

The NEMA establishes a number of principles related to the environment in South Africa. These principles are designed to provide a general framework for environmental planning and guidelines for the interpretation, administration and implementation of the Act.

The principles include a number of internationally recognised environmental law norms and some principles peculiar to South Africa, i.e. the:

- Preventive principle;
- Precautionary principle;
- Polluter pays principle; and
- Equitable access for the previously disadvantaged to ensure human well being.

NEMA stipulated that development must be socially, environmentally and economically sustainable. Sustainable development requires the consideration of all relevant factors including the following:

- That the disturbance of ecosystems and loss of biological diversity are avoided, or, minimised and remedied;
- That pollution and degradation of the environment are avoided, or, minimised and remedied;
- That the disturbance of landscapes and sites that constitute the nation's cultural heritage is avoided, or, minimised and remedied;
- That waste is avoided, or, minimised and re-used or recycled where possible and otherwise disposed of in a responsible manner;
- That the use and exploitation of non-renewable natural resources is done in a manner that is responsible and equitable;
- That the development, use and exploitation of renewable resources and the ecosystem of which they are part of do not exceed the level beyond which their integrity is jeopardised;
- That a risk-averse and cautious approach is applied; and
- That negative impacts on the environment and on the people's environmental rights be anticipated and prevented, and where they cannot be altogether prevented, are minimised and remedied.

1.3.2 National Water Act 36 of 1998

Water Supply

The National Water Act (Act 36 of 1998) ensures that water resources are adequately protected, used, developed, conserved and controlled.

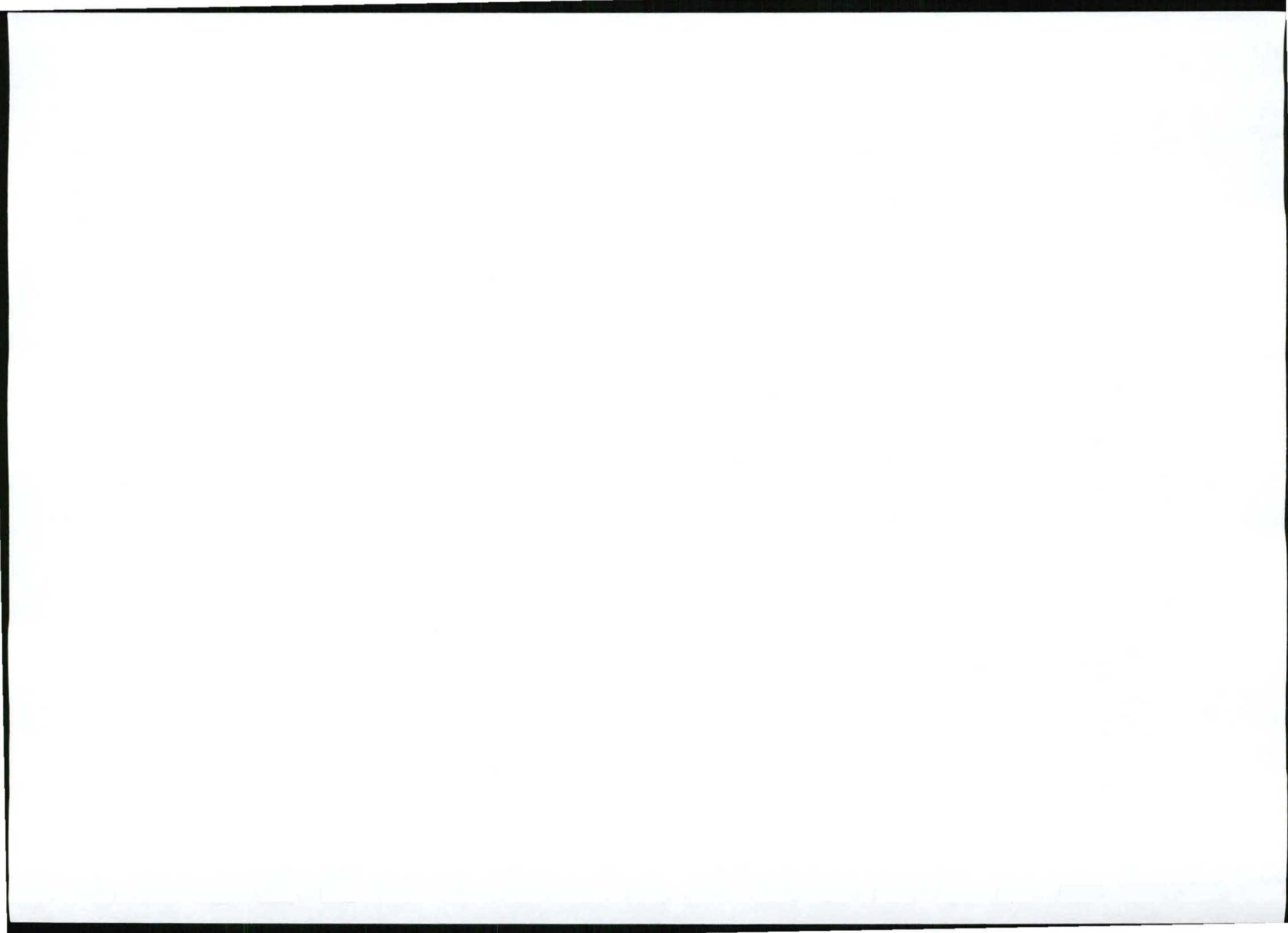
Under the Act, a developer is required to obtain the necessary permits for water usage and the disposal of wastewater from the authority responsible for the administration of the Act, namely the Department of Water & Environmental Affairs (DWEA).

Any private well or borehole sunk for the abstraction of groundwater has to be reported to the regulatory authority.

Wastewater

The National Water Act is the principal piece of South African legislation governing wastewater management. Under the Act there are several important issues specific to this project to note:

It is an offence to wilfully or negligently pollute surface water or groundwater;



- In the event of a pollution incident, the offending party is obliged to report the incident to the regulatory authority; and

- The regulatory authority can take the necessary steps to prevent the pollution of water resources and can recover the costs of clean up from the polluter.

1.3.3 National Forest Act 84 of 1998

The National Forest Act (No 84 of 1998) protects all forests from the destruction, damage or removal of trees. Natural forests and woodlands form an important part of the environment and need to be conserved and developed according to the principles of sustainable development. The sustainable management and development of forests is to be promoted for the benefit of all.

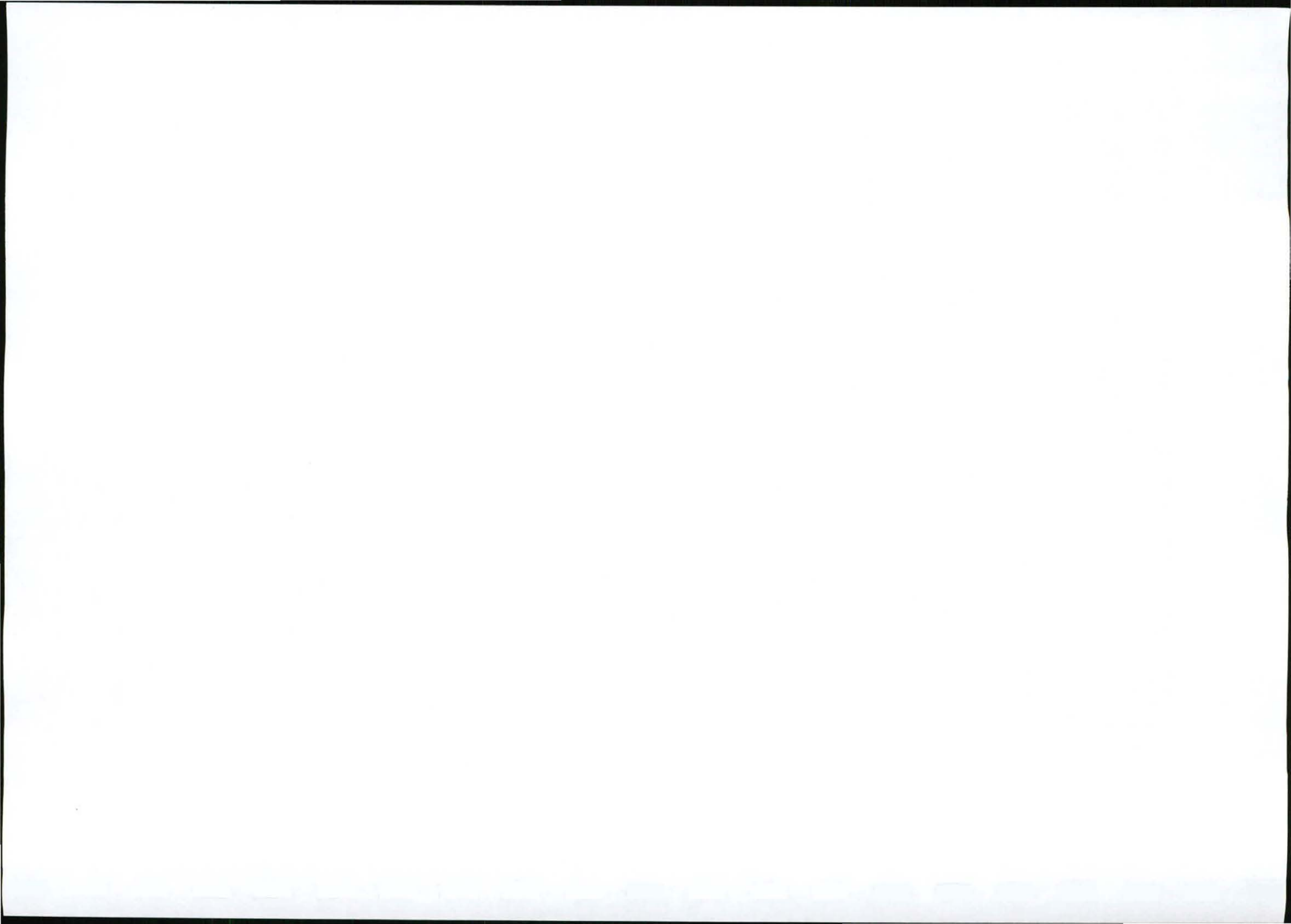
The Act provides special measures for the protection of certain forests and trees:

Section 7 (1)¹ "No person may cut, damage, or destroy any indigenous, living tree in a natural forest; process, collect, remove, transport, export, purchase, sell, donate or in any other manner acquire or dispose any tree, or any forest product derived from a tree contemplated in paragraph (a)¹; or except in terms of:

- a licence issued under subsection (4) or section 23; and
- or an exemption from the provisions of this subsection published by the Minister in the Gazette on the advice of the Council.

Section 15 (1) lists the effects of declaring trees as protected and Section 23 (1) lists the activities, which may be licensed in a state forest.

¹ Section (a) lists those species as protected in terms of National Forest Act.



2 APPROACH TO THE SCOPING STUDY

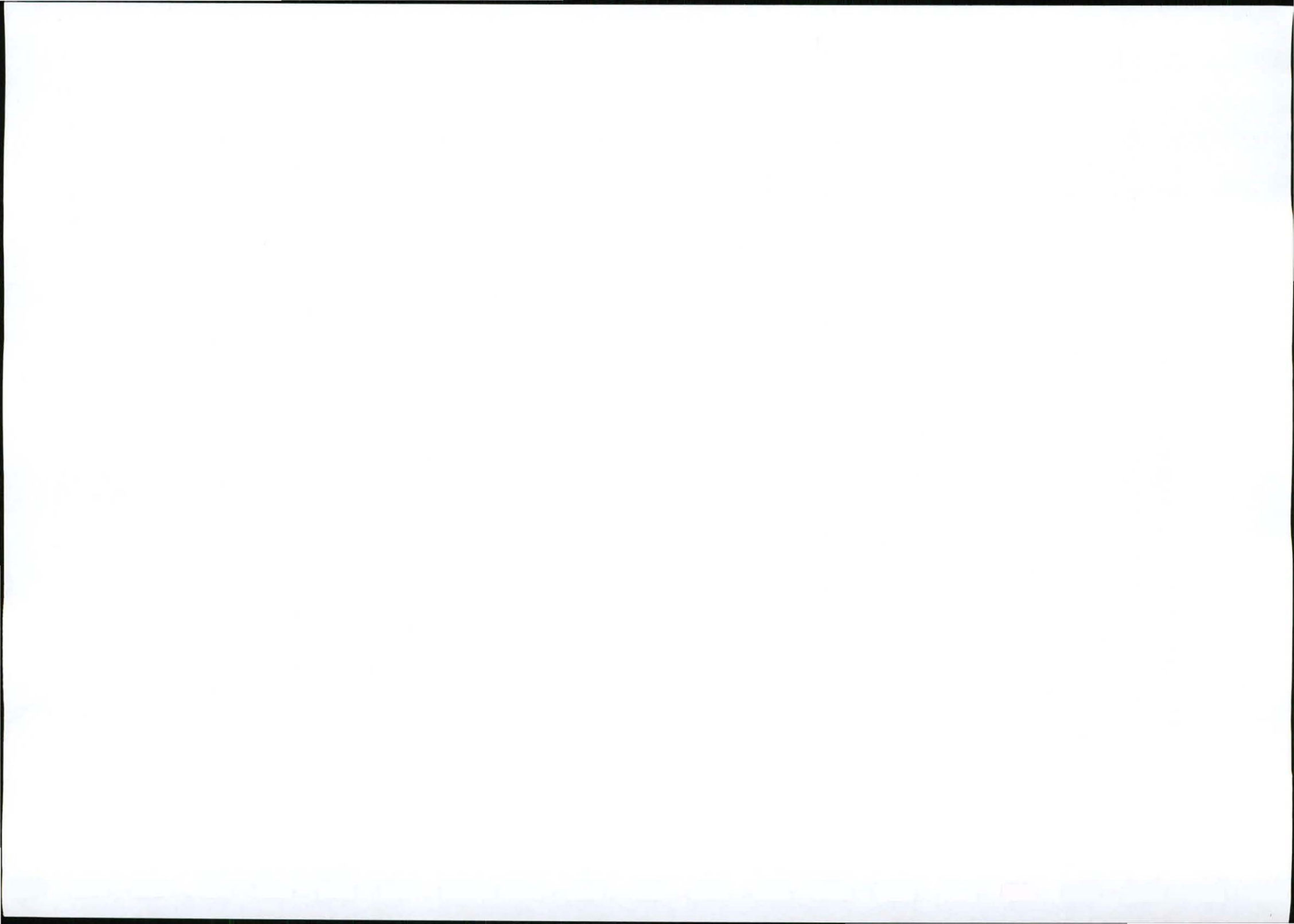
2.1 Introduction

The Scoping Phase is recognised as the first critical stage in the EIA process. The characteristics of scoping are as follows:

- It is an open process that involves the authorities, proponent and stakeholders;
- Feasible alternatives are identified and selected for further assessment;
- Important characteristics of the environment are identified; and
- Important potential impacts on the environment are identified.

The following describes the tasks that were carried out as part of this Scoping Study:

- Consultation with the appropriate authorities and relevant stakeholders;
- Site visit and assessment of existing environment;
- The identification of reasonable and feasible alternatives;
- Public Participation Process (PPP) as per NEMA Basic Assessment requirements;
- Identification and preliminary assessment of impacts;
- Development of mitigation measures for identified impacts; and
- Production of a DFA Scoping Report and NEMA Basic Assessment Report.



