case of a Close Corporation, Company or Trust) or appointed by the Developers in terms of Clause 11.1 above.

11 .5 A Trustees, by accepting his appointment to office, shall he deemed to have agreed to be bound by all the provisions of this Constitution.

11 .6 The Trustees shall appoint one of their number to act as Chairperson for such term as they think fit, but not for longer than such person's tenure as a Trustees.

12. **REMOVAL AND ROTATION OF TRUSTEES**

12. Subject to the provisions of paragraph 11.1 above:

12.1 A Trustee shall hold office from the date of his appointment to office until the Annual General Meeting next following his appointment, at which meeting each Trustees shall be deemed to have retired from office. All Trustees will be eligible for re-election to the Board of Trustees at such meeting.

12.2 A Trustee shall be disqualified to hold office and deemed to have vacated his office as such should:

12.2.1 his estate be sequestrated, whether provisionally or finally

12.2.2 he commits any act of insolvency;

12.2.3 he be convicted for any offence involving dishonesty or any other serious criminal offence

12.2.4 he become unsound of mind or be declared a lunatic;

12.2.5 he resign from office in writing

12.3 Anything done in good faith by a person who is disqualified to act as a Trustees, shall be valid until his disqualification as Trustees has been recorded in the minute book of the Association

12.4 Any vacancy occurring in the Board of Trustees prior to the next Annual General Meeting, shall be filled by a person nominated by the remaining Trustees.

12.5 During the Development Period the Developer

12.5.1 shall nominate a person to fill any vacancy of Trustees,

12.5.2 may remove and replace any Trustees at any time upon written notice.

13. **TRUSTEES' EXPENSES AND REMUNERATION**

Trustees shall not be entitled to remuneration but shall be entitled to be repaid all reasonable and *bona fide* expenses incurred by them in or about the performances of their duties as Trustees (as may be approved by the Board of Trustees).

14. **POWERS AND DUTIES OF TRUSTEES**

14.1 Subject to the express provisions of this Constitution, the Trustees shall manage and control the business and affairs of the Association, and shall have full powers in the management and direction of its business and affairs including the right

14.1.1 to appoint and dismiss any staff,

14.1.2 to exercise all such powers of the Association and do all such acts on behalf of the Association as may be exercised and done by the Association and as are not by this Constitution required to be exercised or done by the Association in General Meeting.

14.2.1 The Trustees shall cause accounting records to be kept. So as to fairly present the state of affairs and business of the Association and to explain the transactions and financial position of the trade or business of the Association.

14.2.1 The accounting records shall be kept at the registered office of the Association or at such other place or places as the Trustees think fit, and shall always be open to inspection by the Trustees.

14.2.2 The Trustees shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Association or any of them shall be open to inspection by members not being Trustees.

14.2.3 The Trustees shall from time to time, cause to be prepared and laid before the Association in general meeting such financial statements as are referred to in those sections.

14.2.4 A copy of the annual financial statements which are to be laid before the Association in Annual General Meeting shall, not less than 15 (fifteen) business

days before the date of the meeting, be sent to every member of the Association: provided that this article shall not require a copy of those documents to be sent to any person of whose address the Association is not aware.

14.2.5 An Accounting Officer shall be appointed and the Association shall be subject to an audit, unless otherwise agreed by a majority vote at any General Meeting.

14.3 Save as specifically provided in this Constitution, the Trustees shall at all times have the right to engage on behalf of the Association the services of accountants, Accounting Officers, attorneys, architects, engineers, town planners, managing agents or any other professional firm or person or other employees whatsoever for any reasons deemed necessary by the Trustees on such terms as the Trustees shall decide.

14.4 The Trustees shall further have the right and power:

14.4.1 to enforce the provisions of this Constitution, the Architectural Guidelines and all Conduct Rules enacted in terms of the Constitution;

14.4.2 to enforce any other rule or regulation in respect of which the Association is responsible due to any condition imposed by the Local Authority (or any other authority).

14.5 The Trustees shall have the right to vary, cancel or modify their decisions and resolutions from time to time, but are required to inform all members within 3 weeks in writing of the changes.

14.6 The Trustees shall be entitled to appoint committees consisting of such number of their members and such outsiders, including a managing agent, as they deem fit and to delegate to such committees such of their functions, powers and duties, with further power to vary or revoke such appointments and delegations as the Trustees may from time to time deem necessary.

14.7 The Trustees shall appoint an Architectural Review Committee whose members shall not be required to be Members of the Association, to exercise the powers set out in the above provisions which may, but shall not necessarily consist of the following persons-

14.7.1 a practicing professional architect duly qualified to practice as such for his own account in the Republic of South Africa;

14.7.2 one or more Trustees;

14.7.3 such other members as the Trustees may determine.

- 14.8 Except for any buildings, outbuildings, structures, additions or alterations to be erected or effected by the Developer, all plans for buildings, outbuildings, structures, additions and alterations, or demolition or removal of any feature which constituted an original portion of this scheme, shall be submitted for approval by the Trustees, or any person(s) designated by them for the purpose, who shall not approve such plan unless it shall first have been reviewed by the Architectural Review Committee, appointed by the Trustees from time to time.

15. **PROCEEDINGS OF TRUSTEES**

- 15.1 The Trustees may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.
- 15.2 The quorum necessary for the holding of all meetings of the Trustees shall be three (3) Trustees present personally, provided that during the development period 2 (two) Trustees shall be sufficient to form a quorum. If no quorum is present, within 15 (fifteen) minutes after the time for commencement of the meeting, then it shall stand adjourned for 7 (seven) days, or if that is not a business day, then to the next business day thereafter, and those Trustees present at the adjourned meeting shall constitute a quorum.
- 15.3.1 Any resolution of the Trustees shall be carried by a simple majority of all votes cast. In the case of an equality of votes for and against a resolution period, the chairman of the Trustees shall have a second or casting vote.
- 15.4 The Trustees shall cause minutes to be kept of every Trustees's meeting, which minutes shall, without undue delay after the meeting has closed, be reduced to writing and certified correct by the chairman. All minutes of Trustees' meetings shall, after certification, be placed in a Trustees' minute book to be kept in accordance with the provisions of the laws relating to the keeping of minutes of meetings of Trustees. The Trustees' minute book shall be open for inspection at all reasonable times by any Trustees, the Accounting Officers, the members and the managing agent.
- 15.5 A resolution signed by a majority of the Trustees shall be valid in all respects as if it had been duly passed at a meeting of the Trustees, provided that all Trustees received notification thereof prior to the signing of the resolution.

16. **GENERAL MEETINGS OF THE ASSOCIATION**

- 16.1 The Association shall within 6 (six) months after the end of the financial year hold a general meeting as its annual general meeting in addition to any other general meetings during that year.
- 16.2 Such annual general meeting shall be held at such time and place as the Trustees shall decide from time to time.

16.3 All meetings of the members other than annual general meetings shall be called general meetings.

16.4 the Trustees may, whenever they think fit, convene a general meeting.

17. **NOTICES OF MEETINGS**

17.1.1 Any general meeting, annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than 10 (ten) business days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, and the hour of the meeting and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to such persons as are, under these articles, entitled to receive such notices from the Association.

17.2 The annual general meeting shall deal with and dispose of all matters prescribed by this Constitution, the consideration of the annual financial statements, the election of Trustees, the noting of the levy for the financial year during which such annual general meeting takes place, the appointment of an Accounting Officer, and may deal with any other business laid before it. All business laid before any other general meeting shall be considered special business.

18. **PROXIES**

18.1 A member may be represented at a general meeting by proxy, who must be a member of the Association or a Trustees, member, partner or Trustees of that member, save for the Developer whose proxy need not necessarily be a member.

18.2 To be effective at a meeting or adjourned meeting, a proxy together with the original or a notarially certified copy of any power of attorney or other authority under which it is signed, must be lodged with the Association at least 24 (twenty-four) hours before the commencement of the meeting or adjourned meeting concerned, but the Trustees may from time to time determine that such documents:

18.3 are to be lodged at a particular place; or

18.4 are to be lodged a certain number of hours, not exceeding 48 (forty-eight) in all, before the meeting; or

18.5 may be lodged at any time before or during the meeting.

18.6 Notwithstanding the foregoing, the chairman of the meeting may agree to accept a proxy tendered at any time before or during the meeting.

- 18.7 A proxy and a Power of Attorney for voting rights shall be valid for one meeting only and no member, save the developer, may hold more than five proxies.
- 18.8 The instrument appointing a proxy shall be in the form provided (see annexure hereto) or as near thereto as circumstances permit.

19. **QUORUM**

No business shall be transacted at a general meeting unless a quorum is present both when the meeting proceeds to business and when any resolution is to be passed. Save as herein otherwise provided the members present at such meeting shall represent at least 25% of members of the Association (whether present in person or by proxy), shall constitute a quorum and, provided that during the development period a representative of the Developer is present at such meeting.

If within 15 (fifteen) minutes after the time appointed for the commencement of a general meeting or within such extended period as the chairman of the board, or in his absence, the deputy chairman, may allow, a quorum is not present, the meeting shall stand adjourned to the same place at the same time on the same day of the next week (or if that day is not a business day, the first business day following that non-business day) or to such other place, time and day as the chairman may determine. If a quorum is not present at such adjourned meeting, the members present shall constitute a quorum.

20. **ADJOURNMENT BY CHAIRMAN WITH CONSENT OF MEETING**

- 20.1 The chairman of a general meeting may adjourn the meeting from time to time and from place to place if the meeting approves of each adjournment by majority vote, In the event of such an adjournment:
- 20.2 no notice need be given of the adjourned meeting save for an announcement at the meeting of the date, time and venue of the adjourned meeting (unless the meeting is to be adjourned for 30 (thirty) days or more in which event notice is to be given in the same manner as for the original meeting);
- 20.3 only business left uncompleted at the original meeting may be transacted at the adjourned meeting.

21. **VOTING AT GENERAL MEETINGS OF MEMBERS**

- 21.1 Members shall be entitled to vote on the matters raised at every general meeting.
- 21.2 Save as expressly provided for in this Constitution, no person other than a Member and who shall have paid every levy and other sum (if any) which shall be due and payable to the Association in respect of or arising out of his membership and who is not suspended, shall be entitled to be present or to vote on a question, either personally or by proxy, at

any general meeting.