3 PROJECT DESCRIPTION AND ALTERNATIVES

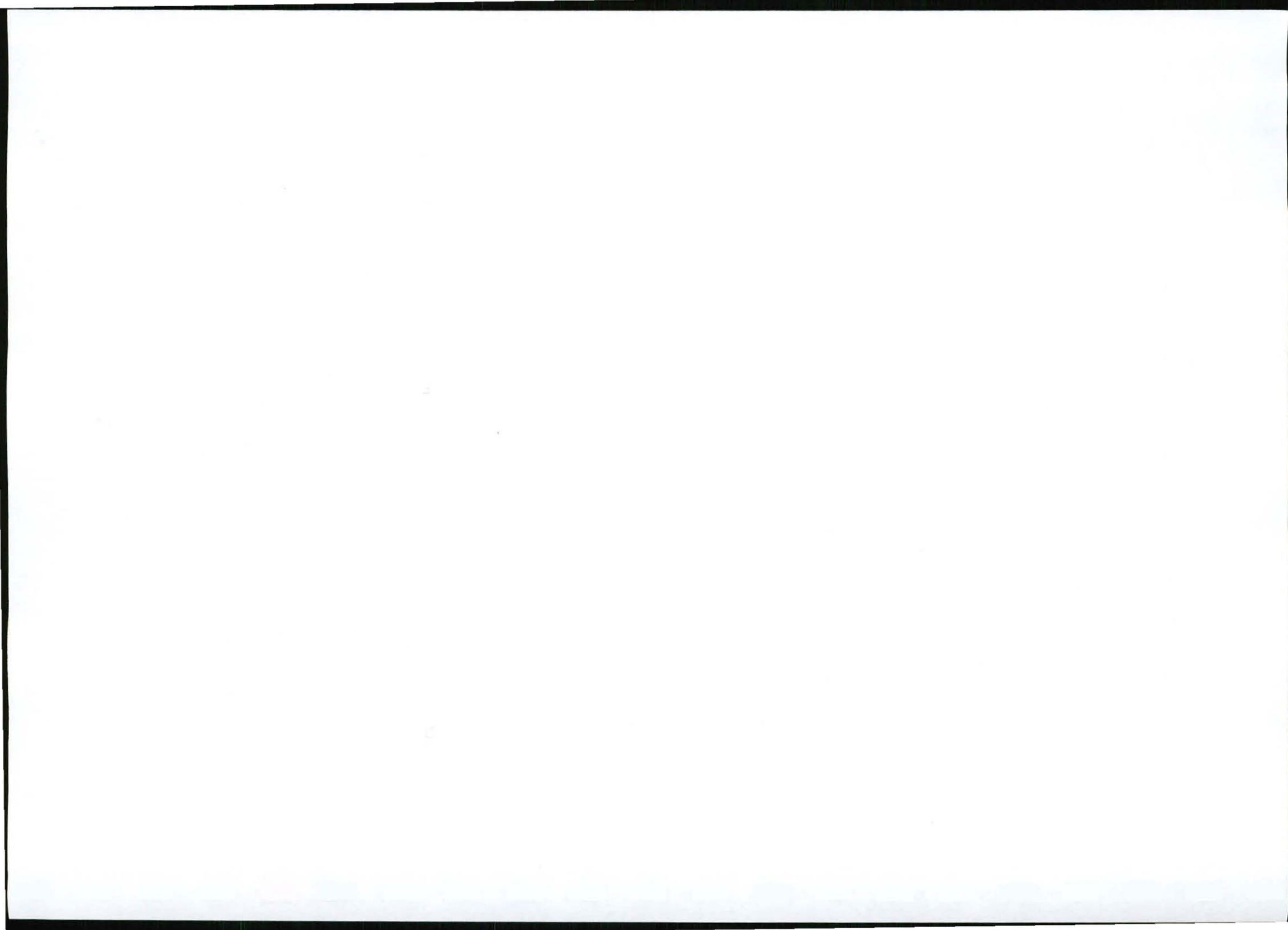
3.1 Project Description

The proposed project consists of the following:

1. The approval of a land development area application in respect of the development shown on NPM Plan 5965.06 (See **Appendix A**) which comprises three sections covering a total area of 23.0ha to accommodate the low density residential estate development, the resort area and a remainder which will retain its existing agricultural zoning ;
2. The approval of Subdivision Plan 5965.07 and Site Development Plan 5965.08 indicating 61 portions (including the remainder) to, inter alia, accommodate the resort and low density residential estate development, as follows:

LAND USE	ZONING	PORTION NO'S	AREA(ha)	%
Residential	Residential Zone 1	1-46	4.0	17.73
Private Open Space	Open Space Zone II	47-51	3.40	15.07
Areena Island View Resort	Resort Zone II	52	1.10	4.88
Private Roadway	Residential Zone 1	53-55	2.93	12.98
Gatehouse Access Control, Roadway	Special Zone	56	0.09	0.40
Package Plant	Special Zone	57	0.06	0.27
Game Farming	Agricultural Zone 1	58-60 Remainder	10.98	48.67
TOTAL		61	23.00	100

3. The de-proclamation of Minor Road 111 which is situated on the subject property as shown on Plan 5965.09;
4. The creation of a new Servitude Right of Way (SROW) to be registered in place of Divisional Road 111 in favour of the owners of Farms 1419, 694/7, 695/3, 695/1, 695, and 694/5.
5. The creation of various Servitude Rights of Way (SROW) to provide Areena Resort Trust (which will be responsible for the estate/resort maintenance management) with access to water and sanitation infrastructure, as indicated on Subdivision Plan 5965.06.
6. The suspension of the Subdivision of Agricultural Land Act, No. 70 of 1970.



7. The reduction of the lateral building line applicable to the residential erven being portions 1 to 46 on Plan 5965.06 from 2m to 1m.

The low density residential estate development will be named the Areena Rivendell Estate. The resort will be named the Areena Island View Resort;

Having regard to Land Development Area Plan 5965.05, it should be noted that the land development area application for the residential estate and resort only pertains to an area of 44%.

It is proposed to retain the remainder of the subject property as per its current land use, namely as part of the Areena Conservancy and game farm.

3.2 Alternatives

Consideration of alternatives is a key element of the EIA process, and is a requirement of the scoping process as defined in the EIA regulations (DEAT, 2006). The goal of evaluating alternatives is to find the most effective way of meeting the need and purpose of the proposal, either through enhancing the environmental benefits of the proposed activity, or through reducing or avoiding potentially significant negative impacts. Key criteria for consideration when identifying alternatives are that they should be "practicable", "feasible", "relevant", "reasonable" and "viable". The general approach to EIA alternatives is that a range of alternatives should be considered together with the No-go alternative. Assessment of alternatives should include a comprehensive comparison of all potential impacts, both direct and indirect and cumulative, on the environment (DEAT, 2004).

3.2.1 Alternatives Assessed

Only activity/technology alternatives such as sanitation and water supply options were assessed in the Basic Assessment. No site (property) alternatives were assessed, due to the applicant owning the property.

Layout and Density

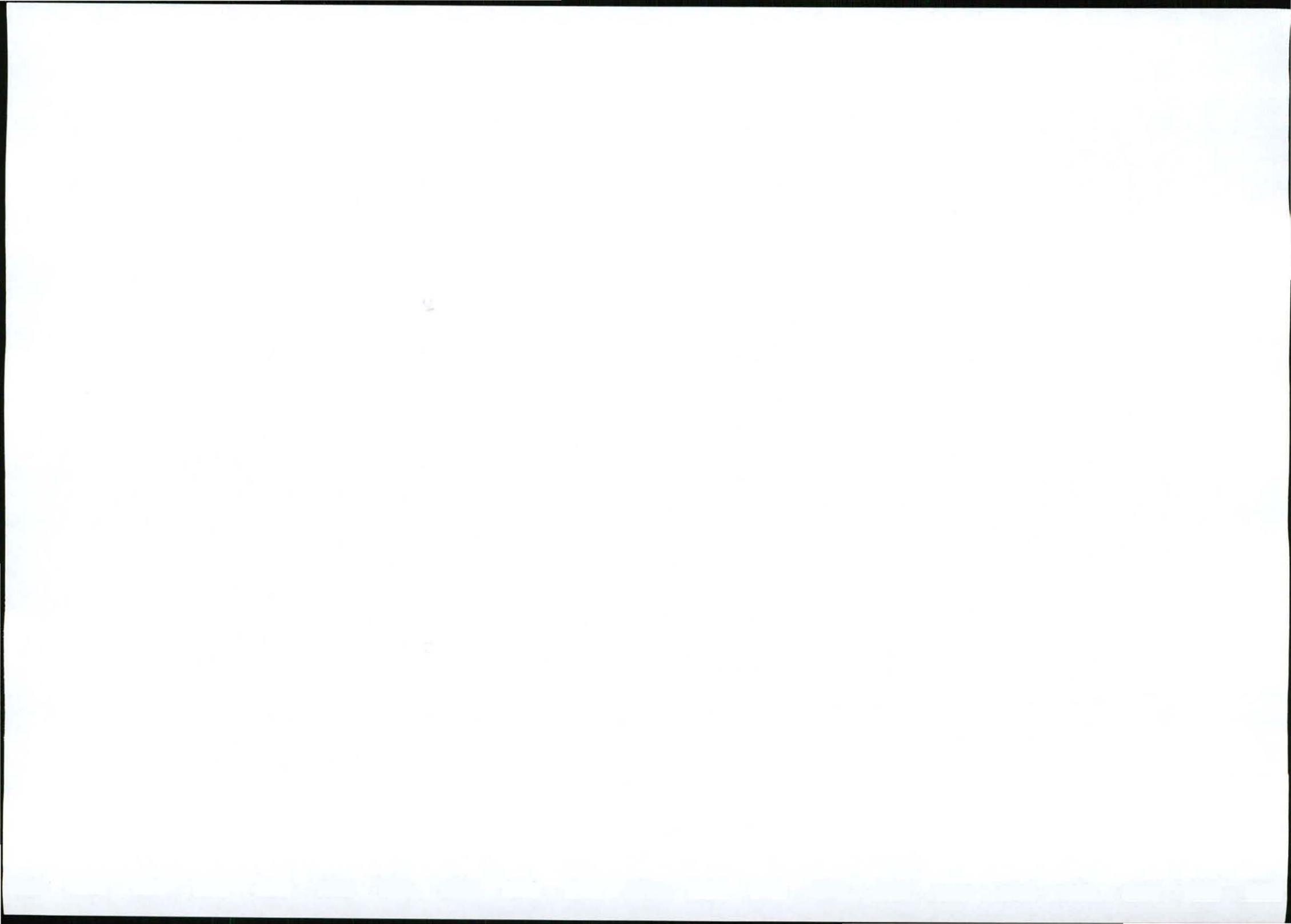
Layout and density options were considered by the NPM Planning reports submitted to the DFA tribunal.

Sanitation Options

Use of conservancy tanks and disposal of sewage at Municipal facilities versus septic tanks or package plants options were assessed. The proposed development is situated in the Great Kei Municipality and the closest facility is situated at Chintsa. The facility does not have the capacity to accept the sewage from the proposed development. The preferred alternative is thus to use a low volume treatment works. The proposed system to be used is the GES Plant, which is endorsed by the Great Kei Municipality. See **Appendix B** for technical specifications of plant.

Water Supply Options

Water provision options such as rainwater harvesting as per Schedule 1 of the National Water Act or the provision of water from the existing Areena resort have been assessed. The preferred alternative is provision of water from the existing Areena Resort. All Water Act requirements will be met.



4 BASELINE ENVIRONMENT

4.1 Land use

The subject property is bordered by predominantly economically non-viable agricultural land, which is used for small holdings/residential purposes, and is not commercially farmed due to steep slopes and dense vegetation types.

The surrounding area is suitable for recreational or tourism related purposes including low density resorts. The agricultural land in the area is not regarded as suitable for intensive or commercial agricultural productivity. The proposed development is thus considered as desirable in terms of the surrounding character.

4.2 Climate

The study area falls into the *Cfb* climate group as described by Schulze (Kopke 1988). This group includes those regions that are subtropical, with all months having at least 60 mm of rain and temperatures between 10-22.2°C. Temperatures are not extreme with an average annual temperature of 18.5°C; maximum mean daily temperature of 23°C and a minimum mean daily temperature of 14°C. The average annual rainfall is approximately 921 mm. Rain falls mainly as maritime showers, although thunderstorms do occur in the summer months. Wind is predominantly north-easterly and south-westerly in summer and south-westerly and westerly in winter. Winds occasionally reach gale force. In late summer, there are occasional north or north-westerly warm "berg winds".

4.3 Vegetation

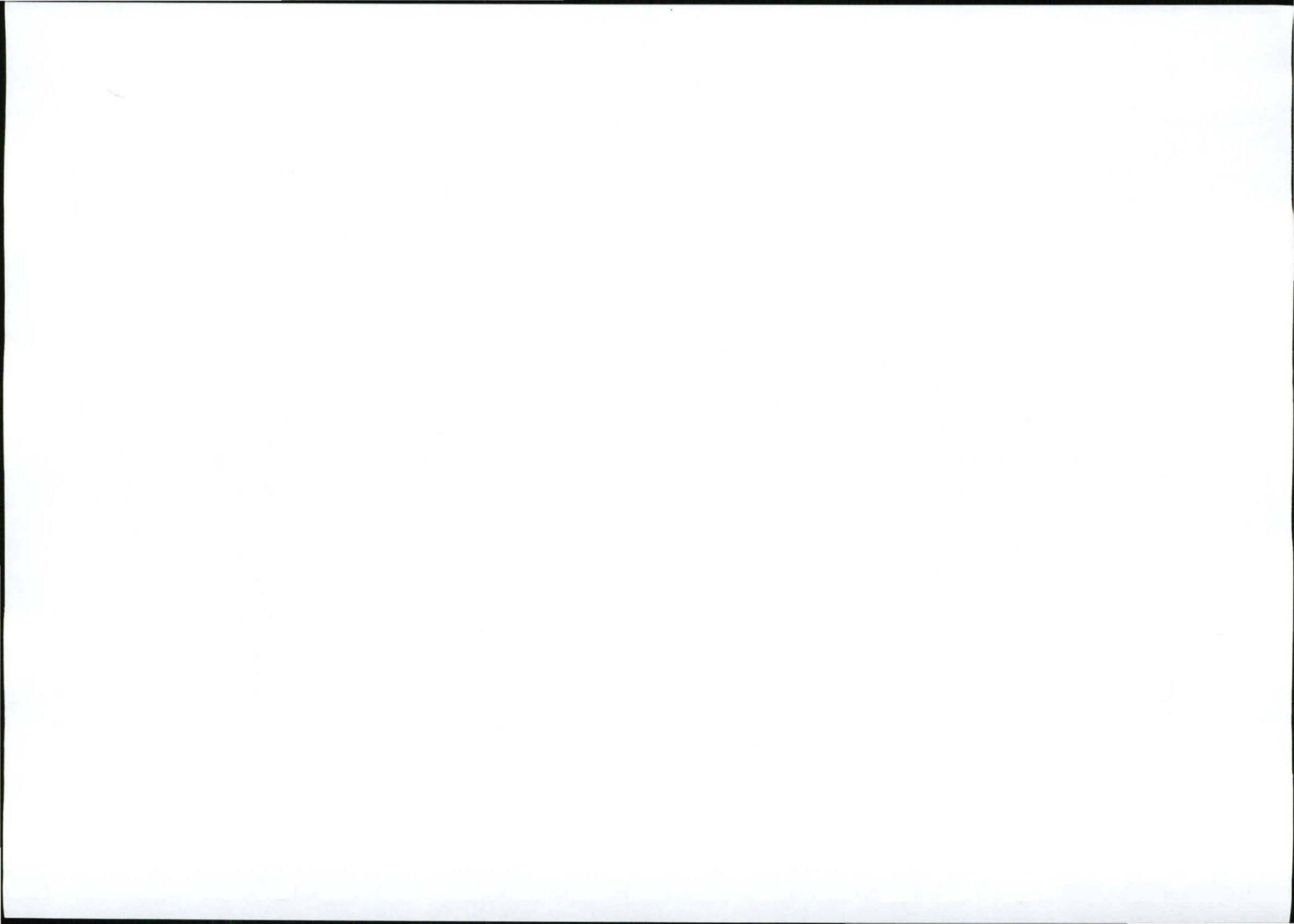
Conservation Status

A vegetation sensitivity assessment using the STEP methodology (Pierce, S.M. 2003) was used to identify opportunities and constraints for development. The STEP data indicates that the vegetation type at the proposed development should be Buffels Thicket. Typically thicket clumps are an indicator of Buffels Thicket and they occur in a matrix of savanna, where sweet thorn (*Acacia karroo*) is abundant and bitter leaf (*Brachylaena ilicifolia*) is a feature of this vegetation type. Several grass species such as *Themeda triandra* and *Cymbopogon spp.* are prominent in intact Buffels Thicket.

The vegetation at the proposed site has been transformed and no intact Buffels Thicket is evident. The site consists mainly of pastures and lawns that are non indigenous grass species such as kikuyu.

The conservation status of Buffels Thicket is classified as **currently not vulnerable**. The STEP mapbook lists the following opportunities for activities, which decision makers should encourage:

"Depending on constraints such as avoidance of spoiling scenery of wilderness, currently not vulnerable areas can withstand loss of or disturbance to natural areas. Within the constraints the currently not vulnerable class may be suitable for a wide range of activities such as extensive urban development, cultivation, ecotourism, game farming and tourist accommodation"



Alien Invader Plants

Parts of the study area, disturbed by agricultural land use practices are infested with alien vegetation that has competitively replaced indigenous species. Common alien species occurring on site are listed in Table 1 below and have been categorised according to the status according to The Conservation of Agricultural Resources Act (Act 43 of 1983).

Table 1: Alien invader plant species identified in study area.

SPECIES	COMMON NAME	CATEGORY ²
<i>Acacia meamsii</i>	Black Wattle	2
<i>Cestrum laevigatum</i>	Ink Berry	1
<i>Lantana camara</i>	Common Lantana	1
<i>Solanum mauritanum</i>	Bugweed	1

4.4 Fauna

Due to disturbance from agriculture, natural fauna have been largely reduced. However species such as Bushbuck, Duiker, Scrub Hare and Vervet Monkey are still likely to frequent the area for foraging and refuge purposes. The study area is likely to provide habitat for a host of bird species, amphibians, small reptiles and invertebrates. The Blue Duiker (*Cephalophus monticola*) is likely to be the mammal of highest conservation value in the area.