- 21.3 Voting at general meetings shall take place by way of a show of hands unless on or before the declaration of the result of the show of hands a poll is demanded.
- 21.4 Resolutions shall be passed by simple majority vote, save with respect to amendments of this Constitution, as provided for in clause 27 hereof.
- 21.5 If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct either at once or after an interval or adjournment.
- 21.6 If any difficulty or dispute arises regarding the admission or rejection of a vote or regarding any other matter, such difficulty or dispute is to be determined by the chairman whether or not scrutinizers have been appointed to count the votes and his decision shall be final and conclusive.
- 21.7 A vote cast under a proxy, power of attorney, or other authority which has been revoked shall nevertheless be valid unless:
- 21.8 written notice of the revocation is received by the Association prior to the meeting concerned;
- 21.9 the chairman of the meeting agrees to accept written or oral notice of such revocation at the meeting.
- 21.10 No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to in cast and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
- 21.11 A declaration made in good faith by the chairman of a general meeting to the effect that, either on a show of hands or a poll, a resolution has or has not been passed (whether by a simple majority, a specific majority or unanimously) shall be final and conclusive and the resolution shall be deemed to have been so passed or not passed, as the case may be. Any resolution which could be passed at a general meeting (other than a special resolution or a resolution to remove a Trustees or Accounting Officer) may be passed without a meeting being held if one or more copies of the resolution are signed by or on behalf of all the members entitled to vote.

22. SERVICE OF NOTICES

- 22.1 Notices may be given by the Association to any member either personally, by fax or by e-mail, by sending it by registered post in a prepaid letter addressed to such member at his

registered address or at the address (if any) within the Republic of South Africa supplied

by him to the Association for the giving of notices to him.

22.2 Notice of every general meeting shall be given:

22.3 to every member of the Association;

22.4 to the Accounting Officers for the time being of the Association;

22.5 no other person shall be entitled to receive a notice of general meetings.

22.6 Any notice by post shall be deemed to have been served at the time when the letter containing the same was posted, and in proving the giving of the notice by post, it shall be sufficient to prove that the letter containing the notice was properly addressed and posted.

22.7 The signature to any notice given by the Association may be written or printed, or partly written and partly printed.

22.8 When a given number of days notice or notice extending over any other period is required to be given, the days of service shall not be counted in such number of days or period.

23. INDEMNITY

23.1 All Trustees and the Accounting Officers shall be indemnified against any liabilities *bona fide* incurred by them in their respective capacities, whether defending any proceedings, civil, criminal or otherwise, in which relief is granted to any person/s by a court

23.2 Every Trustee, servant, agent and employee of the Association, and the Accounting Officers, shall be indemnified by the Association against (and it shall be the duty of the Trustees out of the funds of the Association to pay) all costs, losses and expenses (including travelling expenses) which such person or persons may incur or become liable for by reason of any contract entered into, or any act or deed done, by such person or persons in the discharge of any of his/their respective duties.

24. DEFAMATION PRIVILEGE

Every Member of the Association and every Trustees shall be deemed by virtue of his membership or, as the case may be, his holding office as a Trustees, to have waived as against every other Member, the Chairman, every other Trustees, and everybody else engaged to perform the function or duty on behalf of or for the benefit of the Association, or the Trustees, or any sub-committee, all claims and rights of action which such Member

or Trustees might otherwise have had in law arising as a result of any statement, report, complaint or notice of or concerning such Member or Trustees, or any reference to such Member or Trustees, made at any meeting of Trustees, or otherwise in the performance or exercise of any right, function, duty, power or trust, within the ambit of the Constitution, being a statement, report, complaint, notice or reference defamatory to such Member or Trustees, or otherwise injurious to the dignity, reputation, business or financial interest of such Member or Trustees, whether such statement be true or false.

25. **GENERAL**

- 25.1 Whenever they consider that the appearance of any land or building vested in a member or any signage on the land or building is such as to be unsightly or injurious to the amenities of the surrounding area or the property generally, the Trustees may serve notice on such member to take such steps as may be specified in the notice to eliminate such unsightly or injurious condition. Should the member fail within a reasonable time, to be specified in such notice, to comply therewith, the Trustees may enter upon the land or buildings concerned and take such steps as may be necessary, and recover the costs thereof from the member concerned, which costs shall be deemed to be a debt owing to the Association.
- 25.2 The Trustees shall be obliged in giving such notice to act reasonably. In the event of any dispute, the member shall bear the onus of establishing that the Trustees acted unreasonably.
- 25.3 The Association may enter into agreements with any third party for the provision of facilities and services to or for the members and may levy charges in respect of the provision thereof, on may pass on such costs direct to the members.
- 25.4 The provisions of this Constitution shall be binding upon all members and, insofar as they may be applicable to all persons occupying any erf or unit by, through or under any member, whatever the nature of such occupation.
- 25.5 No member ceasing to be a member of the Association for any reason shall (nor shall such member's executors, curators, Trustees or liquidators) have any claim upon or interest in or right to the funds or any property or assets of the Association.
- 25.6 The Association may claim from any member or his estate any arrear levies and interest or other sums due from him to the Association at the time of his ceasing to be a member.
- 25.7 Any person using any of the services, land or facilities of the Association does so entirely at his own risk.
- 25.8 No member shall let or otherwise part with occupation of his erf without the consent of the Association which consent shall only be withheld if the Association is not satisfied that the provisions of this Constitution have been complied with, or that the levies have

not been paid.

- 25.9 The provisions of this Constitution shall be binding upon all members and on all persons that enter the Estate.
- 25.10 Should it be necessary to rebuild any structure in its entirety, such rebuilding shall be in accordance with the building plan originally approved.
- 25.11 Access to be permitted by members, at all times to municipal teams, or teams appointed by the Association or their appointed contractors for the purpose of maintenance of municipal services.
- 25.12 Access to be permitted by members, at all times to municipal teams, or teams appointed by the Association or their appointed contractors for the reading of meters.
- 25.13 Cognisance must be taken that all stipulations as set out in the Service Agreement entered into between the Developer and the municipality must be adhered to.
- 25.14 It is recorded that the maintenance of the street lighting (if any) is the responsibility of the Home Owners Association.

26. **DISPUTES**

- 26.1 Should a dispute arise between the parties with regard to any matter arising out of this Agreement, any Party shall be entitled to convene a meeting, for the purposes of resolving the dispute upon written notice thereof to the other Party ("the first meeting"). The Party requesting the first meeting shall prepare an agenda for the meeting and provide the other Parties with a copy thereof two days prior to the first meeting and the first meeting shall be convened not less than upon two days written notice. In the event that the first meeting (before an independent mediator if required by one of the parties and appointed by the president of the East London Attorneys Association) is not successful, the Parties elect that the dispute be submitted to and decided by arbitration..
- 26.2 Such arbitration shall be held:
 - 26.2.1 At East London,
 - 26.2.2 With only the Parties and their legal representatives, and
 - 26.2.3 In terms of the Arbitration Act number 42 of 1965, it being the intention that the arbitration will where possible be held and concluded within 21 days after it has been demanded.
- 26.3 There will be one arbitrator who will be, if the question of the dispute and issue is:

- 26.3.1 primarily an accounting matter, an independent chartered accountant of not less than five years standing,
 - 26.3.2 primarily a legal matter, a practicing attorney or advocate of not less than five years standing,
 - 26.3.3 primarily a technical matter, a suitably qualified person.
- 26.4 The appointment of the arbitrator will be agreed upon between the Parties, but failing an agreement between them within a period of ten days after the arbitration has been demanded, then the arbitrator will be nominated by the President of the Law Society of the Cape of Good Hope.
- 26.5 The decision of the arbitrator will be final and binding on the Parties and may be made an order of any court of competent jurisdiction.
- 26.6 Should the Parties fail to agree that the dispute is of a legal, accounting or other nature within seven days after a referral to arbitration by a Party, then it will be considered a matter referred to as of a dispute of a legal nature.
- 26.7 The arbitrator will have the fullest and freest discretion with regarding to the proceedings, and his award shall be final and binding on the parties to the dispute. Furthermore the arbitrator:
- 26.7.1 may dispense wholly or in part with formal submissions or pleadings;
 - 26.7.2 will determine the applicable procedure, taking into account the fact that it is intended that the dispute will be determined as quickly as possible and shall not be bound by strict rules of evidence and shall be entitled to take equity into account;
 - 26.7.3 will include such order as to costs as he deems just.
- 26.8 The Parties to this Agreement confirm that any dispute between them be determined by arbitration in terms of this arbitration clause.
- 26.9 This clause shall not prevent either Party from obtaining urgent relief of an interim nature from a court of competent jurisdiction.
- 26.10 The Association shall, notwithstanding the provisions of this paragraph 26 be entitled, in the event of default, within 30 days by a member, after written notice, to remedy his breach of the Constitution or to settle a fine or comply with any other directive of the Trustees, from time to time, to enforce the provisions of any rules or any other provision

of this Constitution by civil application or action in the courts of competent jurisdiction, and for this purpose may appoint such attorneys and counsels as they may deem appropriate.

27. AMENDMENT OF CONSTITUTION

The provisions of this Constitution may only be amended by special resolution passed by at least sixty six percent (66%) of members eligible to vote.

The notice of such meeting shall set out in specific terms the proposed amendment of this Constitution.

Provided however that, notwithstanding any provisions of this paragraph 27 to permit the amendment of the constitution, no amendment shall be passed without, for so long as the developer is the registered owner of any erven, the developer's prior written consent.

28 AGE RESTRICTION

28.1 The following conditions apply to phase 1 of the development, as depicted on the layout plan:

28.1.1 No person who occupies a dwelling (other than as a guest) may be under the age of forty five (45) years. This applies to the **OCCUPANT** and any spouse to whom he/she may be married, to any spouse whom he/she might marry, and to any person whom a surviving spouse of the **OCCUPANT** may marry at any time.

28.1.2 If the **OCCUPANT** or any spouse to whom he/she is married, or whom he/she married or any person whom the surviving spouse of the **OCCUPANT** may marry, is under the age of forty five (45) years, the trustees shall be entitled, to require vacation of the dwelling by the offending person, with immediate effect, or on such other terms as the trustees may determine, at their discretion.