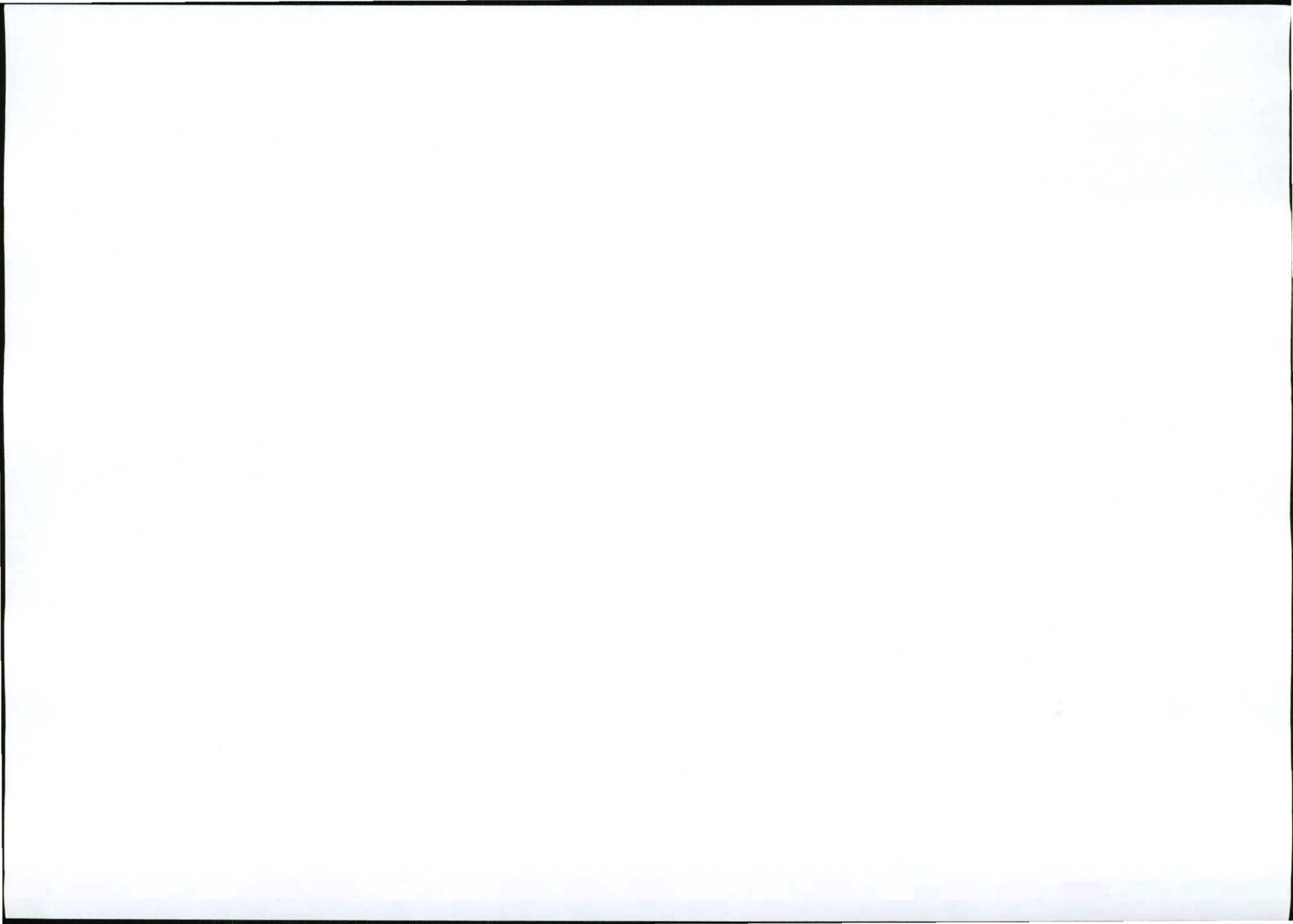
Currently various types of game including giraffe, wildebees, impala, blesbuck, gemsbuck, eland, zebra, ostrich, emu, nyala, and other species are found at Areena resort.

4.5 Conservation importance of the study area

The Kwelera estuary, which is adjacent to the proposed development, is considered as a critically endangered habitat by STEP and the Eastern Cape Biodiversity Conservation Plan.

Although the proposed development falls within the STEP Gqunube-Amathole mega conservancy, a fine scale assessment indicates that the proposed development area is transformed and will not contribute meaningfully to the objectives of a mega conservancy.

² Categories under the "Conservation of Agricultural Resources Act, 1983 (Act No. 43 of 1983)



5 ENVIRONMENTAL ISSUES AND POTENTIAL ENVIRONMENTAL IMPACTS

5.1 Key issues and responses

Anticipated issues include:

- Sustainable water supply
- Sanitation technology options;
- Density of development;
- Proximity to estuarine environment; and
- Legislation.

5.1.1 Sustainable water supply

Sustainable water is a vital component of the proposed development. The option of rainwater harvesting and storage as per Schedule 1 of the National Water Act was investigated. The most challenging aspect of this option is the storage of water, equal to approximately 80 days of the daily requirement of each unit.

The preferred water supply option will be the sourcing of water from the existing Areena Resort. All Water Act provision will be adhered to.

5.1.2 Sanitation technology options

Sanitation options that were considered include conservancy tanks, removal of effluent to the Municipal operated Waste Water Treatment Works at Chintsa and an onsite low volume wastewater treatment works. The treatment plant is the preferred option. Great Kei Municipality have endorsed the use of the GES plant Waste Water Treatment Works.

5.1.3 Proximity to estuarine environment

The Kwelera estuary is a critically endangered habitat and the existing waste water treatment works at Areena does not fully comply with all Water Affairs water quality requirements. The proposed GES plant to be installed at the new development will comply with all legislative requirements.

5.1.4 Legislation

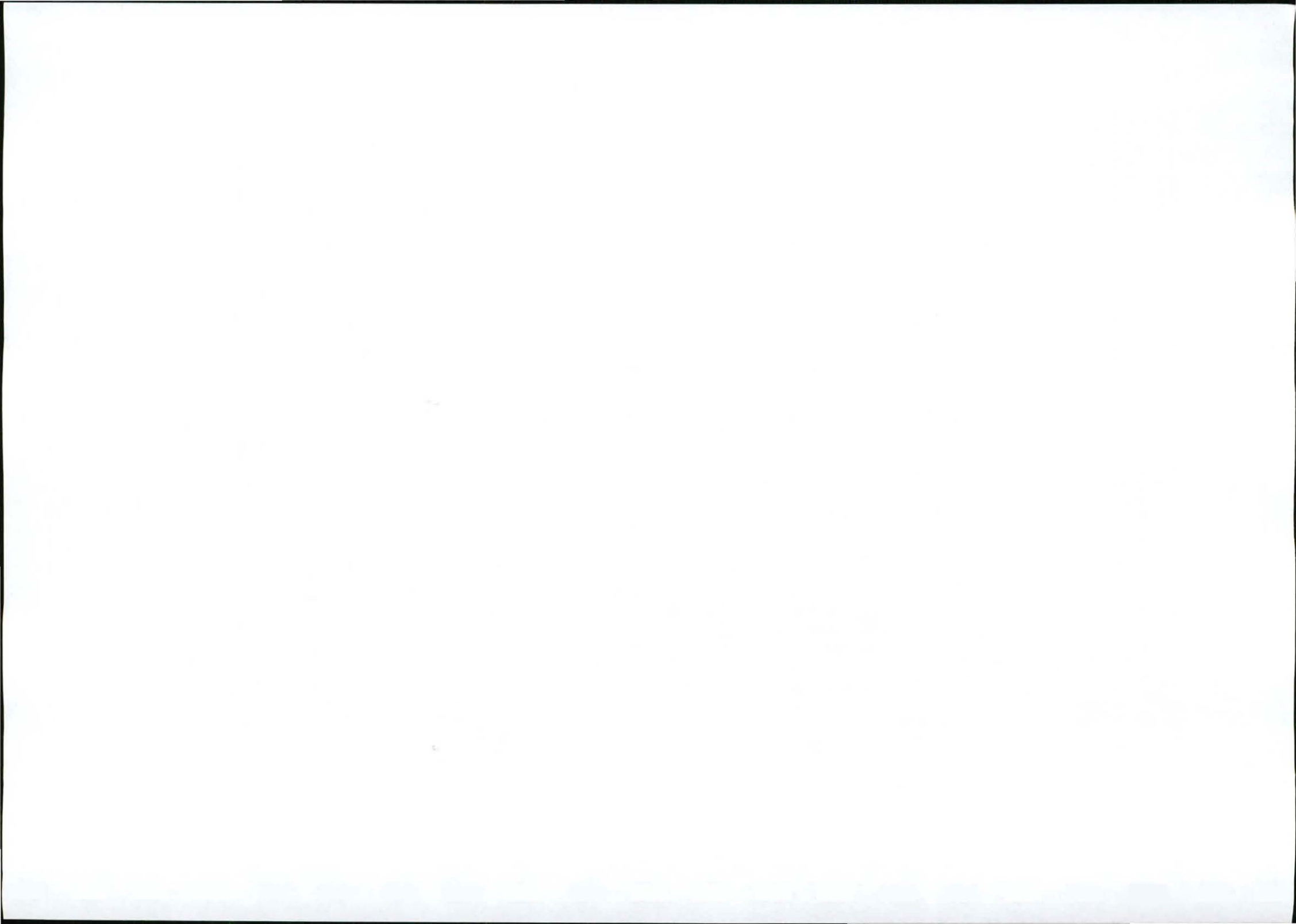
Great Kei Municipality Spatial Development Framework

The Kwelera estuary and land within the 1:100 floodline is considered to be a no development area. The proposed development footprint does **not fall** within the no development area.

Integrated Coastal Management Act – Coastal Protection Zone objectives

The proposed development is located in the Coastal Protection Zone and the relevant Sections of the Act are applicable.

The proposed development complies with all relevant Sections of the Act including Section 17, the Purpose of coastal protection zone. The Basic Assessment report and Scoping report has assessed potential impacts of the proposed developments on the coastal protection zone and sensitive marine ecosystems. To date, no impacts that cannot be effectively mitigated have been identified.



- No repairs or servicing of plant and construction machinery allowed on-site; Utilise drip trays to prevent oil or fuel spills in case of on-site emergency maintenance; All concrete batching to be conducted on impermeable sheet material;

- Temporary ablution facilities must be provided on site for construction workers (1 to 15 ratio); appropriate waste and sewage collection and disposal procedures and facilities to be implemented.

5.3.2 Biodiversity Impacts

Although the study area does fall within a STEP Mega Conservancy Network as identified in the STEP planning programme, no intact indigenous vegetation is found at the site. No endangered vegetation types occur on site.

The study area is not in a pristine state due to disturbance from agriculture and development.

(a) Nature of Impacts

Potential Impacts can be described as follows:

- o Alien plant invasion and the subsequent displacement of indigenous species.

(b) Discussion

The proposed development footprint will be situated on previously disturbed areas.

(c) Mitigation

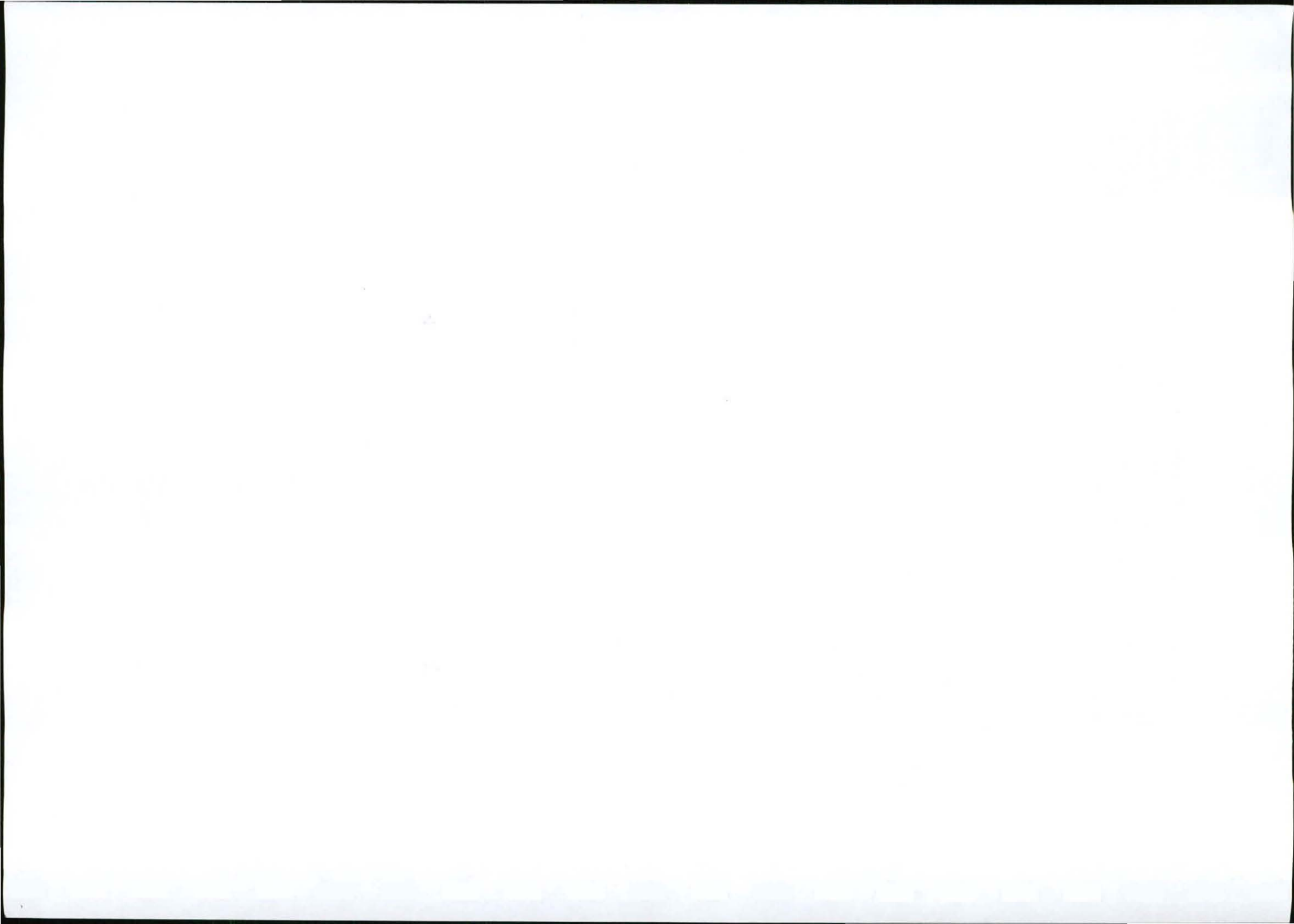
- No indigenous vegetation clearing will take place.
- The proposed development will apply accepted soil conservation and environmental management practices, which will prevent soil erosion. In addition no development will take place on steep slopes, which would also prevent erosion and contribute to estuarine environment not being degraded. The entire development will be zoned as Open Space III, used for Conservation, Nature reserve as per Provincial Gazette Extraordinary, 23 May 2008.
- An Environmental Control Officer (ECO) should be designated on site to take responsibility for the protection of sensitive habitats during the construction phase of the project;
- No-go areas must be clearly demarcated prior to the establishment of the contractor on site.
- A search and rescue operation must be undertaken prior to site clearing. Species which can be used for landscaping on site should be transplanted to a temporary plant nursery and then returned once construction is complete;
- According to the Conservation of Agricultural Resources Act (Act No. 43 of 1983) all declared alien weeds and declared invader plants must be effectively removed by the landowner; and
- Only plants indigenous to the area should be planted in gardens.

5.3.3 Soil Loss and Erosion Impacts

The clearing and removal of vegetation will expose soils to wind and rain and may result in localised erosion.

(a) Mitigation

- Adequate attenuation measures must be put in place to ensure that water velocities are reduced and that gully formation does not occur.



- Applying accepted soil conservation and environmental management practices which will prevent soil erosion and in addition no development will take place on steep slopes, which would also prevent erosion and contribute to estuarine environment not being degraded.
- Topsoil's are to be separated from subsoil and should be stockpiled in piles no greater than 1,5m in height.

5.3.4 Visual impacts

The rural character and sense of place of the site may be altered by visual impacts associated with the proposed development

(a) Discussion

Aspects that have a strong visual influence with regard to the development proposal include:

- Construction camps, plant and vehicles during construction phase; and
- Visual impact of development during operation phase

(b) Mitigation

- Adhering to good housekeeping during the construction phase to ensure that construction camps and sites are well organised, material is neatly stacked and waste is regularly removed;
- The architect has suggested a number of ways in which the visual impact will be mitigated, as included in the application. The architect has developed design standards which will limit the visibility of the units. Glass will tilt off vertical to reflect downwards. Natural matte finishes which will blend into the landscape will be used.
- Facilitating the establishment of vegetation cover.

5.3.5 Noise Impacts

(a) Discussion

Noise levels are expected to rise during the construction phase of the development. Construction activities that cause noise include vehicle trafficking, generator noise, pressure hammers and winches, construction worker voices etc. People closest to the construction activities, i.e. properties adjacent to the proposed development will be most affected by the increase in the noise levels.

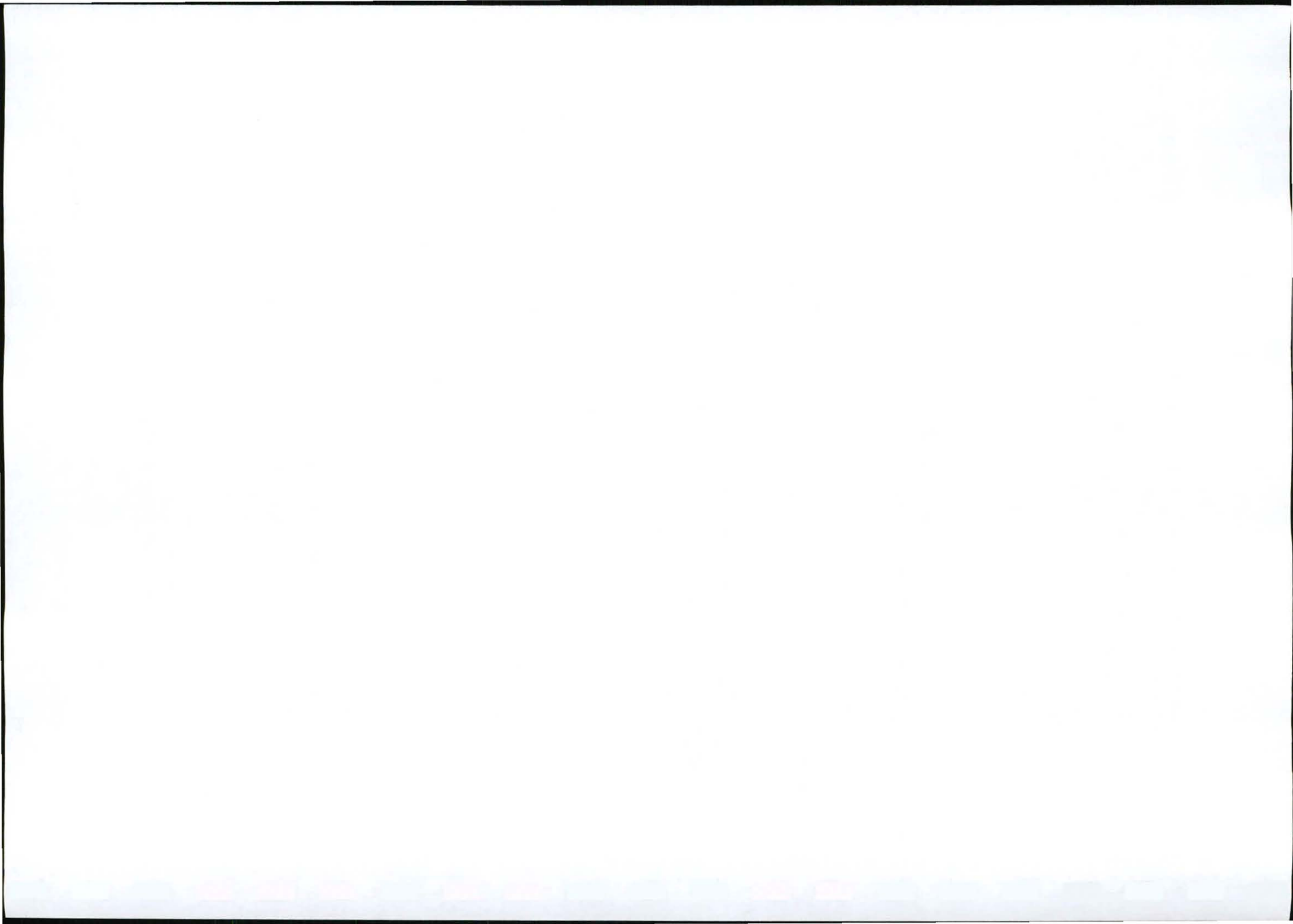
The significance of the noise impact is considered to be of low significance however the following should be considered as part of normal, responsible construction practice:

(b) Mitigation

- Restriction of construction activities to daytime (normal working hours 8:00 to 17:00) and weekdays only;
- Restrict the use of heavy machinery; and
- Ensure all plant is fitted with silencers that are properly maintained.

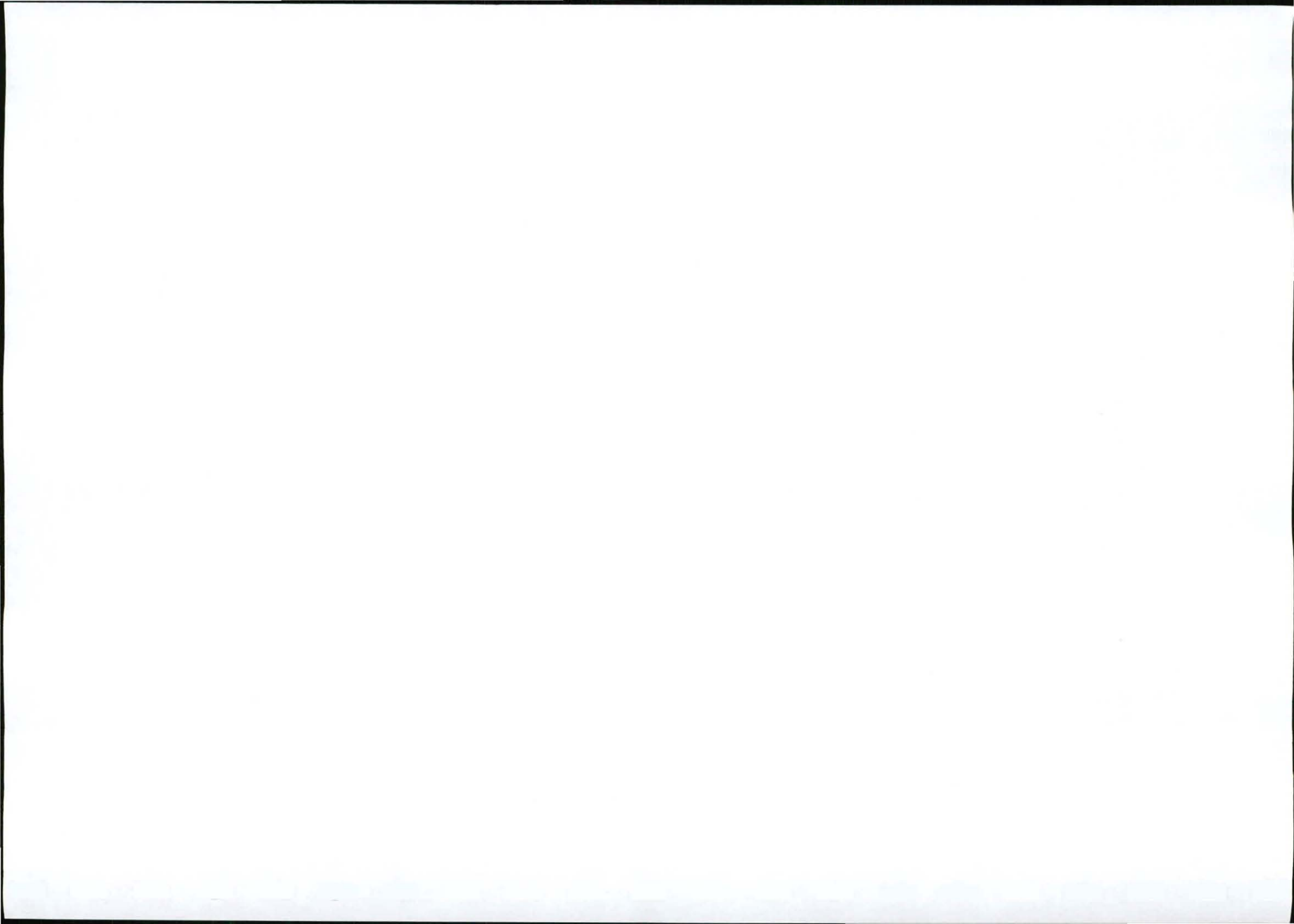
5.3.6 Heritage Impacts

Although no specialist investigation was undertaken, no known features of cultural, historical or heritage impact were identified during the site inspection. The potential impact of the



proposed development on the heritage value of the area is considered to be of low significance.

Any potential heritage features uncovered during the construction activities should be reported to the engineer, developer and the South African Heritage Resources Authority (SAHRA) or Eastern Cape Heritage Resources Agency (ECHRA) immediately.



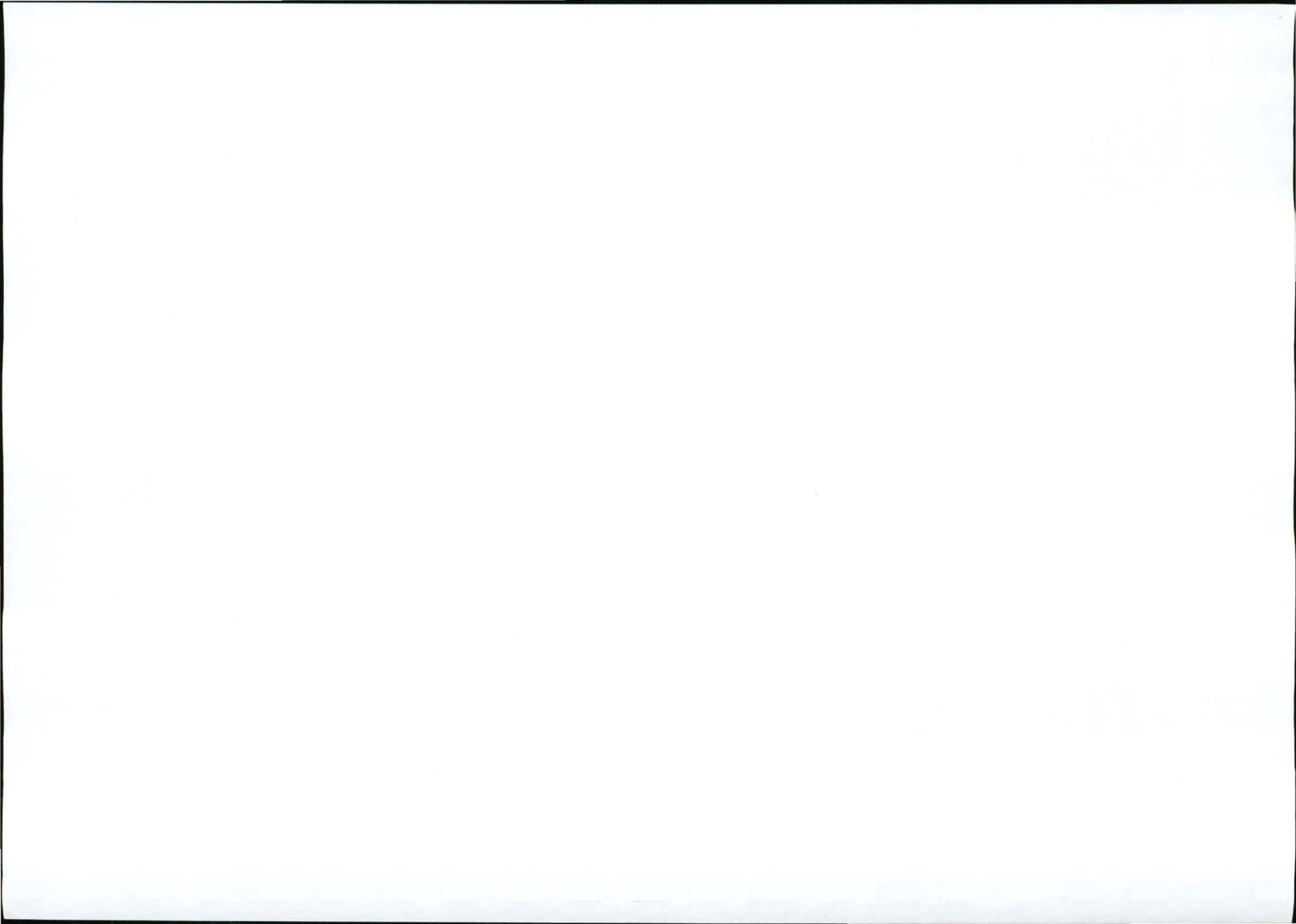
6 CONCLUSION

This report details the findings of a DFA Scoping Report as part of the Basic Assessment Procedures and related public participation component to identify key issues associated with the proposed projects at Areena Rivendell Estate & Areena Island View Resort

Out of these key issues, no ecological fatal flaws were identified for the proposed development at Areena Rivendell Estate & Areena Island View Resort that should prevent the project from taking place. All potential environmental impacts are considered to be of low significance and there are no impacts of concern that cannot be mitigated against.

It is recommend that an Environmental Management Plan be developed prior to construction commencing, approved by DEDEA and be incorporated into the relevant contract documentation of the preferred contractor.

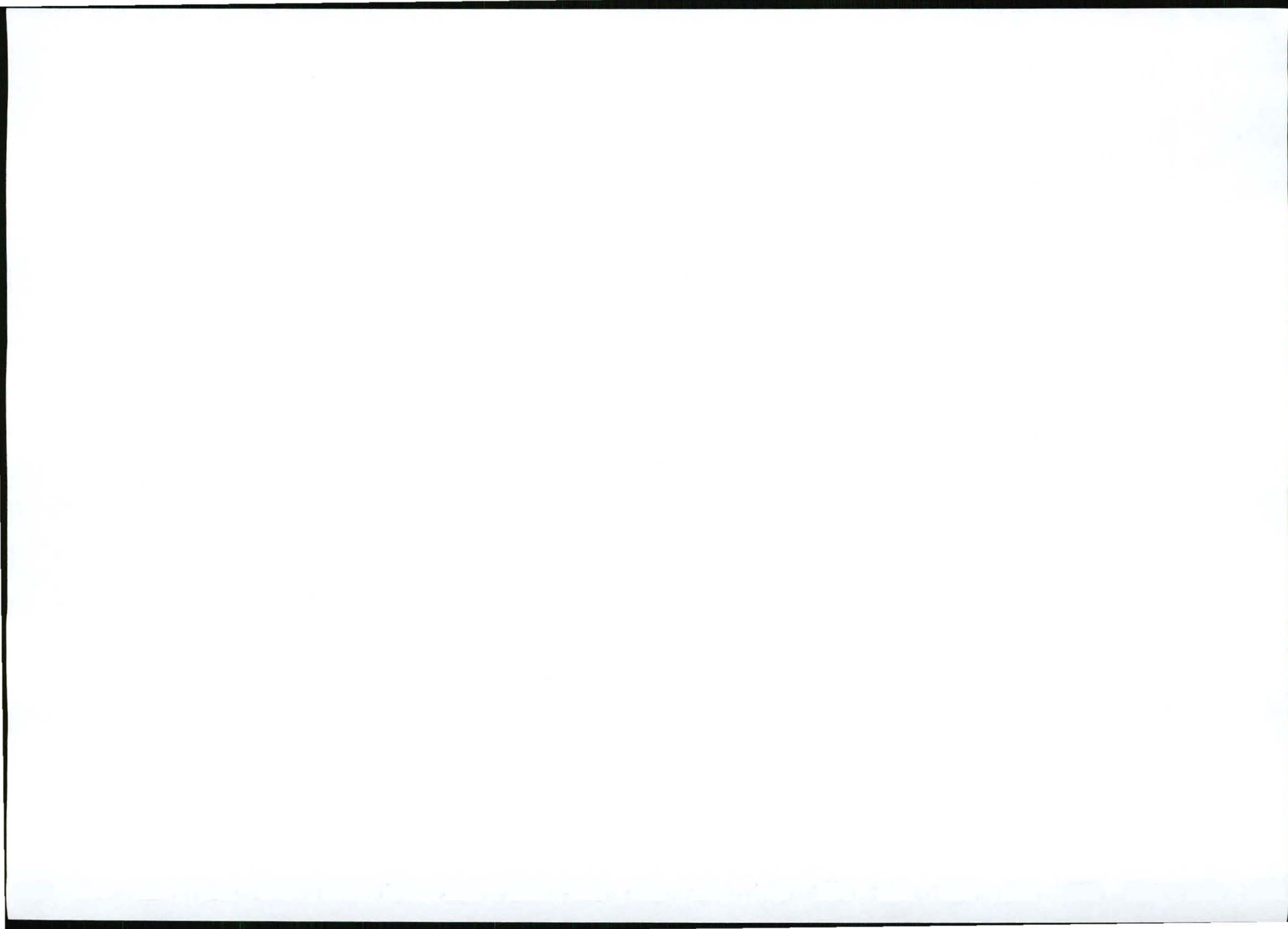
The appointment of an Environment Control Officer is recommended for the construction phase of the development.