28.1.3 Any owner of an erf who permits the occupation of a dwelling on his property in contravention of the age restriction which applies thereto shall in addition to any other remedy to which the association is entitled, be liable to the association for such period as he as the dwelling remains occupied in contravention of the age restriction, for a penalty levy which is double the applicable monthly levy applicable from time to time (as determined by the association, or the trustees, as the case may be).

28.1.4 The trustees of the association shall at their sole discretion, but on good cause be entitled to approve (in writing and stipulating the reasons for the approval, and any additional conditions imposed), for a period not exceeding three months, a relaxation of the age restriction, provided that this relaxation may not be renewed for more than one additional

period (no longer than three months) , without written approval of a majority of the members for the time being of the association. Provided that, in circumstances where the age restriction does not apply to the whole of the development, as hereinafter provided, the consent of the majority of the members in that part of the development where the age restriction applies, shall be required.

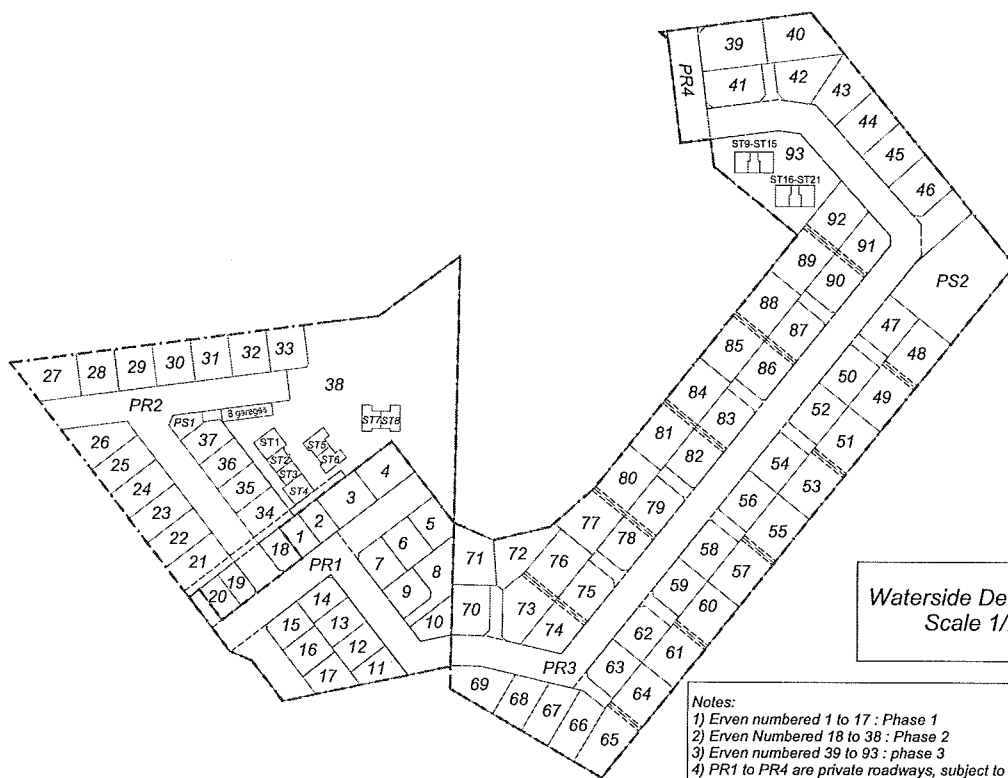
28.2 The developer, at its sole discretion shall be entitled to determine, in respect of each phase of the development, whether the age restriction, or any other age restriction determined by the developer will apply to the phase of the development, in which circumstances, the provisions of 28.1 shall apply to the phase, on such further terms and conditions as the developer may determine.

29. WATER AND SANITATION SERVICES

Water and sanitation services shall be provided by the Developer and /or its Successors in title, in accordance with the Water and Sanitation Services Agreement annexed hereto marked Annexure D.

Hereby constituted at East London on 10 February 2017

.....
Developer



Waterside Development
Scale 1/2000

- Notes:
- 1) Erven numbered 1 to 17 : Phase 1
 - 2) Erven Numbered 18 to 38 : Phase 2
 - 3) Erven numbered 39 to 93 : phase 3
 - 4) PR1 to PR4 are private roadways, subject to right of way servitude's
 - 5) PS1 to PS2 are private open space
 - 6) Erf 38 will be developed as sectional title units
(8 Dwelling units - ST1 to ST8 and 8 garages)
 - 7) Erf 93 will be developed as sectional title units (12 Flats - ST9 to ST21)
 - 8) Erven 21, 34 & 38 subject to stormwater servitude
 - 9) Erven 48,49,51,53,55,57,60,61,64,65 and 73 to 92 subject to sewer servitudes

Prepared by NPM GEOMATICS
Professional Land Surveyors
www.npmgeomatics.co.za

(Plan No : NPM1)

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

WATERSIDE COUNTRY VILLAGE

Architectural Guidelines

1. GENERAL

Waterside Country Village (WCV) architectural style is best described as “country-coastal”. While it is unique, it also incorporates the best features of the many coastal and inland hamlets and villages of the area known as the “Gateway to the Wild Coast”.

The style is neat, relatively compact and designed specifically for seniors. Each home will have the same external look and feel.

As with all the top estates in South Africa, the uniformity, for example the standard roofing and choice of three earth tone colours, creates a sense of togetherness and adds to the resale value.

With tight architectural guidelines, WCV should retain its theme in perpetuity.

2. BROAD RULES AND INTENTIONS

The homes in WCV’s Phase 1, 2 and 3 are pre-designed to fit the various erven, with predominantly north facing a pre-requisite. The Developers Architectural Team (DAT) and Sole Props 156 (Proprietary) Limited, Registration Number 1999/027559/07 (hereinafter referred to as “the Developer”), will discuss any changes with future homeowners before construction starts.

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

When home owners take transfer of a property, the Home Owners Association becomes the decision making authority regarding all aspects of WCV. The architectural guidelines (AG) will, at that stage, apply mainly to alterations and additions to existing homes at the village. Once the developers are off site and no longer involved, the home owners may use any contractor, designer and professional provided they are approved by the HOA.

The AG is a structured definition of the architectural language, form, material usage, finishes and development limitations. The strict parameters protect the estate's original "country-coastal village" theme, but encourage creativity within the tight definitions. This ensures that the village ethic continues in the style in which it was founded.

In line with water conservation, no swimming pools are allowed.

3. REGULATIONS

The HOA is responsible for overseeing and implementing each design stage, ensuring compliance and consistency. It will uphold all local authority by-laws and the National Building Regulations.

In the case of any alterations (internal or external of whatsoever nature) to existing properties, the HOA must approve, in writing, all plans before they are submitted to the local authority and before any work starts.

The HOA (read any committee or body the HOA sets up to assist it) will review all plans submitted to it within two weeks of receipt. This will take place at a bi-monthly review meeting.

In the case of existing homes, the HOA will carry out interim inspections on all construction works.

The rules of construction to new dwellings are set out in the Purchase Agreement.

The HOA reserves the right to make additions and alterations to these guidelines, as it deems necessary, as provided for in the constitution

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

The HOA is the overall authority at WCV. Any other sub-committee set up from time to time shall operate under the authority of the trustees of the HOA.

4. ZONING

Zoning is restricted to single Residential Use only, with one dwelling per erf. No erf may be subdivided or rezoned.

No more than two erven may be consolidated. All consolidation applications are subject to review by the HOA. All costs, including the combined levy, will be carried by the property owner.

5. BUILDING LINES AND BOUNDARY TREATMENT

Building lines are determined according to municipal requirements. Erven boundary and building footprint areas are identified on an approved plan for each erf. This will clearly indicate walls and any restrictions.

The space between the erf boundary and the building line is reserved for the installation of underground electricity, communication cables, water, sewerage, any other piping or cable services, and any other installation that might be necessary. No deep-root plants are allowed in this area. Each erf will only have one entrance from the road.

6. DENSITY

Only one dwelling per erf (except in the case of HOA-approved consolidation). Each erf has an existing plan. This may only be altered in terms of the AG. Homes have a maximum of two bedrooms. A garage may be converted to a utility room. No more than two people per bedroom are permitted. The exception to this is short-term visitors who may stay a maximum of three weeks continuously, and subject to the provisions of the HOA and the Conduct rules. Any deviation from this requires HOA consent.

7. COVERAGE

ANNEXURE B

Waterside Country Village ARCHITECTURAL GUIDELINES

The coverage calculation must include all areas under roof.

8. FLOOR AREA RATIO

The Floor Area Ratio (FAR) is governed by the Town Planning Scheme requirements, and may not be exceeded.

9. BUILDING FORMS

All homes at Waterside must conform to the original architectural standard and style, as set out in the existing choice of plans. To maintain the integrity of WCV, no deviations will be considered.

Garages and carports are not compulsory.

10. HEIGHT RESTRICTIONS

The seniors sections of Phase 1, 2 and 3 will only have single storey homes. The heights are indicated on the individual plans, and may not be exceeded.

No point of a building may exceed a vertical distance of 6m to ridge line. Roof pitch to be 22,5 degrees. No chimneys of any description.

In the later stages of the development, the developer reserves the right to have double story apartments at the northern entrance of the village. This is indicated as Plot 93 on the layout plan.

All garden layouts are subject to scrutiny by the HOA. This includes structures such as rock features, concrete statues, pots and water features visible from the road.

Any additions to gardens (including plants) that might impinge on other home owners must be authorised by the HOA. This specifically includes swings and any

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

form of “jungle gyms”. No trees or shrubs or any structure of any nature to support plants, or for any other purpose shall be permitted to exceed 3m.

Home owners should ensure that they stay within this rule, and avoid introducing plants which are likely to exceed the height limitations

11. MATERIAL CONTROLS

All fittings and materials must be SABS approval, to comply with NBR. SANS 10400 and installed according to manufacturer’s specifications.

11.1 GARAGES

Garage doors may be in single or double door configuration.

Garage doors to be Aluzinc horizontal, matching windows.

Carport roofs IBR Profile Aluzinc.