7 REFERENCES

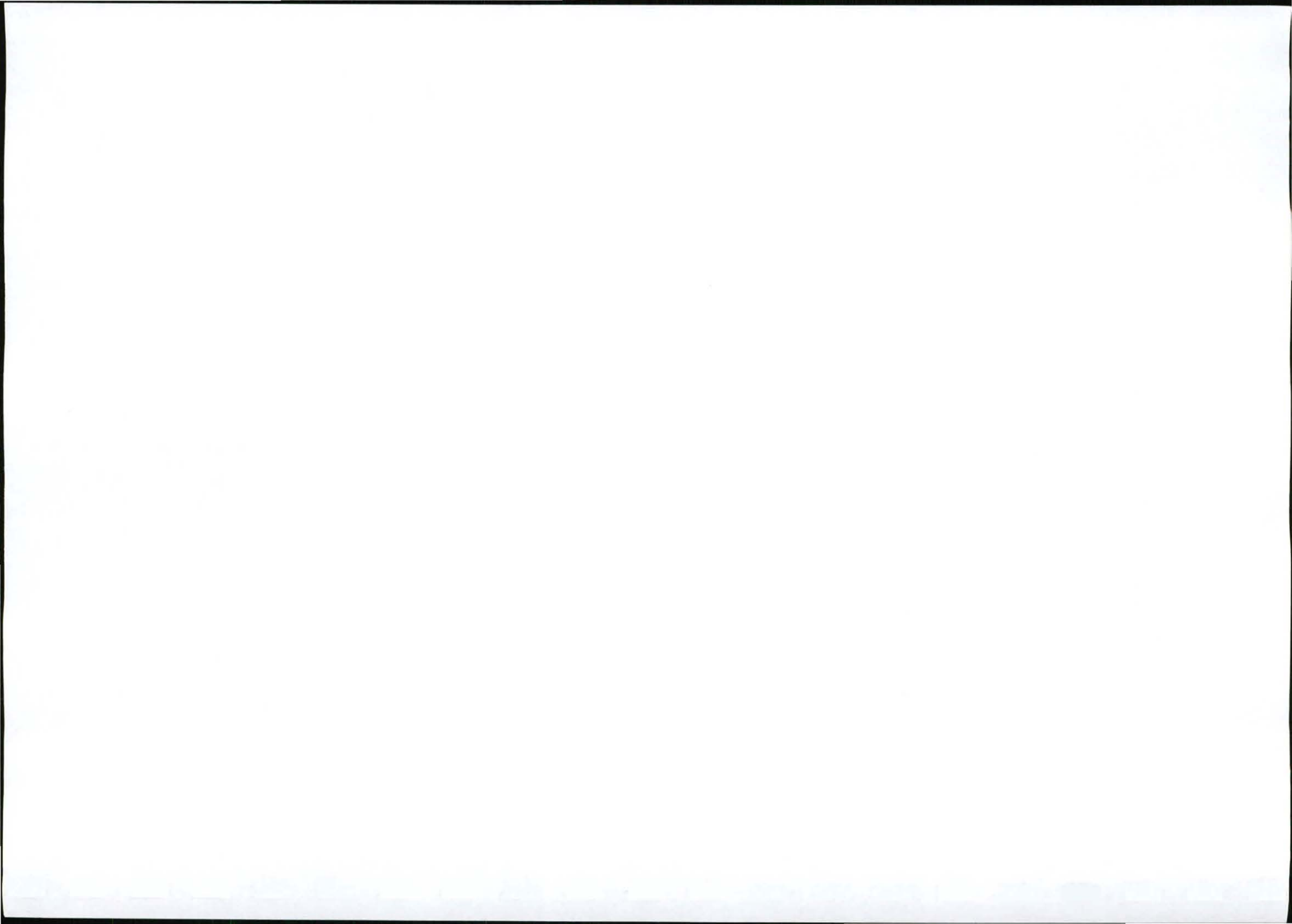
Pierce, S. M. (2003). THE STEP Handbook. Integrating the natural environment into land use decisions at the municipal level: Towards sustainable development, Terrestrial Ecology Research Unit Report No. 47, University of Port Elizabeth, South Africa.

Pierce, S.M. (2003): The STEP Mapbook, part of: The STEP Handbook. Integrating the natural environment into land use decisions at the municipal level: towards sustainable development. Terrestrial Ecology Research Unit Report No. 47. University of Port Elizabeth, South Africa.



ANNEXURE M

Home Owners Association Agreement



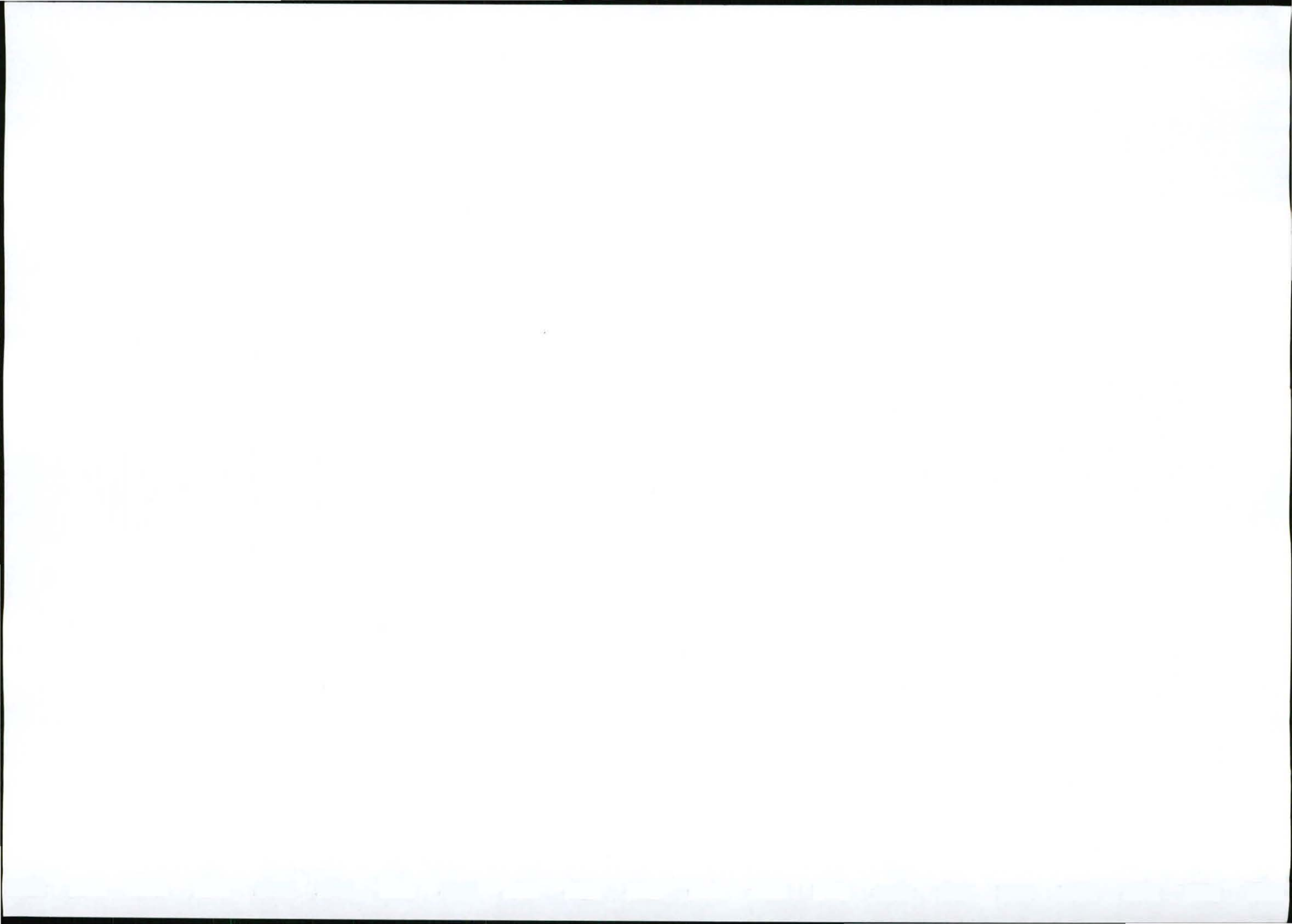
AREENA RIVENDELL ESTATE

DRAFT

HOME OWNERS' ASSOCIATION CONSTITUTION

TABLE OF CONTENTS

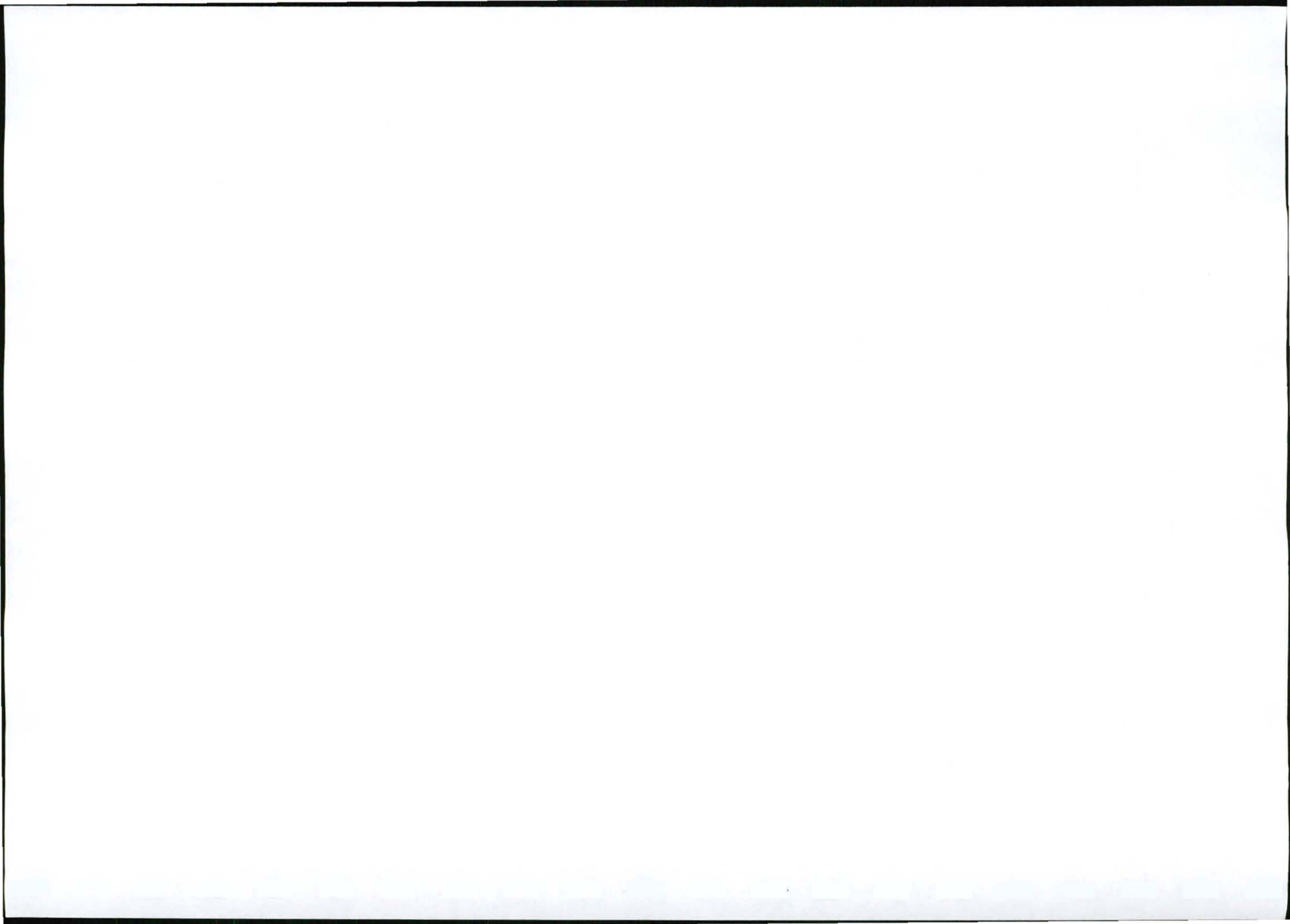
1. DEFINITIONS
2. INTERPRETATION
3. COMMENCEMENT DATE AND STATUS
4. OBJECTS AND RESPONSIBILITIES OF THE ASSOCIATION
5. MEMBERSHIP OF THE ASSOCIATION
6. LEVIES
7. ENTRENCHED PROVISIONS
8. RESPONSIBILITY FOR PAYMENT OF RATES, TAXES AND SERVICES
9. SERVICES
10. ARCHITECTURAL GUIDELINES AND CONTROLS
11. MANAGEMENT AND CONDUCT RULES (GENERAL)
12. MANAGEMENT AND CONDUCT RULES (ENVIRONMENT)
13. TRUSTEES
14. REMOVAL AND ROTATION OF TRUSTEES
15. TRUSTEES EXPENSES AND REMUNERATION
16. POWERS OF TRUSTEES
17. PROCEEDINGS OF TRUSTEES
18. GENERAL MEETINGS OF THE ASSOCIATION
19. NOTICES OF MEETINGS
20. PROXIES
21. QUORUM
22. ADJOURNMENT BY CHAIRMAN WITH CONSENT OF MEETING
23. VOTING RIGHTS OF MEMBERS
24. ACCOUNTING RECORDS
25. SERVICE OF NOTICES
26. INDEMNITY
27. GENERAL
28. DISPUTES
29. ESTATE MANAGER
30. AMENDMENT



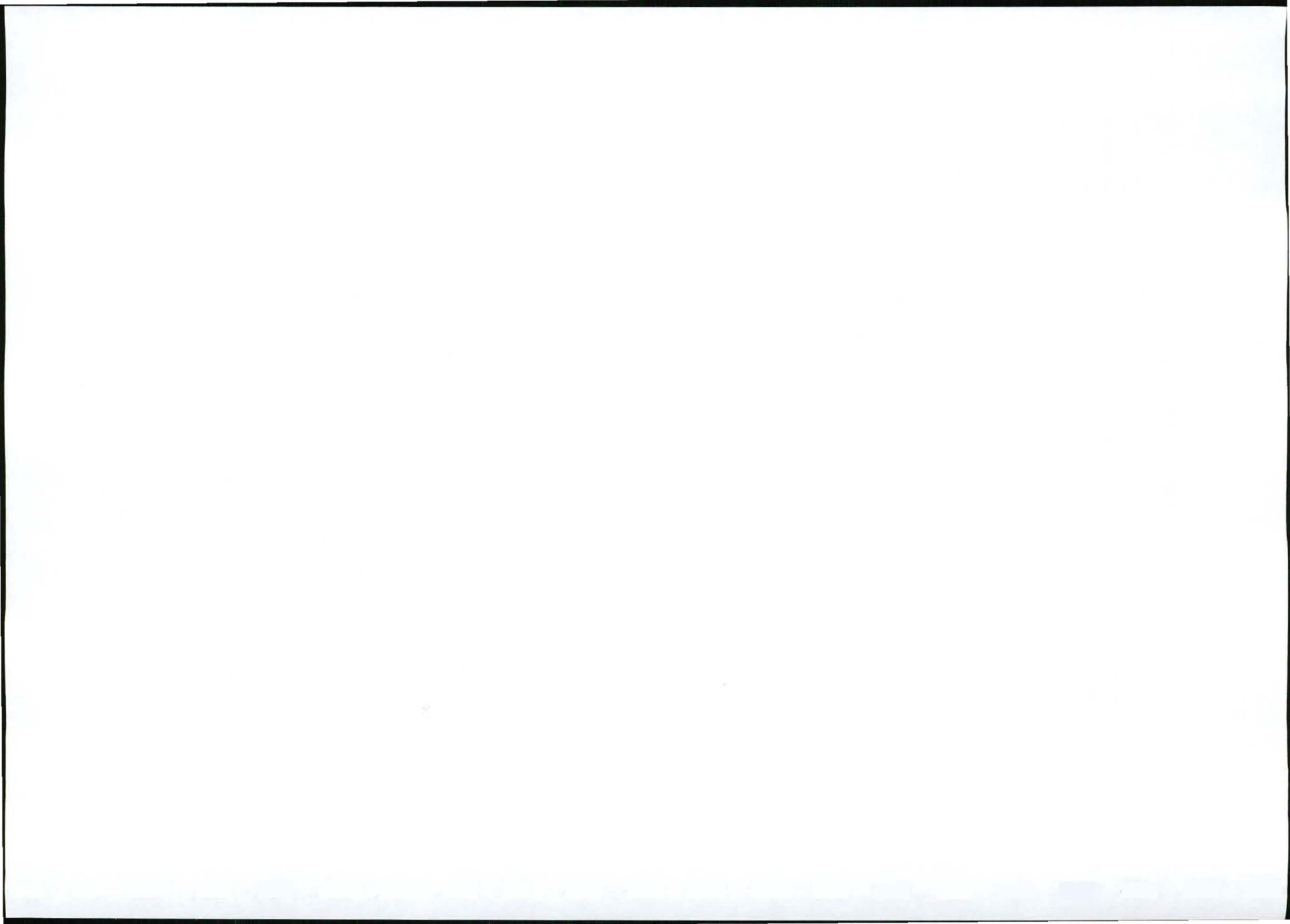
1. DEFINITIONS

In this constitution, unless the context indicates to the contrary, the following words and expressions shall have the meanings ascribed thereto:

- 1.1 "authorized representative"** means a person authorized to act as the representative of any natural person, company or association of persons, as the case may be;
- 1.2 "architectural guidelines"** means the Architectural Guidelines and Controls embodied in the annexure hereto in respect of the development approved by the Tribunal, as amended from time to time;
- 1.3 "Association"** means the Areena Rivendell Home Owners' Association;
- 1.4 "auditors"** means the auditors appointed by the developer during the construction phase or by the trustees at any time subsequent to the construction phase;
- 1.5 "chairperson"** ~~means the chairperson for the time being of the Board of Trustees appointed in terms of clause 13;~~
- 1.6 "common property"** means the whole of the land development area and all improvements thereon, including any access road and/or right of access by virtue of servitude, but excluding the residential erven;
- 1.7 "Companies Act"** means the Companies Act No. 61 of 1973 and any amendment thereof;
- 1.8 "constitution"** means the constitution of the Association (together with all annexures thereto) approved by the Tribunal or responsible local authority, as the case may be, in terms of Section 29 of the Ordinance and any amendments thereto effected in terms of this constitution;
- 1.9 "construction phase"** means:
- 1.9.1** the period from the date of establishment of the Association until all the residential erven within the land development area have been sold and transferred to the purchasers thereof by the DEVELOPER; and
- 1.9.2** all of the dwelling houses of the registered owners of the erven referred to in 1.9.1 have been completed; and
- 1.9.3** the DEVELOPER notifies the Association in writing that the development has been completed;
- 1.10 "Council"** means the Council of the Great Kei Municipality and its successors in title;



- 1.11** **"developer"** means Areena Resort Trust No. IT 2662/1966 and includes its successors- in- title or assigns;
- 1.12** **"developer trustee"** means a trustee appointed by the developer;
- 1.13** **"development area"** means the land situated within the approved land development area as more fully shown on the Land Development Area Plan No. 5965.06 annexed hereunto marked "Annexure A";
- 1.14** **"erf"** means any stand, portion or subdivision of the land development area and includes all improvements thereon;
- 1.15** **"Estate"** means the whole of the land development area including the residential erven and the common property included therein and as shown on the subdivision plan annexed hereto and marked Annexure "B";
- 1.16** **"facilities"** means all and any facilities or amenities of whatever nature that may be ~~provided within the land development area and that forms part of the common property;~~
- 1.17** **"financial year"** means the financial year of the Association, commencing from the first day of March in each year until the last day of February in the following year;
- 1.18** **"levy"** means the levy or levies referred to in clause 6;
- 1.19** **"manager"** means the Estate Manager appointed by the DEVELOPER or TRUSTEES from time to time in terms of clause 29;
- 1.20** **"member"** means a member of the Association;
- 1.21** **"member trustee"** means a trustee appointed by the members;
- 1.22** **"minutes"** means the minutes of a general meeting or a trustees meeting, as the context may indicate;
- 1.23** **"operational phase"** means the period after the construction phase has been ended and the approved land development area has been completed;
- 1.24** **"Ordinance"** means the Land Use Planning Ordinance No. 18 of 1985;
- 1.25** **"person"** means a natural person, juristic person including a close corporation, company, trust or association of persons, as the context may indicate or require;
- 1.26** **"registered owner"** means a registered owner of an erf as registered in the office of the Registrar of Deeds at King Williamstown;

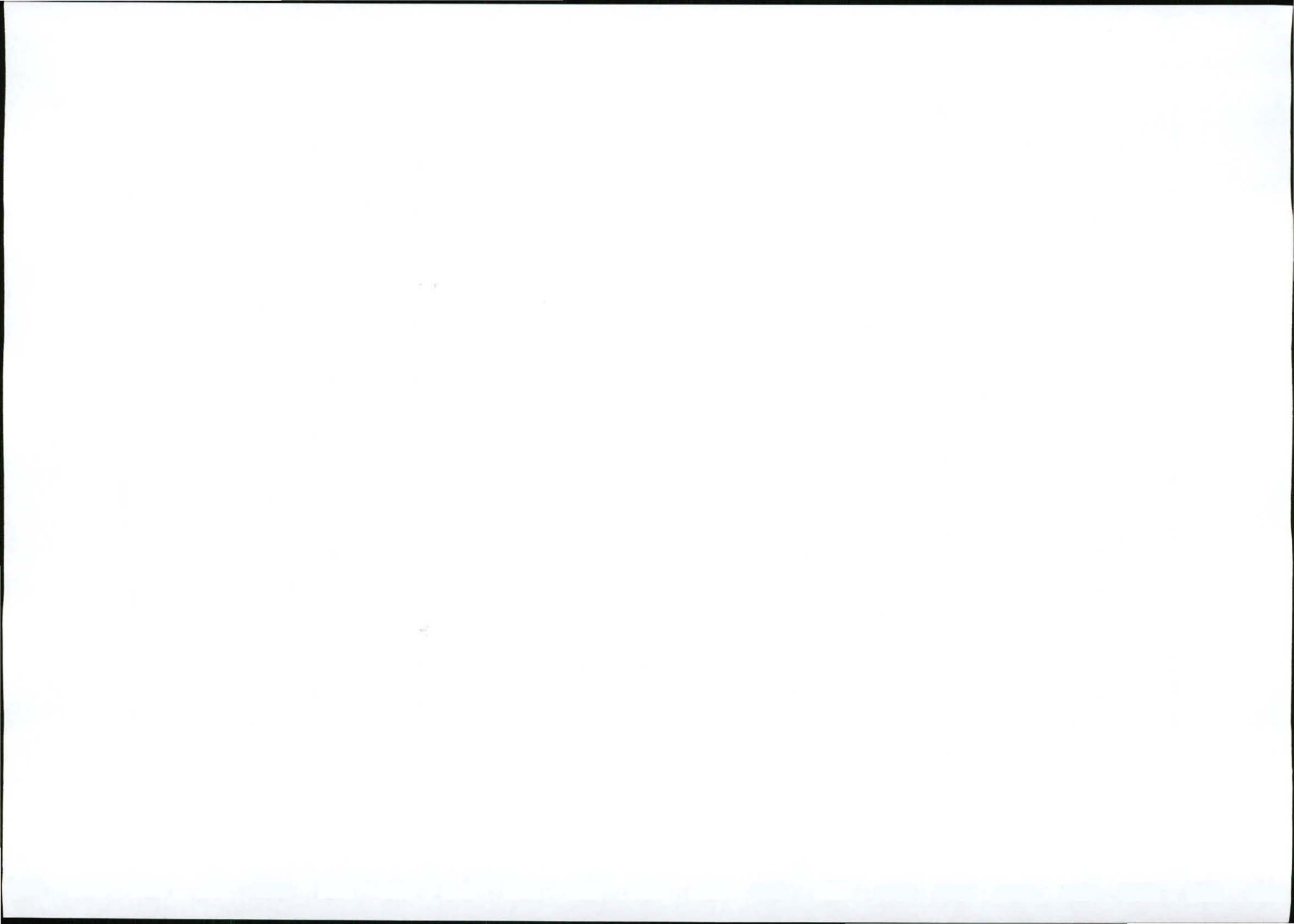


- 1.27 "Rules"** means, as the context may require, this constitution, the Environmental Management Plan, the resolutions of the ASSOCIATION and any other rules which are binding on the members.
- 1.28 "Tribunal"** means the Eastern Cape Development Tribunal established in terms of the Development Facilitation Act No. 67 of 1995;
- 1.29 "review committee"** means, until the construction phase has lapsed, the developer and the architect appointed by the DEVELOPER acting together and, after such period, a committee of at least three persons appointed by the trustees;
- 1.30 "services"** means such utilities and amenities as may be provided by or on behalf of the Association for the registered owners and/or residents within the Estate;
- 1.31 "trustees"** means the TRUSTEES of the Association consisting of the DEVELOPER TRUSTEES and/or MEMBER TRUSTEES.

2. INTERPRETATION

In this constitution:

- 2.1** the clause headings are for convenience only and shall be disregarded in the interpretation thereof;
- 2.2** unless the context clearly indicates a contrary intention -
- 2.2.1** the singular shall include the plural and vice versa;
 - 2.2.2** a reference to any one gender shall include the other gender;
 - 2.2.3** a reference to natural persons shall include juristic persons and vice versa.
- 2.3** words and expressions defined in any clause shall have the defined meaning in that and subsequent clauses, unless provided to the contrary;
- 2.4** when any number of days is prescribed in this constitution, such days shall be calculated exclusive of the first and inclusive of the last day, unless the last day falls on a Saturday, Sunday or public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day that is not a Saturday, Sunday or public holiday;
- 2.5** where figures are referred to in numerals and words, the words shall prevail in the event of a conflict between the two;



- 2.6 if any provision of this constitution is in conflict or inconsistent with any law of the Republic of South Africa, the invalidity of any such provision shall not affect the validity of the remaining provisions of this constitution;
- 2.7 if any provision in any definition in this constitution is a substantive provision conferring rights or imposing obligations on any of the members, then, in such an event, effect shall be given to it as if it were a substantive provision in the body of the constitution;
- 2.8 the annexures to this constitution are deemed to be incorporated in and form an integral part of this constitution;
- 2.9 all references to the Companies Act relate to procedural and accounting matters of the Association only and should be read with any changes required by the context.

3. COMMENCEMENT DATE AND STATUS

3.1 The ASSOCIATION will be established as a legal persona in accordance with Section 29 of the Ordinance ~~simultaneously with the registration of the first transfer of an erf in the~~ Estate to a third party other than the ASSOCIATION or the developer.

3.2 Pursuant to its constitution, the ASSOCIATION shall:

3.2.1 be a legal entity and exist independently of its members;

3.2.2 enjoy perpetual succession;

3.2.3 be capable of being sued or to sue with reference to any agreement entered into by the ASSOCIATION, any damage caused to any property of the ASSOCIATION or any matter arising from this constitution;

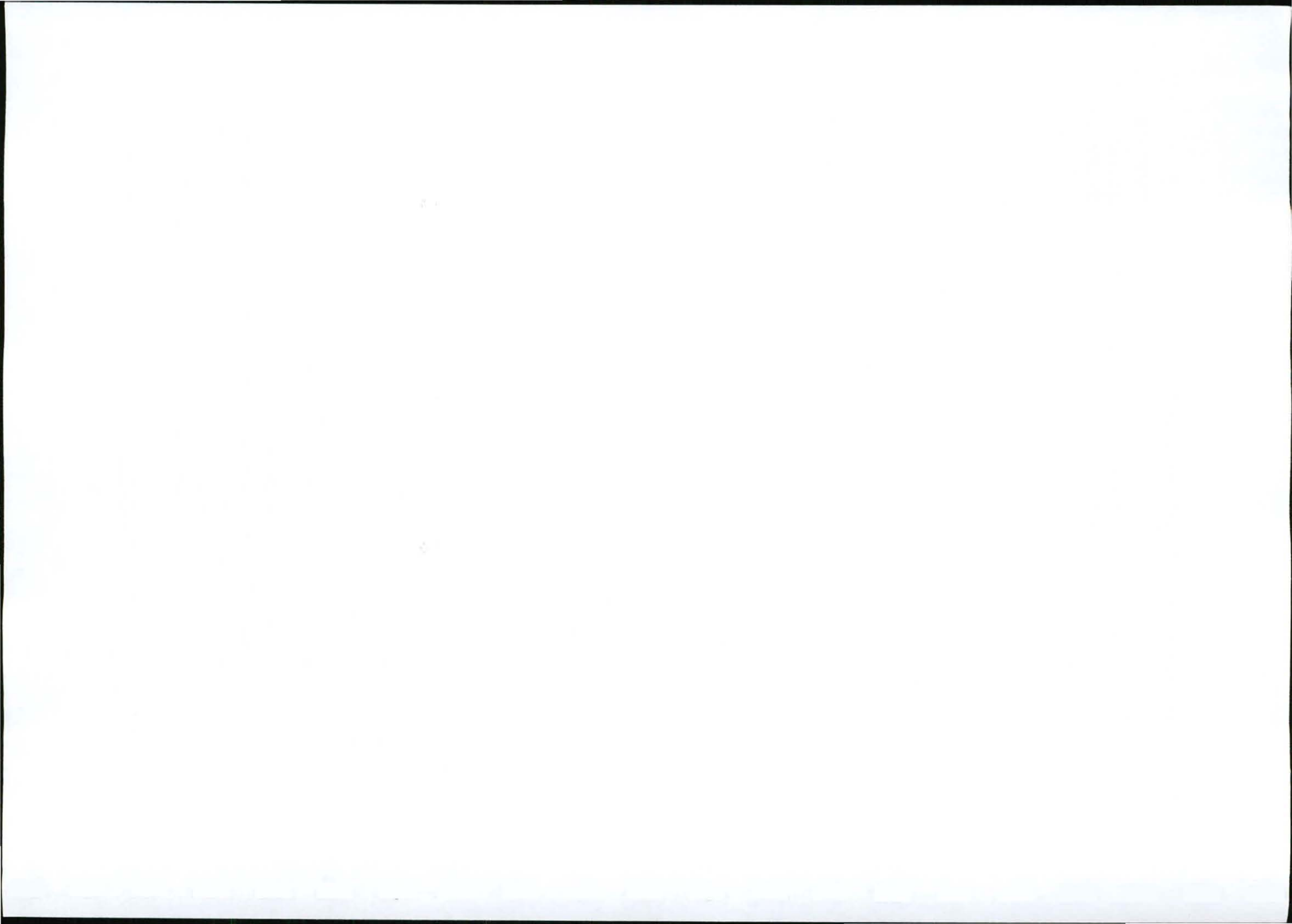
3.2.4 not operate for profit for the benefit of the members;

3.3 No member in his personal capacity shall have any right, title or interest to or in the funds or assets of the ASSOCIATION which shall vest in and be controlled by the trustees thereof.

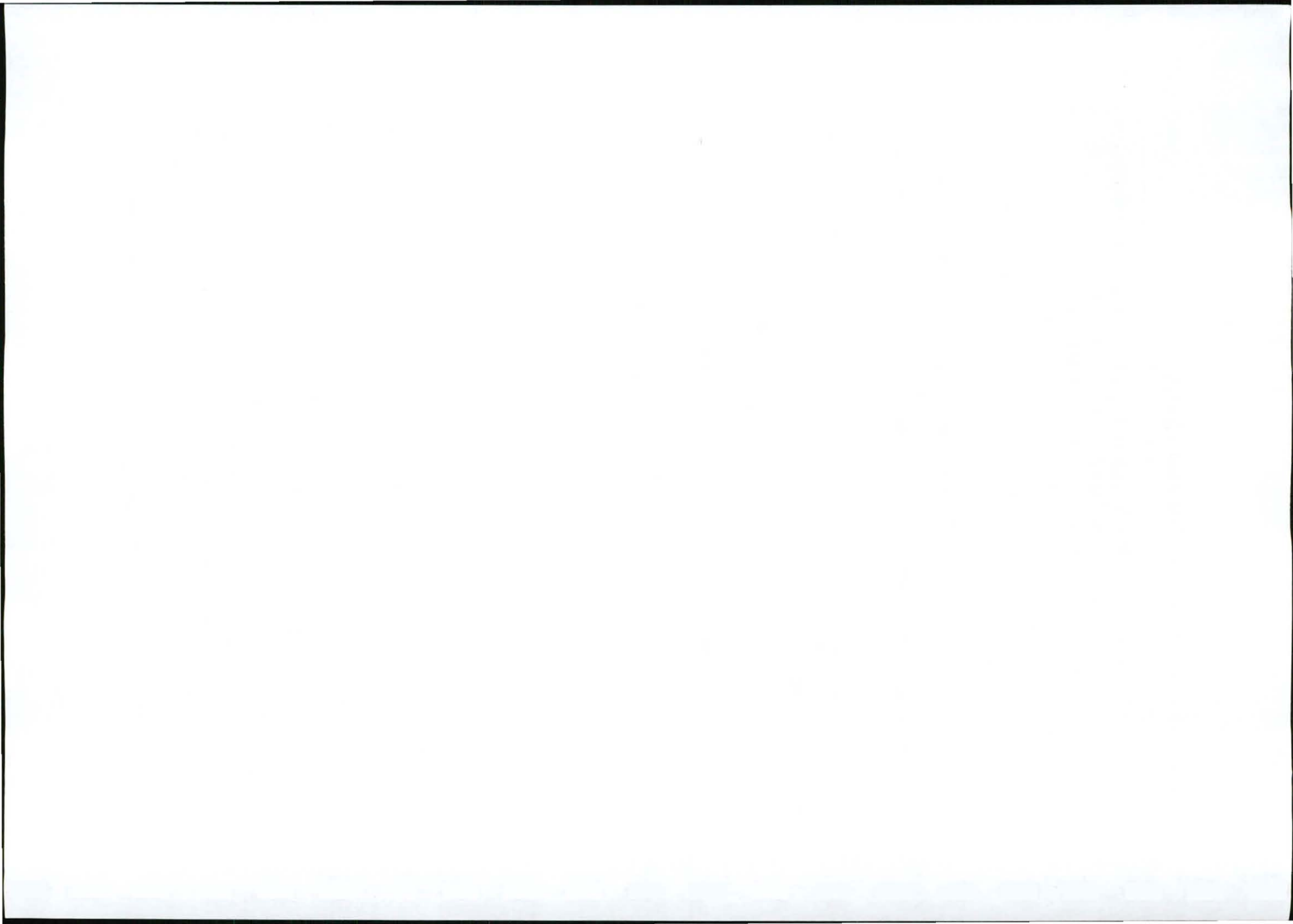
4. OBJECTS AND RESPONSIBILITIES OF THE ASSOCIATION

4.1 It is recorded that the development of the Estate is of a homogenous nature and that, notwithstanding the fact that members hold title to their erven individually, the ASSOCIATION, through its trustees, shall have all the powers that are necessary and incidental to enable it to accomplish all the objects of the ASSOCIATION, including but not limited to the powers specifically contained in this constitution.