11.2 ROOFING

All roofing on main dwellings is Coverland Double Roman Classic (Farmhouse Red) concrete roof tiles (Farmhouse Red), roof pitch to be 22,5 degrees.

(Other roofs on car ports and entertainment areas are to be pitched steel Alu-shade Marble white powder coated with perimeter fascia.)

Flat roofs are not allowed. All eaves will be enclosed. No gable parapets will be allowed. Only Nutec board to be used. Gutters will be white.

11.3 BRAAI AREAS

No built in braais allowed with chimneys. Only loose standing patio braais.

11.4 LOOK AND FEEL

No artificial decoration will be permitted. Large un-modulated blank walls should be avoided. All external antennae’s or satellite dishes of any nature must be painted to suit the colour of the building.

ANNEXURE B

Waterside Country Village ARCHITECTURAL GUIDELINES

Only three earth-tone colour options will be permitted. Exact palette descriptions will be supplied.

All Facebrick will be Blue Barley Light, and used only on the plinth of the external elevations and below some feature windows.

Smooth plaster and paint finishes for exteriors.

11.5 WINDOWS, DOORS AND SHUTTERS

All windows, shutters, sliding or folding doors to be bronze powder coated. Glass may be sandblasted for privacy.

Front and back doors to be hardwood, treated with approved timber preservative and painted to match aluminum windows.

Glazing and fitting to conform to AAAMSA standards.

11.6 SECURITY AND BURGLAR PROOFING

WCV will be either walled or fenced. Vehicle and pedestrian access will be controlled through the main gate. Resident access to business section will be via a gate near the dam wall. The exact position is still to be determined. Any burglar proofing of any description must be within the home and not visible from the outside. If burglar bars are fitted, they must be of a clear material.

11.7 LIGHTING

All exterior lighting will comply with the “dark sky” policy. Low level or wall mounted.

Energy efficient light fittings, such as compact fluorescent and LED lighting, are mandatory.

If lamps and other lighting devices are brought to the village when re-locating, they must be replaced with energy efficient lights when they expire.

ANNEXURE B

Waterside Country Village ARCHITECTURAL GUIDELINES

Standard bollard / post top light fitting will subtly illuminate the village after dark.

Any other lighting must be approved by the HOA.

The lighting design and installation is to conform to SANS 204 requirements.

11.8 GUTTERS AND WATER HARVESTING

The majority of gutters are to be connected to rainwater tanks. Exceptions need HOA approval. Rainwater tanks may be exposed above ground, but the design must be approved by the HOA. All tanks are to be concealed by means of screen walls and vegetation. No single tank above ground is to be larger than 5000 liters. If the house design stipulates, three slimline tanks may be fitted. Each tank's capacity is 750 litres.

In the case of alterations or additions, stormwater run-off control is the responsibility of the home owner. The HOA will request an engineer's certificate to be included on submission documentation. All costs regarding this are to be carried by the property owner.

As water harvesting is compulsory in HOA, the tanks and gutters must be maintained in full working order.

It is anticipated that the maximum annual average daily demand of the development will be 56 kilolitres per day, having regard to the number of dwellings planned, and permitted occupancy. The anticipated average rainwater harvesting, as hereinafter set forth, for houses, in accordance with architectural planning (averaged over the various roof sizes) is 9,3 kilolitres per day. The net difference between the aforementioned figures is 47 kilolitres per day (refer above). The Developer undertakes accordingly to make provision for the supply of water to this capacity, which will be allocated, in the bulk water system managed by the Developer (reservoir, storage and pump station) for the Home Owners Association. It shall be the Home Owners Association's responsibility to ensure that members do not consume excessive volumes of water, and punitive tariffs will apply.

11.9 PLUMBING AND AIR-CONDITIONING

ANNEXURE B

Waterside Country Village ARCHITECTURAL GUIDELINES

All external plumbing to be painted the same colour as the walls.

All air conditioning external condenser units to be hidden.

All installations are to be submitted to the DRC for scrutiny prior to installation.

All air-conditioning installations to comply with NBR / SANS 204

Harvesting of grey water is not allowed. All waste water to be discharged in sewer.

11.10 GATES AND BALUSTRADING

Garden gates will have galvanised frames with horizontal Nutec Handiplank cladding. Designs are subject to HOA approval and must comply with the National Building Regulations.

11.11 UTILITY YARDS, SIDE AND REAR BOUNDARY WALLS

Back and side boundary walls (maximum 1800mm) will separate homes and enclose drying and refuse yard, which will incorporate bins and dog kennels. Walls between the front of the home and the road are not permitted.

All external walls will be constructed of pre-processed material and coloured to match walls..

11.12 TIMBER DECKS

Must be positioned slightly above the ground. Only hardwood "Balau" decking material may be used, either untreated or finished in approved oil, creosote or timber preservative with approved colour stain. The final finish must be approved by the HOA.

11.13 STREET IDENTIFICATION

Dwelling numbers must be visible from the street. Ideally next to the front or garage door. Minimum individual number size will be 250mm x 600mm. The approved font and materiality will be confirmed by the DRC.

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Waterside Country Village **ARCHITECTURAL GUIDELINES**

As there is no postal delivery no post boxes will be allowed on the individual erven.

11.14 DRIVEWAYS AND PAVING MATERIALS

All driveways are to be paved with the same material as the internal roads.

11.15 SOLAR

All houses will have solar hot water, with internal geysers. Collector panels will be roof-mounted. Photovoltaic systems (electricity from panels) are permitted. All products are to comply with the national building regulations. SABS approval is essential.

11.16 WIND

Due to the noise factor, no wind-generated power is allowed.

11.17 ELECTRICITY

Homes have a maximum supply of 40 amps. Exceeding this will result in “tripping”. To assist in staying below 40 amps there are no electrical geysers. Kitchens will have gas hobs and electric undercover ovens.

12. PROHIBITED MATERIALS, COLOURS AND COMPONENTS

Construction of Phase 1, 2, and 3 homes will adhere to the material and finishing rules. The prohibited materials are listed to assist home owners if they decide to alter or renovate. These include:

Colours outside the three earth tones

Artificial stone

Glass bricks or “wind block” windows

Spanish / rough plaster

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Waterside Country Village ARCHITECTURAL GUIDELINES

Tuscan detailing
Greek/Roman Fluted Precast columns
Steel or wood windows
Highly decorative entrance doors
Decorative wrought iron/cast aluminium elements (Victorian ‘broekie-lace’)
PVC/Galvanised/Painted Metal/Fibre Cement Gutters and rainwater downpipes
Shade netting
Asbestos
Timber log fencing (gum pole)
Klinker bricks
Razor wire, spikes or any similar products
Non-functioning shutters
Fibre cement sheeting
Translucent sheeting
Fixed or foldaway aluminium awnings
Unpainted plaster
Reflective / mirrored glass
Stainless steel cladding
“Wendy” houses
White PVC windows
Freeform slasto, crazy paving, premix chip & spray
Diamond mesh fencing

The HOA can add to or remove any of the above.

13. PROCEDURE FOR ANY CHANGES (EXISTING HOMES)

In the case of new homes, the Developer will work directly with the owner and the DAT. Any changes to the building do not require sketch plans. All the plans are already drawn up and the footprint may not change. Only the garages, carports and patio and roof can either be added or omitted. The plans themselves will not

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

change in Phase 1 and 2 . There may be design changes in Phase 3, based on demand is in 1 and 2 .

For existing homes the following applies:

STAGE 1: SKETCH DESIGNS

Sketch drawings eliminate unnecessary costs by showing the HOA the intended alteration. They allow the HOA to evaluate any changes prior to providing costly detailed drawings.

A fee determined by the trustees for the HOA from time to time is payable to the HOA when drawings are submitted for scrutiny.

All submissions in a pdf format, accompanied by a hard copy (A1, A2 or A3 folded to A4 size with site and owner details clearly visible).

All drawings submitted are to include the following information:

- Client / developer's name
- Erf number
- Scale
- North point
- Date
- Contact information

In Phase 1, 2, 3 site drawings and documents for alterations and additions before construction must, as stated previously, be compiled by the DAT and pre-approved by the Developer and the HOA, before submission to the Local Authorities.

In the case of alterations after transfer, as well as changes before construction, the following is required:

Site Plan: 1:200. Including building footprint, 0,5m contours, north point, services

Floor Plans: 1:100. Including dimensions, floor finishes, lighting & electrical layout

Elevations: 1:100. Including material choices

Roof Plan: 1:100. Including gutters, down-pipes, pipe-runs and rainwater tanks

ANNEXURE B

Waterside Country Village ARCHITECTURAL GUIDELINES

Sections 1:50. Two sections – cut in two different directions through the building

STAGE 2: WORKING DRAWINGS

After the HOA's approval of the sketch drawing, the following must be prepared for Buffalo City Metro, and approved by the by the HOA before submission:

1. 5 x complete sets of council submission drawings in hardcopy format (colour copies) (1 x for owner 4 x Council submission)
2. 1 x complete set as pdf electronic format

Any changes or amendments to working drawings must re-submitted to the HOA, with a revision number, description and date.

All designs must comply with SANS 10400, SANS 10400XA and SANS 204 as per the National Building Regulation requirements. The onus to comply rests with the appointed professional.

On approval, the HOA will issue a letter to the applicant, which will accompany the drawings for municipal submission.

STAGE 3: MUNICIPAL APPROVAL AND CONSTRUCTION

On receipt of the approved plans from the municipal authority, the applicant will provide a full set of stamped and approved drawings for the HOA for record purposes.

No construction may commence on site without municipal approval in place, as well as submission of a signed copy of the Builder's Code of Conduct.

All building sites must have a construction information board, as per the HOA specifications and guidelines, erected prior to commencement of construction.

Supervision during construction must be done by the appointed architect and the HOA. The HOA will decide if the construction needs to be cordoned off in whichever way is appropriate.

ANNEXURE B

Waterside Country Village **ARCHITECTURAL GUIDELINES**

SCRUTINY FEES.

The trustees of the HOA will determine the scrutiny fees for all stages. The underlying principle is that applications will not progress to the next stage without payment.

14. GENERAL

No boats, trailers, caravans or other equipment be parked outside homes on a permanent basis.

Refuse or litter bins must be in the refuse yard. All refuse is to be taken to refuse containers on collection day. No refuse will be permitted in these containers other than that on refuse day.

No temporary structures such as timber outbuildings or tented structures will be permitted under any circumstance.

Aerials and/or satellite dishes must be hidden from the street and adjoining neighbours. The position of the aerial / satellite dish must be indicated on the Sketch Plan Submission Drawing.

15. LIMITATIONS OF THE HOA DECISION CAPACITY

All conditions and limitations contained within this document are to be considered in addition to any existing conditions and regulations set by the local authority and or any other relevant body.

The HOA is not liable for the correctness of any part of any project contained within WCV beyond the parameters in the AG. The HOA will not assume compliance to any regulations set by a third party. Furthermore, the HOA approval shall not be construed as permitting any contravention of restrictions imposed by any local authority having legal jurisdiction.

The HOA is not responsible for checking compliance to the National Building Regulations (NBR) for any submission.

10 February 2017

ANNEXURE C

CONDUCT RULES

OF

WATERSIDE COUNTRY

VILLAGE

HOME OWNERS'

ASSOCIATION

("the Association")

1. DEFINITIONS, INTERPRETATIONS AND DELEGATIONS

- 1.1. In these Rules, unless the context clearly indicates the contrary, all words and expressions shall bear the same meaning in these Conduct Rules as they bear in the definitions in the Constitution of the Association, any words importing the singular number only shall include the plural number and vice *versa*, and words importing any one gender only shall include the other gender as well as juristic persons.
- 1.2. It shall be the responsibility of every Member to ensure that all members of his household, employees, tenants, invitees and guests, paying or otherwise, are fully aware of these Conduct Rules. In the event of any breach of the Conduct Rules by a Member, members of his household, employees, contractors, tenants, invitees and guests, or by members of his tenant's household, employees, guests and invitees, such breach shall be deemed to have been committed by that Member.

2. DOMESTIC REFUSE

- 2.1 The removal of domestic, garden and other refuse shall be under the control of the Association which may, in exercising its functions in this regard from time to time by notice in writing to all persons concerned:
 - 2.1.1 lay down the type and size of refuse containers to be obtained and used;
 - 2.1.2. give directions in regard to the placing of refuse for collection;
- 2.2 All refuse, whether domestic or garden must be kept in these containers which must be adequately screened from view, except when put out for collection, not more than 18 hours before the usual time of collection.
- 2.3. Where any item of refuse is of such a size or nature that it cannot be conveniently removed by the refuse removal services provided or arranged by the Association, the Association may give directions as to the manner in which such refuse must be disposed of, which will be paid by the person/s responsible for importing (or as the case may be the person responsible to dispose of it) the refuse on to the estate.

3. PETS

- 3.1. At the discretion of the trustees, 2 pets may be kept on each property (erf). The trustees shall be entitled to revoke an approval, and to restrict ownership to particular breeds of dogs, cats, or caged birds which are regarded as suitable for the development. A special dispensation may at the discretion of the Trustees be made in respect of dogs or cats which are already members of the household of residents taking occupation for the first time, on application, in writing.

- 3.2. Dogs are to be kept and retained within the erf boundaries. All stray/unaccompanied dogs found outside residential erf boundaries will be removed from the Estate at the cost of its owner.
- 3.3. Members must take all reasonable precautions and if required by the Association erect a suitable enclosure that conforms to the requirements and specifications of the manager to prevent their dogs from straying.
- 3.4. Dogs shall at all times be restrained by means of a leash or similar device when accompanied by Members onto any of the open space.
- 3.5. All dogs shall be tagged and display the Member's name and telephone number.
- 3.6. Should any domestic animal prove to be a frequent or continual nuisance to other residents, the Trustees of the Association may call on the owner of the domestic animal to control or remove it and if the owner fails or refuses to do so, the Trustees of the Association may impose penalties on the Member concerned and/or procure its removal from the Estate and recover any costs so incurred from such Member concerned, without prejudice to its rights to recover any penalty imposed.
- 3.7. In all cases, should dogs cause a mess on common property or on another members' property, or cause damage, the dog's owner shall forthwith remove the mess or repair the damage as the case may be. Should the dog's owner fail to remove the mess or repair the damage caused, the Association shall be entitled to have such mess removed or repaired and to recover such costs or damages from the Member concerned.
- 3.8. All dogs and cats, unless the Trustees agree in writing, be neutered.
- 3.9. All animals are to be regularly vaccinated by an approved (by the trustees) veterinary surgeon, based on recommendations made by a veterinarian appointed for this purpose from time to time, by the trustees.
4. **TRAFFIC / PEDESTRIANS**
 - 4.1. No vehicles shall enter or leave the Estate at any point except at the official entrance gates, except in special circumstances and then only with the consent of the Association. Non-Members are required to sign the relevant entry document stating that they will abide by the Constitution of the WATERSIDE COUNTRY VILLAGE Home Owners Association Constitution and these conduct rules.
 - 4.2. All vehicles entering the Estate shall stop at the controlled vehicle entrances.
 - 4.3. No vehicles shall enter the Estate unless admitted by the guard on duty at the gate, except where the Association has issued to the driver a device enabling the driver to operate the

vehicle entrance gate himself.

- 4.4. No Member shall permit the use of an access control device issued to such Member for operating the vehicle entrance gate by any person other than such member or a person permanently in the household of the member.
- 4.5. The movement and control of traffic and pedestrians is subject to the security rules and regulations of the Homeowners Association from time to time,
- 4.6. Commercial deliveries are not permitted on Sundays or public holidays, nor before 07H00 and after 18H00 on weekdays, nor before 07H00 and after 15H00 on Saturdays without the prior written consent of the Trustees, or the Manager (if applicable).
- 4.7. Vehicles shall only be driven on the Estate roads by persons who hold a valid and current driver's license which would permit them to drive that vehicle on a public road within the Republic of South Africa. Furthermore only licensed, registered vehicles shall be permitted on the estate roads. No quad bikes or "off road" motorcycles will be permitted, except with the written permission of the Trustees, which permission may be revoked, or amended from time to time, at the discretion of the Trustees.
- 4.8. No person shall drive any vehicle on any road within the Estate at a speed in excess of 20 km per hour. The Association shall be entitled to impose a penalty on the Member concerned, whether such contravention is committed by such Member his guests, members of his household, employees or invitees. The Association reserves the right to introduce from time to time such traffic rules as they deem expedient in the circumstances.
- 4.9. Cyclists, joggers, pedestrians, animals, birds and wild life shall at all times have the right of way within the Estate and vehicles shall be brought to a stop whenever necessary.
- 4.10. The Association may, by means of appropriate signage, indicate the use of roads or any portion of the roads or Common Area. Failure by any person to obey this signage shall be a contravention of these Conduct Rules and shall expose the Member concerned to a penalty whether such contravention is committed by the Member, members of his conduct household, guests or invitees.

All persons who enter the Estate shall observe and comply with the provisions of any and all road traffic legislation applicable to the Eastern Cape Province as fully and effectively as though the Estate's roads are public roads as defined in such legislation.

- 4.11. No person shall store any motor vehicle, golf cart, caravan, boat or the like on the Estate except in garages built for this purpose approved in writing by the Association. None of the foregoing shall be left overnight on any road.
- 4.12. No helicopters or any means of aerial conveyance may be landed at any place on the

Estate without the written authority of the Association. No helicopter may, except in the case of emergency (or for medical reasons), land in any place on the estate.

- 4.13 No skateboarding will be permitted, or any other activity which may be construed as a nuisance to residents.

5. **OPEN SPACE**

- 5.1. No person shall do anything that detrimentally affects the amenities and unreasonably interferes with the use and enjoyment of the Common Area by others.
- 5.2. No fire shall be lit on the Estate except in such places as may be designated for the purpose by the Association or in an approved and a properly constructed fireplace or barbecue.
- 5.3. The driving of vehicles in the Common Area is confined to roads, garages, parking areas and driveways.
- 5.4. Members are required to keep the exterior of their dwellings in a good state of repair and to keep their erven tidy. Should a dwelling fall into a state of disrepair, or should an erf become unsightly, the Association shall call upon such Member to rectify the situation, detailing what remedies are required and giving the Member a reasonable period for commencement and completion. If the Member fails to comply with the Associations' requirements within the stipulated times, the Member shall be in breach of the Conduct Rules and the Association may proceed in terms of Clause 10 of these Conduct Rules.

6. **ACCESS TO THE ESTATE**

No access will be permitted to the estate except as determined by the Trustees from time to time (other than by members and their bona fide guests, invitees and employees).

7. **LETTING, RESALE AND OCCUPATION BY MEMBERS' GUESTS OF PROPERTIES**

- 7.1. The following rules, read with 1.2 above, apply to the letting and re-sale of property:
- 7.1.1. Only an estate or property agent accredited by the Association may be employed in the sale or letting of any property at WATERSIDE COUNTRY VILLAGE, which accreditation may be withdrawn by the Association at its discretion,
- 7.1 .2. Such agents must operate on a "by appointment" basis, They may not erect any "for sale" or "sold" boards or any other signage boards whatsoever, except as permitted by the

Trustees from time to time.