4.2 The ASSOCIATION shall have the following objectives:



- 4.2.1** to act as a Home Owners' Association established in terms of Section 29 of the Ordinance for the Estate developed on the land development area and, in particular, to ensure that the matters referred to in Section 29(2)(b) and (c) of Ordinance are adhered to and complied with;
 - 4.2.2** to take transfer of those portions of the common property that are to be owned by the ASSOCIATION for the benefit of its members;
 - 4.2.3** to enter into agreements of servitude in its favour for the benefit of its members;
 - 4.2.4** to manage, oversee and control all security aspects of the Estate;
 - 4.2.5** to enter into agreements for the provision of services, inter alia including the provision of water, electricity and sewerage services to the ASSOCIATION and where required, to supply such services to the various members of the ASSOCIATION;
 - ~~**4.2.6** to administer and enforce the Architectural Guidelines and Controls;~~
 - 4.2.7** to control the registration of transfer of erven in the Estate and ensure compliance within the Estate with all conditions imposed by the Tribunal and the local authority when approving the Estate.
- 4.3** The ASSOCIATION shall be responsible to ensure compliance, implementation, and enforcement, in respect of the Estate, of any condition imposed by any authority in terms of the Environmental Conservation Act No. 73 of 1989, the National Environmental Management Act No. 117 of 1998 or any other environmental law. To this end, it is recorded that an Environmental Management Plan ('EMP'), in terms of the applicable legislation and record of decision of the Department of Economic and Environmental Affairs, has been prepared by the developer and approved by the relevant statutory bodies for both the construction and operational phases of the development. Such plan shall be strictly complied with by the members of the Association. Salient terms of such plan have been included in this constitution and the EMP shall be made available to all members of the Association, contractors and guests to the Estate for the purpose of serving as a guideline on all issues effecting the environment. The aforesaid EMP forms an annexure to the Architectural Guidelines and Controls.
- 4.4** Without limiting the generality of clauses 4.2.1 to 4.2.7, the ASSOCIATION shall have the following powers and functions:
- 4.4.1** The responsibility to maintain, repair, improve and keep in good order and condition the common property and the responsibility for the payment of all rates and taxes, all services, charges and other taxes and/or levies charged and payable to the Council or any authority in respect of the



common property or Estate and/or for payment of the salaries and/or wages of the employees of the ASSOCIATION and generally for the payment of all expenses necessarily or reasonably incurred in connection with the management of the ASSOCIATION, and the ASSOCIATION'S affairs, including all and any expenses reasonably or necessarily incurred in the attainment of the objects of the ASSOCIATION or the pursuit of its business.

4.4.2 The right to impose levies upon the members of the ASSOCIATION for the purpose of meeting all the expenses which the ASSOCIATION has incurred or to which the trustees reasonably anticipate the ASSOCIATION will incur for the purpose of attaining the objects of the ASSOCIATION or for the pursuit of its business.

4.4.3 To ensure that all provisions of this constitution are complied with by all members/parties bound thereby.

4.4.4 To promote, advance and protect the Estate, the environment and the interests of the ASSOCIATION and all members.

4.5 The responsibility for the management and control of the common property shall be transferred from the developer to the ASSOCIATION upon transfer of the first erf in the Estate. The developer will, however, remain obliged and responsible to complete the development programme in accordance with the conditions of approval imposed by the Tribunal and any other statutory body.

5. MEMBERSHIP OF THE ASSOCIATION, DUTIES AND OBLIGATIONS OF MEMBERS

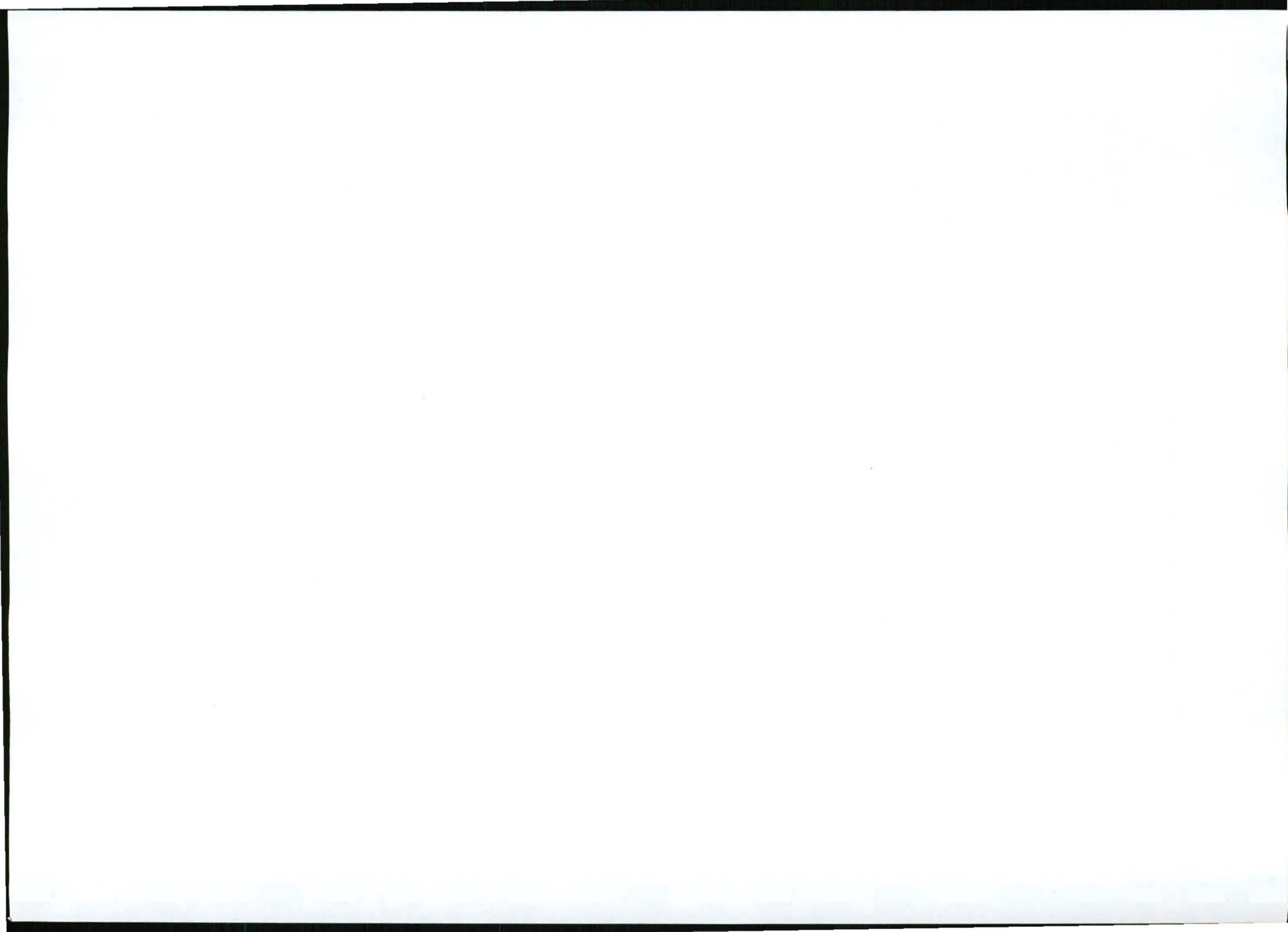
5.1 Membership of the ASSOCIATION shall be compulsory for every registered owner of an erf in the Estate.

5.2 Membership shall commence together with registration of transfer of an erf into the name of the transferee.

5.3 Membership of the ASSOCIATION shall be limited to the registered owners of erven in the Estate provided that:

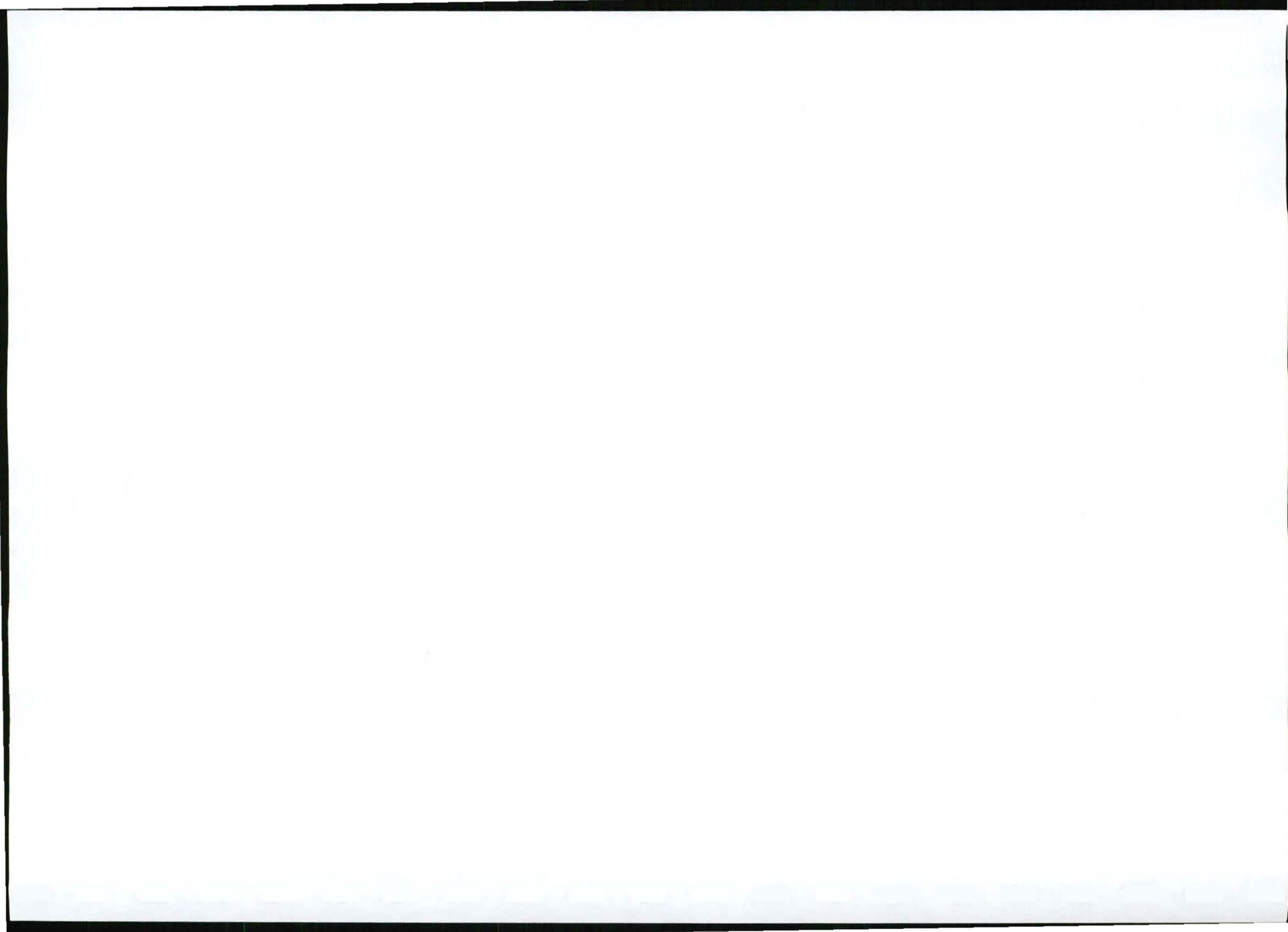
5.3.1 the developer shall be deemed to be a member of the ASSOCIATION during the construction phase and be subject to the provisions of this constitution on account of him being the owner of unsold erven in the Estate;

5.3.2 where any such registered owner is more than one person, all the registered owners of the erf shall be deemed jointly and severally to be one member of the ASSOCIATION and shall nominate one of them to represent them and to vote at meetings of the ASSOCIATION. When a member ceases to be the registered owner



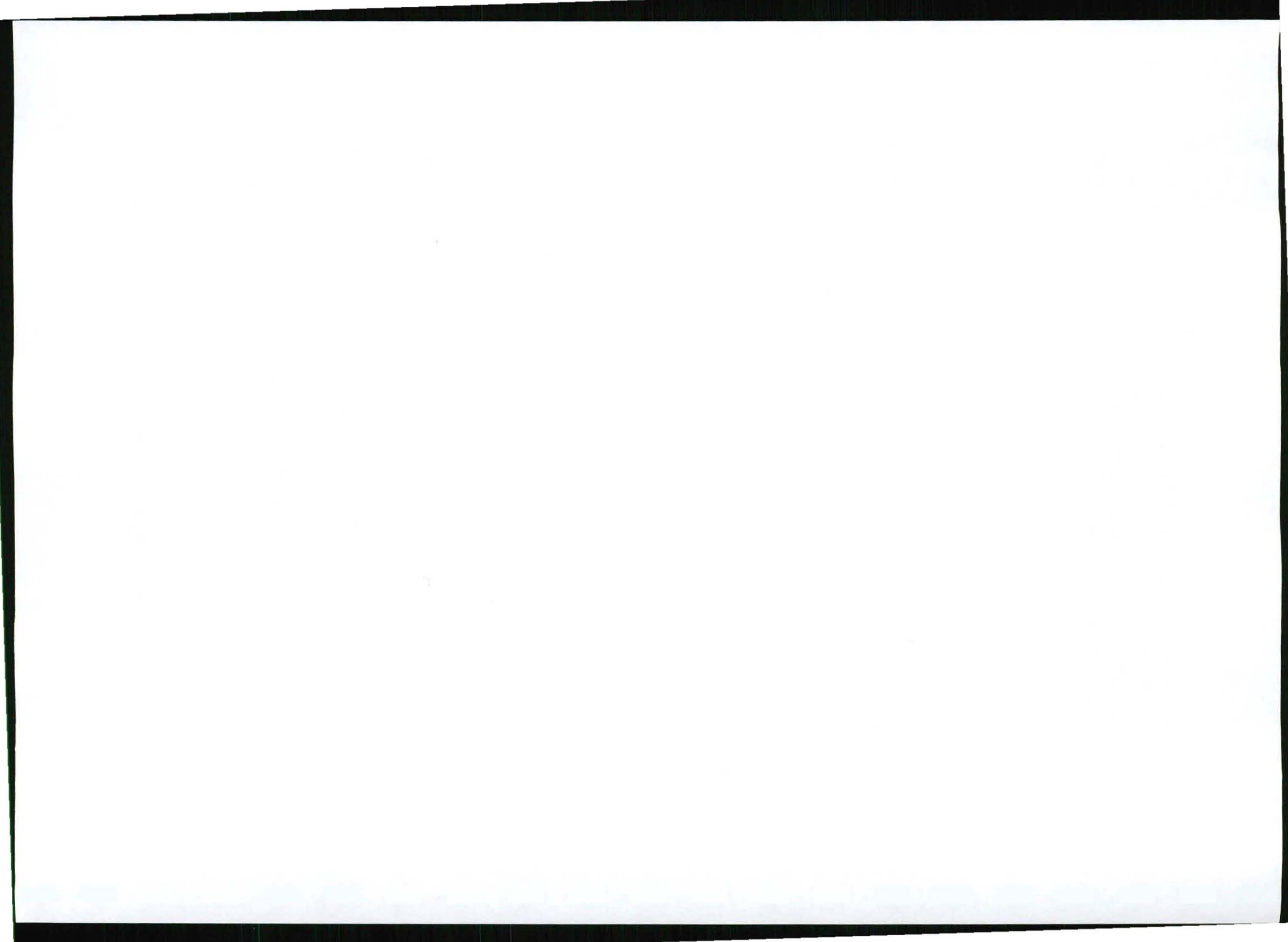
of an erf, he shall ipso facto cease to be a member of the ASSOCIATION, save for the developer who shall remain a member of the ASSOCIATION during the construction phase.