- 7.2. An agent will be accredited only after signing an agreement with the Association that such agent will abide by stipulated procedures applicable to the sale or letting of property on the Estate, and in particular will make any buyer aware of the Conduct Rules, Constitution of the Association, building deadlines and any other relevant considerations applicable to ownership or occupancy. Any document prepared by the agent containing an offer of sale or an offer to purchase must include such clauses as the Association may require from time to time to ensure compliance with the matters envisaged in this clause 7.2.
- 7.3. Tenants to whom properties are let or leased are obliged to abide by all of the Conduct Rules, regulations and requirements of the Constitution of the Association. The agent who is letting a property is obliged to supply the tenants with copies of the Constitution of Association and Conduct Rules.
- 7.4. When a Member personally sells or lets his property, the provisions of 7.1.2, 7.2 and 7.3 will apply to him.
- 7.5. Members or their agents are required to give the Association prior notice of any tenants or guests who are to occupy the Member's property in the absence of the Member. This may be done in writing or by telephoning the office of the Association and giving the name of the tenants or guests and the dates of their occupancy. In the case of tenants, the tenants will be obliged to register at the offices of the Association within one working day of arrival, and to sign a declaration that they are acquainted with the Conduct Rules and Constitution of the Association and accept it as binding on them.
- 7.6. Prior to the Transfer of any erf to a successor in title a Member shall obtain a certificate from the Association that confirms that:
- 7.6.1. no levies, fines and/or penalties are due to the Association; and
- 7.6.2. that, to the best of the knowledge of the Association, such Member is not in breach of any of the provisions of the Constitution, and/or these Conduct Rules.
- 7.6.3. An acceptable guarantee to secure the payment of the sales levy due in terms of the Constitution has been received by the Association.
- 7.7. The Association shall be entitled to require that a Member provide a suitable guarantee or indemnity to ensure compliance with clause 7.6 to enable the Association to issue the Certificate contemplated therein.
8. **CONDUCT AT WATERSIDE COUNTRY VILLAGE**
- 8.1. All clothing, household linen or washing of any nature, shall be adequately screened from

view and may only be placed in a drying yard or such other area designed for such purpose.

- 8.2. The lighting and use of fireworks is not permitted at WATERSIDE COUNTRY VILLAGE.
- 8.3. No unauthorised persons are allowed onto building sites under construction,
- 8.4. No person shall make or cause to make any unacceptable disturbance or excessive or undue noise which constitutes a nuisance to other persons. In particular:
 - 8.4.1. Burglar alarms and/or a security system may be installed only by the security company appointed for this purpose from time to time by the Association and shall be supplied and fitted but by such security company (and maintained, repaired or replaced). It shall be the only security company permitted to have access to WATERSIDE COUNTRY VILLAGE.
 - 8.4.2. All vehicles, but particularly motorcycles, must be efficiently silenced,
 - 8.4.3. The mowing and/or edging of lawns, the use of leaf blowers, or the operation of any other noisy machinery which may disturb neighbours is strongly discouraged after normal working hours unless there are exceptional circumstances. These activities are, however, prohibited on Sundays and Public Holidays. All building work, whether undertaken by a contractor or by a Member, shall be done during the hours stipulated by the Association from time to time for building contractors, unless written approval for an exception is given by the Manager.
 - 8.4.4. All noise must cease between 21H00 and 06H30.
- 8.5. No member or tenant shall accommodate nor allow to be accommodated, without the prior written consent of the estate manager, more than the maximum number of persons permitted to occupy such residence, vis:
 - * 1 bedroom unit (maximum 2 persons)
 - * 2 bedroom unit (maximum 4 persons)

A maximum of 4 persons may be accommodated in any home at any time (excluding a nurse or caregiver). Where, in accordance with the Architectural Guidelines, a member makes alterations or extensions to an existing dwelling, such extension or addition may not be utilized in contravention on the number of persons who may be accommodated in any home.

Except with the prior written consent of the Trustees, which consent shall not unreasonably be withheld, a maximum of persons may be accommodated in any home at any time. The only exception to this rule shall be where additional persons are accommodated for up to 3 weeks with the prior written consent of the Trustees or the Manager (if applicable).

- 8.6. Whenever the Association receives a written complaint from a Member, duly signed by such complainant, relating to unacceptable behaviour or conduct in contravention or in breach of these Rules and/or the Constitution of the Association, the Association shall investigate such complaint and take appropriate steps to stop such behaviour or breach within the scope of these Conduct Rules and the Constitution of the Association.
- 8.7. The Association is not limited by clause 8.6 from taking action of its own initiative, if evidence of unacceptable behaviour or conduct as contemplated above, comes to its attention from a source other than a written complaint.
- 8.8. No unauthorised person shall interfere with WATERSIDE COUNTRY VILLAGE's security arrangements or the activities of its appointed security service provider and/or its staff.
- 8.9. No member (or any other person within the development area) may make use of a boat on the dam, which is prohibited, having particular regard to the security of occupants. Every member shall be obliged to ensure that as far as possible, security is not compromised through the recreational use of the dam, or the access points thereto.

9. COMMERCIAL ACTIVITY

- 9.1. Residents of (residential erven) are not to engage in commercial activities from their homes with visiting customers. Any other activities shall require the Association's prior written consent. No application for a trading license or zoning relaxation shall be made to the relevant authority unless the prior written approval by the Association has been obtained.
- 9.2. No advertising board may be displayed anywhere on the Estate other than the standard architectural building board during building construction, except with the prior written permission of the Association.
- 9.3. No door to door canvassing or selling is permitted on the Estate.
- 9.4. The use of the Association mailing list for commercial purposes is prohibited, except for internal information regarding sales and rentals of houses. Members are prohibited from providing non-members with the Association mailing list.

SCHEDULE OF FINES

	OFFENCE	Fine
1	Minor offences including traffic, behavioural, offences	R500 to R5000
2	Failure to comply with architectural guidelines, environmental guidelines	R2 500 – R10 000
3	Major infringements of the Constitution of the Association including architects guidelines (or any rules or regulations therein)	R10 000 – R25 000
4	Occupation of a property in contravention of the age restrictions	Double monthly levy in addition to monthly level

* This schedule has been prepared during the month of October 2015 and the amounts referred to therein shall be adjusted so as to offset the effects of inflation, by the Trustees, at the time of imposing the fine.

WATER AND SANITATION SERVICES AGREEMENT

BETWEEN

SOLE PROPS 156 (PROPRIETARY) LIMITED

Registration Number 1999/027559/07

**represented herein by Craig Richard Lindhorst as Director
of the Company and authorised thereto in terms of a
company resolution**

AND

**WATERSIDE COUNTRY VILLAGE HOME OWNERS
ASSOCIATION**

**Duly represented herein by Craig Richard Lindhorst as
Trustee of the Home Owners Association and duly
authorised thereto in terms of a Resolution**

- 4.1.6 Install, maintain and operate all of their infrastructure to acceptable norms and standards in order to ensure continuative service.
- 4.1.7 Treat the received effluent in accordance with the requirements of The Department of Water and Sanitation, BCMM, as contained in the various approvals for the development, and as specified by BCMM in terms of the aforesaid approvals, and furthermore in accordance with statutory requirements.
- 4.1.8 Dispose of treated effluent in accordance with the requirements of The Department of Water and Sanitation, BCMM.
- 4.1.9 Until the Waste Water Treatment Works is approved by BCMM, and has been installed, and becomes operational, to cart away the effluent by means of a "Honeysucker" vehicle to a location in Gonubie or any other site identified by BCMM, from time to time.
- 4.1.10 To employ the services of a service provider to monitor operations, and the maintenance of the Waste Water Treatment Works, and to conduct regular compliance testing, as required by BCMM, and in accordance with statutory requirements.
- 4.1.11 To notify the Home Owners Association of any planned interruptions in service, timeously, and where possible at least 7 days in advance.
- 4.1.12 To participate in the BCCM Department of Water and Sanitation green and blue drop programs.
- 4.1.13 Provide BCMM and all relevant statutory bodies with monthly test results, compliant with The Department of Water and Sanitation (BCMM) standards.
- 4.1.14 To meet all BCMM minimum requirements relating to infrastructure and service levels, consistent with SANS code 241.
- 4.1.15 To review the services provided under this agreement with BCMM on an annual basis.

4.2 The Home Owners shall:-

- 4.2.1 Pump at their own expense all untreated effluent (subject to Soleprops responsibility to cart away in a "Honeysucker" vehicle until the Waste Water Treatment Works infrastructure is complete), to the Waste Water Treatment Works property.

4.2.2 Maintain and operate all of their infrastructure on the Home Owners Association Property to acceptable norms and standards in order to minimize the following:-

Water Reticulation

- Water losses due to leaking pipes, joints etc.
- Risk of contamination of the pipelines due to the ingress of deleterious materials, ground water and effluent from the water born sanitation system.

Sanitation System

- Total volume received limited to a daily average (over a period of a year) of 50 kilolitres (based on 80% of water consumption) per day
- Flow limited to a maximum rate of 2,6 litres per second (both pump stations on the development pumping simultaneously)

4.2.3 Notify Soleprops of any breakages, or problems arising, and which may be relevant to Soleprops, with respect to the quality and quantity of potable water, and in respect of sanitation services.

4.2.4 Ensure that all members of the Home Owners Association install, maintain and use rain water harvesting systems, as contemplated under paragraph 11 hereunder, and furthermore as required in the Architectural Code.

4.2.5 Maintain the bulk water meter and provide readings to Soleprops on a suitable schedule.

5. SANITATION INFRASTRUCTURE

5.1 Home Owners Association Ownership

The Home Owners Association will be the owner, upon completion by the Developer, to the satisfaction of BCMM, all sanitation infrastructure located within the boundaries of the development, including the following:-

- uPVC sewer connections to each erf ;
- uPVC gravity sewer pipes and associate manholes;

- 2 x sewer pump stations (including sump, emergency overflow chamber, valve chamber for outlet works, electrical kiosk, pumps);
- uPVC sewer rising mains (including control valves installed thereon) located within the development boundaries.

5.2 Soleprops Ownership

Soleprops will own all sanitation infrastructure outside the Home Owners Association property boundary, including the following:-

- uPVC sewer rising mains (including control valves installed thereon) located outside the development boundaries.
- Waste Water Treatment Works and all associated ancillary infrastructure.

6. **WATER INFRASTRUCTURE**

6.1 Home Owners Association Ownership

The Home Owners Association shall be the owners, after the development is completed to the satisfaction of BCMM, of all water infrastructure located within the boundaries of the Home Owners Association development on the property, including the following:-

- HDPE water connections to each erf;
- uPVC pressure water supply pipelines and associated control valves and fire hydrants;

6.2 Soleprops Ownership

Soleprops will be the owner of all water infrastructure outside of the Home Owners Association development boundary, including the following:-

- uPVC pressure water supply pipelines and associated control valves located outside of the development boundaries.
- Water Treatment Works and all ancillary infrastructure.
- Water storage reservoir;

- Water pump station;
- Bulk water metre at the development boundary.

7 OPERATION AND MAINTENANCE COSTS OF INFRASTRUCTURE

7.1 The Home Owners Association shall assume responsibility for all operational services and infrastructure situate on the Home Owners Association Property, handed over by the Developer from the date of practical completion of such services as certified by the Consulting Engineer appointed by Soleprops subject to the standard 1 year defect liability period as maintained by Soleprops and it is recorded that this requirement shall apply in respect of all individual phases in the development.

7.2 Soleprops shall be responsible for any infrastructural operational services (other than those handed over to the Home Owners Association as provided under 7.1), and situate outside of the Home Owners Association Property, which infrastructure and operational services shall be certified complete by the Consulting Engineer appointed by the Developer, and subject to the standard 1 year defect liability period as maintained by Soleprops and it is recorded that this requirement shall apply in respect of all individual phases in the development.

8. DURATION

This agreement is effective on signature by the parties hereto ("the effective date") and shall continue indefinitely until terminated by agreement between the parties hereto.

9. QUALITY OF WATER

The quality of the water to be provided shall be in accordance with SABS Code 241 (drinking water) or such other regulations as may from time to time apply.

10. QUANTITIES

10.1 Water

10.1.1 Water shall be supplied by Soleprops to the agreed supply point (referred to in 4.1.1 above) serving the Home Owners Association subject to the following limitations:-

- Total volume delivered by Soleprops shall be limited to a daily average (calculated over a period of 1 year) of 46,44 kilolitres (total daily demand less rainwater harvesting potential) per day.

- The flow of water shall be limited to a maximum rate of 2,06 litres per second under peak domestic demand without fire flow, and 17,1 litres per second under peak domestic demand and with fire flow combined.
- Pressure limitations of :
 - ◆ Maximum pressure, residential or static not to exceed 90 metres (9 bar);
 - ◆ Minimum pressure under peak domestic demand without fire flow to be 15 metres (1,5 bar).
 - ◆ Minimum pressure under peak domestic demand and fire flow to be combined to be 7 metres (0,7 bar).
- Minimum clear water storage in the amount of 210 kilolitres dedicated to the Home Owners Association. 110 kilolitres of the required storage volume is for firefighting requirements and may also be utilized by other properties (other than the property of the Home Owners Association) at the discretion of Soleprops, provided that this meets the requirements of BCMM.

10.1.2 Soleprops shall take all reasonable measures to ensure that the quantity of water as agreed upon will be supplied in an effective, efficient and sustained manner

10.2 Quantity – sewerage /effluent

Soleprops shall receive all untreated effluent (sewerage) pumped by the Home Owners Association with the following limitations:-

- The total volume received shall be limited to a daily average (averaged monthly, and annually) of 44,59 kilolitres (based on 80% of water consumption) per day.
- Flow of effluent shall be limited to a maximum rate of 2,6 litres per second, when both pump stations on the property are pumping simultaneously.

11 RAIN WATER HARVESTING

It is anticipated that the maximum annual average daily demand of the development will be 56 kilolitres per day, having regard to the number of dwellings planned, and permitted occupancy. The anticipated average rainwater harvesting, as hereinafter set forth, for houses, in accordance with architectural planning (averaged over the various roof sizes) is 9,3 kilolitres per day. The net difference between the aforementioned figures is 47

kilolitres per day (refer above). Soleprops undertakes accordingly to make provision for the supply of this capacity, which will be allocated, in the bulk water system managed by Soleprops (reservoir storage and pump station) for the property of the Home Owners Association.

The parties undertake and agree that the Home Owners Association shall be obliged to ensure that the effective rain water harvesting by the members of the Home Owners Association achieves 16,6% of the average consumption of water, annually, and calculated annually in arrear. Rain water harvesting shall be governed by the Constitution of the Home Owners Association, their Conduct Rules, and the Architectural Code.

12 REPAIRS, MAINTENANCE, INTERRUPTION AND SUSPENSIONS

- 12.1 In the event of repairs, whether routine or emergency, every reasonable effort shall be made by Soleprops to advise the Home Owners Association by telephone, facsimile or e-mail of the intended repairs, and the extent of the likely impact on the supply of water.
- 12.2 In the event of general or routine maintenance, Soleprops shall give the Institution at least 7 days written notice regarding any part of the service to be interrupted.
- 12.3 Should emergency conditions of whatever nature and however arising mean that Soleprops cannot supply at least the minimum quantity and quality of water required, then the Parties shall meet as soon as reasonably possible to agree on emergency measures to be taken.
- 12.4 During the period that the emergency conditions exist the obligation of Soleprops to supply the minimum quantity of water and the obligation of the Home Owners Association to purchase shall be suspended.

13 PAYMENT FOR WATER SUPPLIED, AND IN RESPECT OF SANITATION SERVICES

- 13.1 The payment for the water supplied, and for sanitation services shall be in accordance with the tariffs referred to in Annexure A hereto.
- 13.2 Soleprops shall be entitled, on good cause, to revise the tariff (refer Annexure A). Should any dispute arise as to whether an increase is justified, the dispute shall be referred to arbitration as referred to under paragraph 23 below.
- 13.3 The Home Owners Association will be granted access to the derivation of this rate if required.

14 ACCOUNTS

- 14.1 Soleprops shall render an account to the Home Owners Association monthly. The Home Owners Association shall be responsible for the collection of all service charges, as metered, individually on each of the even, of the Home Owners Association.
- 14.2 All accounts shall be payable within thirty (30) days from date of issue and Soleprops is entitled to charge interest on outstanding amounts at the rate of 2% (two percent) above the prime rate charged by Standard Bank from time to time.
- 14.3 The amount of such an account shall be determined by the actual meter reading or a provisional account based on the average quantity of water consumed over the previous period between meter readings (the meter to be installed at the supply point referred to under 4.1.1 above).
- 14.4 In the case of a provisional account Soleprops shall, within two months from the date of the account, render to the Home Owners Association an account based on the actual metered consumption, entering a credit to or a debit against the Home Owners Association for rectification on the next account.
- 14.5 Where there is disagreement on the readings or there are faulty meters or the volumes can for any reason not be fixed, then estimates would be used until the problem is solved. The estimate will be determined in terms of clause 16.
- 14.6 Should the amount owing for any reason not be determined or agreed, Soleprops shall render an account based on a reasonable estimate, provided that credit shall be given to the Home Owners Association for any overpayment shown by a later fixed or agreed account. No debit shall be entered against the Home Owners Association under these circumstances.
- 14.7 Non-receipt of an account shall not relieve the Home Owners Association of the responsibility to pay for the water supplied and the service provided.
- 14.8 The Home Owners Association shall have the right to accompany Soleprops's meter reader to allow the Home Owners Association to confirm the meter readings.
- 14.9 The Home Owners Association shall pay charges to the bank account, of Soleprops, as reflected on the monthly invoice, or as otherwise agreed upon from time to time.

15. ACTIONS IN THE CASE OF DEFAULT

15.1 Without such action constituting a breach of this agreement, without incurring any liability and without prejudice to its rights to claim payment for water supplied to the Home Owners Association, Soleprops may reduce the maximum quantity of water to be supplied to the Home Owners Association, where the Home Owners Association has –

15.1.1 Failed to pay any sum due to Soleprops in terms of this agreement within 30 days of such payment becoming due and payable;

15.1.2 Willfully or negligently tampered with or damaged or caused or permitted damage to be inflicted upon any of Soleprops's facilities; and/or;

15.1.3 Committed a breach of any of the provisions of this contract.

15.2 The Home Owners Association shall be notified by hand-delivered letter, with a copy signed by a senior official of Soleprops retained as a receipt, that:

15.2.1 according to Soleprops records the Home Owners Association payments are in arrears and that this is in violation of the contract;

15.2.2 Soleprops intends to limit the level of supply to the Home Owners Association;

15.2.3 this reduction in supply is to be implemented in 30 days time;

15.2.4 the Home Owners Association may make representations in writing to Soleprops before that date giving any reasons why the services should not be limited;

15.2.5 the limitation of supply does not absolve the Home Owners Association from meeting its obligation in respect of the outstanding payments or in respect of paying for the limited supply; and

15.2.6 Soleprops shall not be liable for damages where it reduces the supply of water if any of the above circumstances apply.

15.3 The Home Owners Association will carry full responsibility for the implications of these actions by Soleprops and shall ensure that these conditions are made known to all individual consumers as required by the Act.

16. WATER SUPPLY TO AREAS ABOVE THE NORMAL PRESSURE ZONES

Soleprops will supply water at the specified pressure as in Clause 10 above and will not negotiate changes to this pressure for new developments.

17. BULK WATER METERS

- 17.1 Soleprops shall supply and maintain bulk meters of such size and type as Soleprops may determine at the points of supply.
- 17.2 The meter, together with all fittings connected therewith, shall remain the absolute property of Soleprops and at all times be under the sole control of Soleprops.
- 17.3 Soleprops may disconnect and remove any meter and install and substitute any other meter at its discretion on condition that the Home Owners Association shall be informed a reasonable time prior to any meter being disconnected in order to provide it with an opportunity to confirm the final reading before disconnection or removal.
- 17.4 In the event of repairs to any meter being found necessary, Soleprops shall as soon as possible after becoming aware of the necessity effect such repairs at its own expense.
- 17.5 Where any repairs have become necessary in consequence of such meter having been willfully or accidentally damaged by the Home Owners Association or any person or persons under its jurisdiction the Home Owners Association shall be liable for the cost of such repairs.
- 17.6 The Home Owners Association shall be entitled, at its own expense, to install a control valve at a suitable point on the Home Owners Association's side of the bulk meter, but the Parties may agree that Soleprops, at the Home Owners Association's expense and for its exclusive use, should install such valve.
- 17.7 The water meter (SANS accredited) will be calibrated at least once, annually by an accredited third party. Soleprops shall in consultation with the Home Owners Association be accountable and responsible for the selection of the third party. Soleprops shall be liable for any cost incurred in relation of the calibration by the third party.

18. MEASUREMENT OF QUANTITY OF WATER SUPPLIED

- 18.1 The quantity of water registered by the meter at the point of supply shall be deemed to be the quantity actually supplied and in the absence of evidence showing either that the meter has been incorrectly read or that the meter was at the time of such reading faulty, the Home Owners Association shall be bound to pay the amount due.
- 18.2 If the Home Owners Association is at any time dissatisfied with any reading of a meter and is desirous of having such meter tested, it shall give written notice to Soleprops within thirty days after receipt of the meter reading from Soleprops or of becoming aware of the fault in the reading or the meter.
- 18.3 Soleprops shall verify the reading or test the meter within thirty (30) days of its receipt of the notice and the Home Owners Association shall be entitled to be represented at such verification or testing.
- 18.4 If such meter is found to have been read or to be registering correctly, Soleprops shall recover the full cost associated with the verification or testing from the Home Owners Association by adding this amount, with proof of cost, to the account of the Home Owners Association.
- 18.5 If such meter is found to have been read or to be registering incorrectly, Soleprops shall carry the cost of verification or testing and shall reaffix a meter in good working order without charge to the Home Owners Association.
- 18.6 The charge for water consumed during the period that the fault persisted, shall be adjusted in accordance with the degree of error found.
- 18.7 The period that the fault persisted shall be assumed to be thirty (30) days if the actual period is not known, or cannot be agreed.
- 18.8 The maximum period for which adjustment to the measured quantity of water can be made is for ninety (90) days prior to the date of the notice by the Home Owners Association to Soleprops.
- 18.9 The meter shall be considered to be registering correctly if an error of less than three percent (3%) over or under registration is found at the flow rate of two thirds of the maximum flow capacity of the meter.

19. FAILURE OF METER TO REGISTER

- 19.1 Where any meter is found to have ceased to register or is found to be faulty in any other respect, Soleprops shall repair or replace such meter as soon as possible within a period not exceeding thirty (30) days from the date the fault was first discovered.
- 19.2 Unless it can be proved that a lesser or greater quantity of water has been consumed, the quantity of water to be paid for by the Home Owners Association from the date of reading of the meter prior to its being found to have failed to register or to register correctly, up to the time of its repair or replacement, shall be determined by Soleprops on the basis of:
- 19.2.1 The average monthly consumption of water during the three months prior to the last registration, or, if this is not possible;
- 19.2.2 The corresponding period's water consumption in the previous year, or, if this is also not possible;
- 19.2.3 The average monthly water consumption over a period of three months after repair or replacement of the meter has been effected.

20. CONNECTION TO OTHER WATER SUPPLY SYSTEMS

- 20.1 No connection shall be made to the bulk water supply system of Soleprops by the Home Owners Association unless authorised by Soleprops and fitted with the required bulk water meter(s) and control valves.
- 20.2 All water provided through the supply point shall form part of this contract.

21. CHANGES TO THIS CONTRACT

- 21.1 This contract represents the whole agreement between Soleprops and the Home Owners Association regarding the supply of bulk water to the area defined in Clause 4.
- 21.2 Any change, amendment, variation, relaxation or addition to this agreement shall be in writing and duly signed by both Parties.
- 21.3 This agreement supersedes any other agreement whether written, oral or tacit, entered into by the parties and relating to the same subject.

22. ANNEXURES

The following Annexures form part of this agreement:

Annexure A (Tariffs for water supply and provision of sanitation services)

23. DISPUTE RESOLUTION

- 23.1 Should any dispute or difference arise out of or in connection with this agreement, or its interpretation, the Parties shall endeavour to resolve such a dispute in an amicable manner.
- 23.2 In the event that the dispute is not resolved, either Party may at any time by written notice inform the other that such disputes remain unresolved and refer the matter to be determined by a third party (Arbitrator), in terms of what is set out below, unless otherwise agreed in writing between the Parties.
- 23.3 The Parties shall within 30 (thirty) days of the notice referred to above agree on a person or persons to act as arbitrator(s) in the matter.
- 23.4 In the event that the Parties are unable to agree on an arbitrator within 30 (thirty) days of the date of the notice referred to above, then in such an event either Party may in writing request that the President of Arbitration Foundation of South Africa (AFSA) appoint a suitable arbitrator to act herein.
- 23.5 The proceedings shall be held at a venue within the area of The Village, Schafli Road, East Coast, East London and unless otherwise agreed by the parties, in accordance with the formalities and the procedures determined by the Arbitrator.
- 23.6 Unless the Parties agree on the terms of reference, and procedures for the arbitration, a meeting shall forthwith be convened by the Arbitrator with the Parties to:
- 23.6.1 determine the terms of reference for the arbitration;
- 23.6.2 determine the procedure for the conduct of the arbitration; and/or
- 23.6.3 determine any other matter as the Arbitrator deems necessary.
- 23.7 In the event that the parties are unable to agree on any of the matters referred to above, the Arbitrator shall be entitled to make a determination on such issues.

- 23.8 Unless otherwise agreed to by the Parties, the rules of AFSA shall apply to the Arbitration proceedings to the extent that they are not varied by, agreement between the Parties.
- 23.9 The provisions of this clause shall not preclude any party from access to any appropriate court of law for interim relief in the form of an interdict or order for specific performance pending the outcome of arbitration in terms hereof or in respect of such arbitration.

24 PREVENTION OF CORRUPTION

The Parties undertake and are required to identify and take all reasonable steps to prevent either party, its employees, its sub-contractors, its agents or anybody under its control from –

- 24.1 causing to be received, receiving or agreeing to receive any payment, bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any action not provided for in this contract; or
- 24.2 showing undue favour to any person in relation to this contract.

25 INDEMNITIES

- 25.1 Soleprops shall not be liable for any loss, damage or inconvenience which may result from any shortage, failure or interruption in the water supply, or the deterioration of the water quality or the reduction of water pressure, where the occurrence is due to circumstances outside Soleprops's control or due to necessary maintenance or repairs to the infrastructure or any component thereof, unless such occurrence is due to the negligence of Soleprops.
- 25.2 The parties hereby indemnify one another from and against any and all liabilities, losses, claims and demands, including legal fees and expenses of whatsoever nature or character by reason of any liability or claimed to be imposed upon the other by any party, whether based on agreement or otherwise for:

25.2.1 damages arising from bodily injuries, sickness, disease infection or death;

25.2.2 damage to property;

to the extent that such bodily injuries, property damage or losses arise out of or relate to the criminal conduct, willful misconduct or negligence (excluding gross negligence) of a party, its employees, agents or sub-contractors in the performance of this agreement.

25.3 Neither party shall be liable or responsible for indirect or consequential damages such as loss of profit or production.

26 FORCE MAJEURE

26.1 Either party will be excused for the non-performance of any its obligations under this agreement if caused by any factor outside the control of such party, such as factors including (but not limited to) droughts, fires, storm damage, floods, power failures, riots, and actions of either legislative, the executive, the military or law-and-order facilities or political bodies and/or associations.

26.2 The party raising force majeure will bear the onus of proving an event of force majeure has occurred and will keep the other party informed in writing of the circumstances which such party claims to amount to force majeure.

27 ASSIGNMENT OR DELEGATION

27.1 Neither user shall cede, assign, make over or transfer any of its rights or obligations arising from this agreement to any third party without the prior written consent of the other, which consent shall not be unreasonably withheld.

27.2 Notwithstanding the provisions of 24.1, Soleprops may assign or delegate its rights, duties or powers in terms of this agreement to any institution and will inform the Home Owners Association in writing three months prior to such cession, transfer or delegation.

27.3 Assignment or delegation by Soleprops to any other Institution will not take place without consultation with the Home Owners Association.

28 BREACH

28.1 If a Party fails, neglects or refuses to-

28.1.1 comply with any term or condition of this agreement or makes it impossible for the other party to perform its powers, rights, duties or obligations in terms of this agreement;

28.1.2 comply with any award, ruling or order made by an arbitrator in terms of this agreement;

28.1.3 comply with any written decision reached between the parties during any negotiation or mediation; or

28.2 If a Party remains in default after the expiry of thirty (30) days from the date of delivery at the said Party's domicilium address of a written notice requesting the party to remedy the default,

the aggrieved Party shall have the right to cancel this agreement with immediate effect without prejudice to any other rights that the aggrieved Party may have in law.

29 DOMICILIUM CITANDI

The Parties choose as their domicilia citandi et executandi the following:

SOLEPROPS:

Soleprops Head Office

1 Schafli Road

Village Centre, East Coast, East London

THE HOME OWNERS ASSOCIATION:

Soleprops Head Office

1 Schafli Road

Village Centre, East Coast, East London

Any party will be entitled to change its domicilium citandi et executandi from time to time to addresses within the Republic of South Africa. Written notification of such change must be given to the other party within 14 (fourteen) days of such change and it will be effective on receipt by the other party.

SIGNED ON BEHALF OF SOLEPROPS AT EAST LONDON ON THIS 10TH DAY OF
FEBRUARY 2017

.....

On behalf of Soleprops

.....

Designation

As Witnesses:

1.....

2.....

SIGNED ON BEHALF OF THE HOME OWNERS ASSOCIATION AT EAST LONDON THIS
THE 10TH DAY OF FEBRUARY 2017

.....

On behalf of the HOME OWNERS
ASSOCIATION

.....

Designation

As Witnesses:

1.....

2.....

ANNEXURE A TARIFFS FOR WATER SUPPLY AND PROVISION OF SANITATION SERVICES

WATER SUPPLY TARIFFS

Description	Applicable Dates	Rate / kL (excl. VAT)	VAT	Rate / kL (incl. VAT)
Normal Consumption (2.2.2)	01 July 2016 to 30 June 2017	R16.71	R2.34	R19.05
Punitive Tariffs When Water Availability is Scarce (2.3.1.b)	01 July 2016 to 30 June 2017	R19.22	R2.69	R21.91

Notes:

1. The above tariffs are based on and linked to the bulk water supply rates as published by the BCMM. Accordingly, the rates are subject to revision as and when the BCMM publish revised rates.
2. The item numbers 2.2.2 and 2.3.1.b referenced above refer to item numbers in the 'Buffalo City Metropolitan Municipality Tariff Book Index' as published by the BCMM.

SANITATION SERVICES TARIFFS

Description	Applicable Dates	Rate/erf/month (excl. VAT)	VAT	Rate/erf/month (incl. VAT)
Charge per erf	01 July 2016 to 30 June 2017	R395,00	R55,30	R450,30

Notes:

The above tariff will be amended annually consistent with CPI.