- 5.4** The rights and obligations of the members shall rank in accordance with the provisions of this constitution.
- 5.5** Anything to the contrary hereinbefore contained or implied notwithstanding, the cessation of his membership shall in no way release a member from any obligation undertaken by him prior to the cessation of his membership pursuant to:
- 5.5.1** any provision of the constitution of the ASSOCIATION; or
 - 5.5.2** any further or ancillary guarantee, commitment or obligation which such member may have undertaken.
- 5.6** Membership shall be personal to the natural persons or entities in question and may not be assigned or transferred by them to any other natural person or entity.
- 5.7** The ASSOCIATION shall maintain at their office a register of members, which register shall be open to inspection by members.
- 5.8** The trustees may, by resolution, provide for the issue of a membership certificate, which certificate shall be in such form as may be prescribed by the trustees.
- 5.9** The trustees may by resolution further prescribe appropriate application documentation including, inter alia, the following:
- 5.9.1** an application to register as a member of the ASSOCIATION;
 - 5.9.2** an undertaking by a proposed member to comply with all the obligations imposed on members in terms of this constitution, including adherence to the provisions of the EMP, which undertaking must be signed by the proposed member and deposited with the ASSOCIATION prior to the ASSOCIATION issuing a clearance certificate or consent to transfer an erf in favour of such a proposed member from any existing member, provided always that this paragraph will not apply in respect of the transfer or alienation by the developer of an erf in favour of a proposed member;
- 5.10** The registered owner of an erf shall not be entitled to resign as a member of the ASSOCIATION;
- 5.11** Every member is obliged to comply with:



- 5.11.1** the provisions of this constitution and the provisions of the EMP, as well as any rules, procedures or regulations adopted by the ASSOCIATION in terms hereof;
- 5.11.2** the provisions of the Architectural Guidelines and Controls and such estate rules as may be imposed by the Association;
- 5.11.3** any agreement concluded by the ASSOCIATION insofar as such agreement may directly or indirectly impose obligations on a member in his capacity as a member;
- 5.11.4** any directive given by the trustees in enforcing the provisions of this constitution;
- 5.12** the rights and obligations of a member are not transferable and every member shall, to the best of his ability, further the objects and interests of the ASSOCIATION;
- 5.13** ~~a member shall be jointly liable for expenditure incurred in connection with the activities~~ of the ASSOCIATION. If a member consists of more than one person, such persons shall be jointly and severally liable in solidum for all obligations of a member in terms of this constitution;
- 5.14** a member shall not sell, alienate or give transfer of an erf unless:

 - 5.14.1** the proposed transferee has irrevocably bound himself to become a member of the ASSOCIATION and to observe the provisions of this constitution and EMP for the duration of his ownership of such erf;
 - 5.14.2** the ASSOCIATION acting through the trustees or the Estate Manager has issued a prior written clearance that all outstanding levies and all amounts of whatever nature owing to the ASSOCIATION by such member have been paid and that the member concerned is not in breach of any of the provisions of this constitution or the EMP; and
 - 5.14.3** the proposed transferee acknowledges that, upon the registration of transfer of the erf into his name, he shall ipso facto become a member of the ASSOCIATION;
 - 5.14.4** the conditions set out above are incorporated in the relevant Deed of Sale in terms whereof the transferee acquires the erf in question;
- 5.15** For the avoidance of doubt, it is recorded that the provisions of clause 5.14 do not apply to the developer and that there will be no restriction whatsoever on the ability of the developer to pass transfer of any erf and that, accordingly, the developer does not require



a clearance certificate from the ASSOCIATION before it will be entitled to alienate or transfer any erf to any person or entity;

5.16 No member shall apply to the local authority or any other relevant authority for the subdivision or rezoning of an erf owned by such member nor make application for any consent use or waiver or departure or any other dispensation whatsoever in respect thereof and such applications shall be prohibited by the insertion of a title deed restrictive condition in the title deed in terms of which the member owns an erf.

5.17 A member is required to ensure that the occupant of his erf, whether such occupation arises from an agreement of lease or otherwise, complies with the applicable provisions of this constitution, the EMP and any rules the Association may adopt. Without detracting from the foregoing, the member shall remain bound by this constitution notwithstanding such occupation and be jointly and severally liable for the acts and omissions of the occupant and for fulfilling his obligations under this constitution.

5.18 In order to ensure compliance with clause 5.17, each member shall, if he leases his dwelling in the Estate:

5.18.1 enter into a written lease with the tenant in which the tenant is required to accept compliance with the rules issued by the Association, and to give an undertaking that he will abide by such rules;

5.18.2 report to the ASSOCIATION the full details of tenant concerned for security reasons prior to such tenant taking of occupation of the leased dwelling;

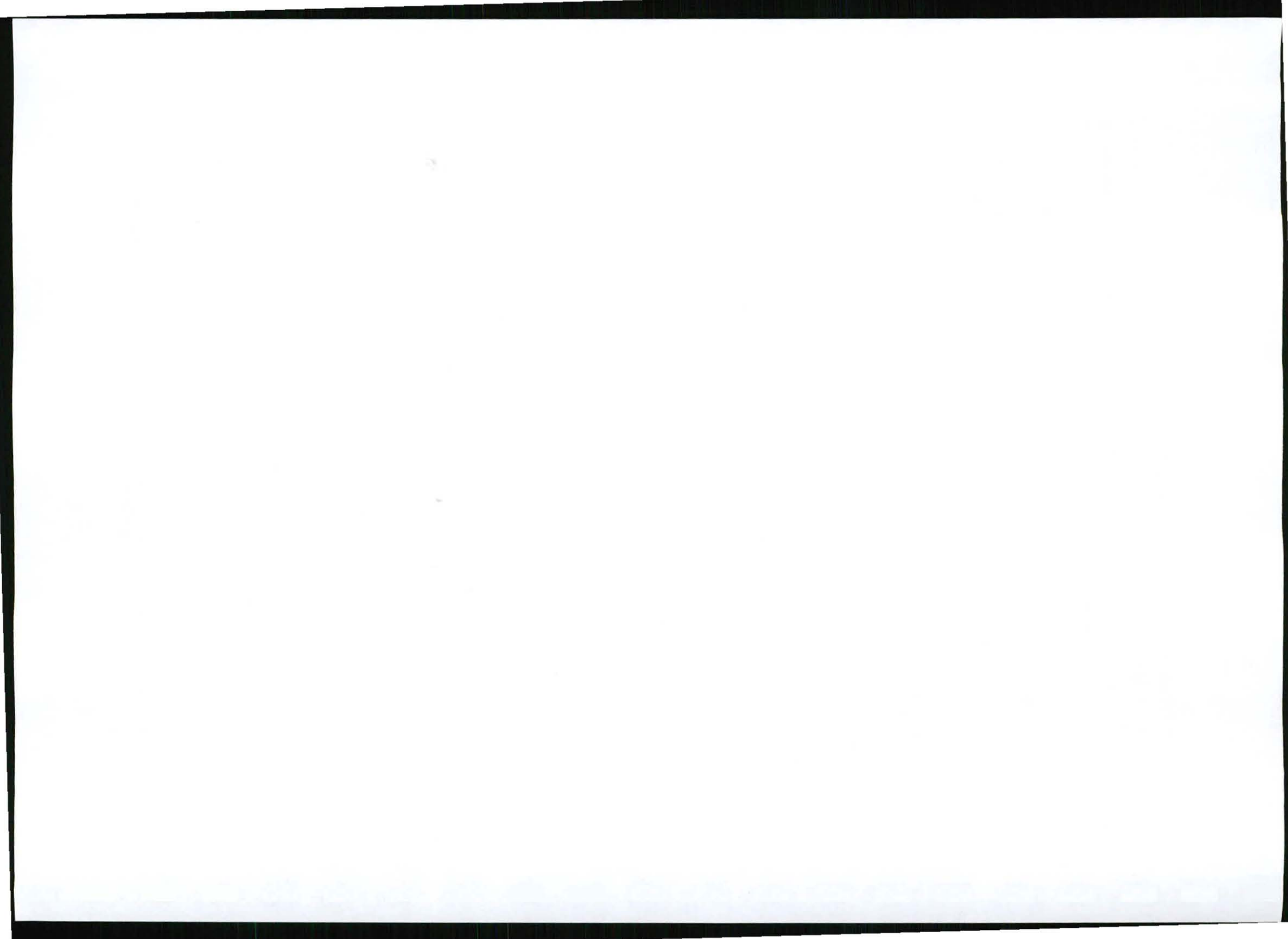
5.18.3 be responsible to ensure that the tenant does thus register himself with the ASSOCIATION prior to taking occupation.

6. LEVIES

6.1 The ASSOCIATION shall establish and maintain a levy fund for the purposes of meeting all expenses of the ASSOCIATION in respect of:

6.1.1 the control, management and administration of the Estate, including specifically the protection and replacement, where required, of indigenous vegetation, weeding programs to control alien vegetation and implementation of the operational phase of the EMP generally;

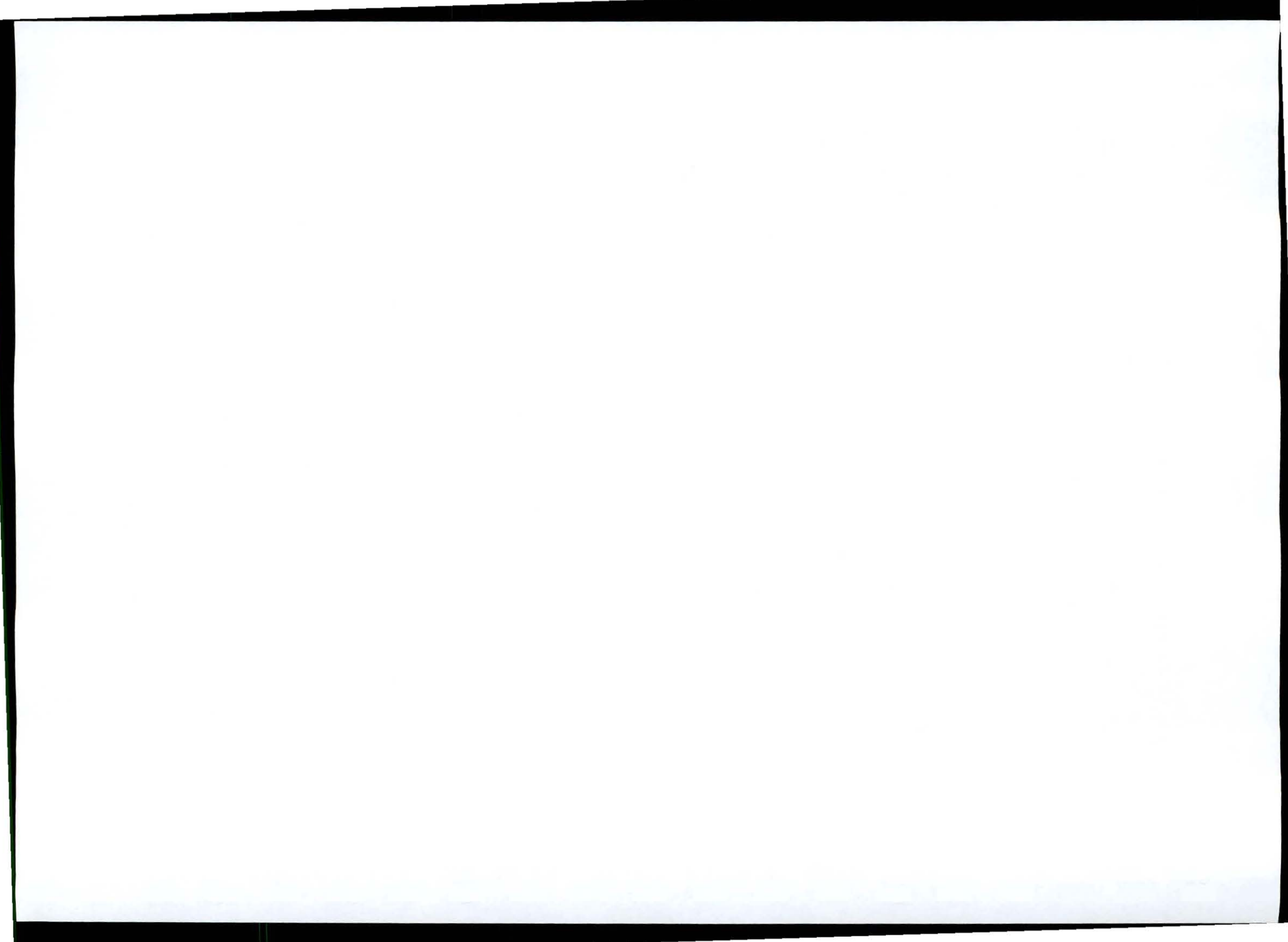
6.1.2 in general, the attainment of its main objects as described in its constitution;



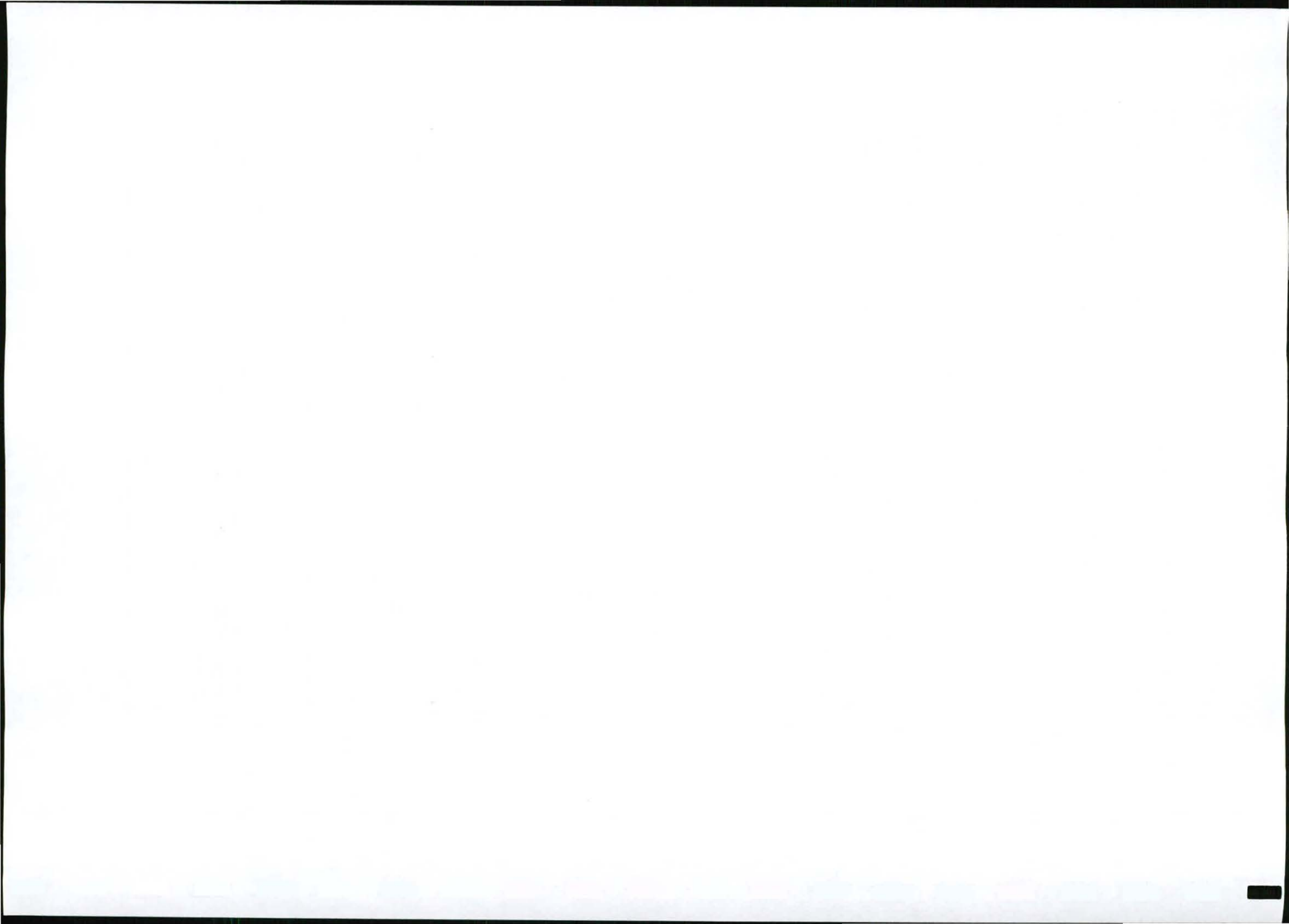
- 6.1.3** the maintenance of common property and the costs of services such as electricity, water and sewerage consumed or used on the common property;
 - 6.1.4** the supply of any services rendered by the ASSOCIATION;
 - 6.1.5** payment of all expenses necessary or reasonably incurred in connection with the management of the ASSOCIATION;
 - 6.1.6** the costs of the provision of security to the Estate; and
 - 6.1.7** in general, the cost of fulfilling any of the obligations of the ASSOCIATION;
 - 6.1.8** to act as bulk supplier to the Estate in respect of the services referred to in clause 9 below.
- 6.2** The trustees shall estimate the amount which will be required by the ASSOCIATION to meet the expenses referred to in clause 6.1 during each year together with any anticipated deficiency emanating from the preceding year and may include, in such estimate, an amount to be held in trust to meet anticipated future expenditure not of an annual nature.
- 6.3** The ASSOCIATION shall be entitled to require members, in accordance with the procedures set out in clause 6.4 below, to make contributions to such levy fund (in the form of levies), for the purposes of satisfying the expenses referred to in clause 6.1.
- 6.4** The procedure for raising and collecting levies shall be as follows:
- 6.4.1** The trustees shall submit the estimated expenditure referred to in clause 6.2 to the annual general meeting of the ASSOCIATION for consideration. It is recorded that:

 - 6.4.1.1** the meeting shall be obliged to approve the following items of expenditure that are charged to the ASSOCIATION by outside third parties:

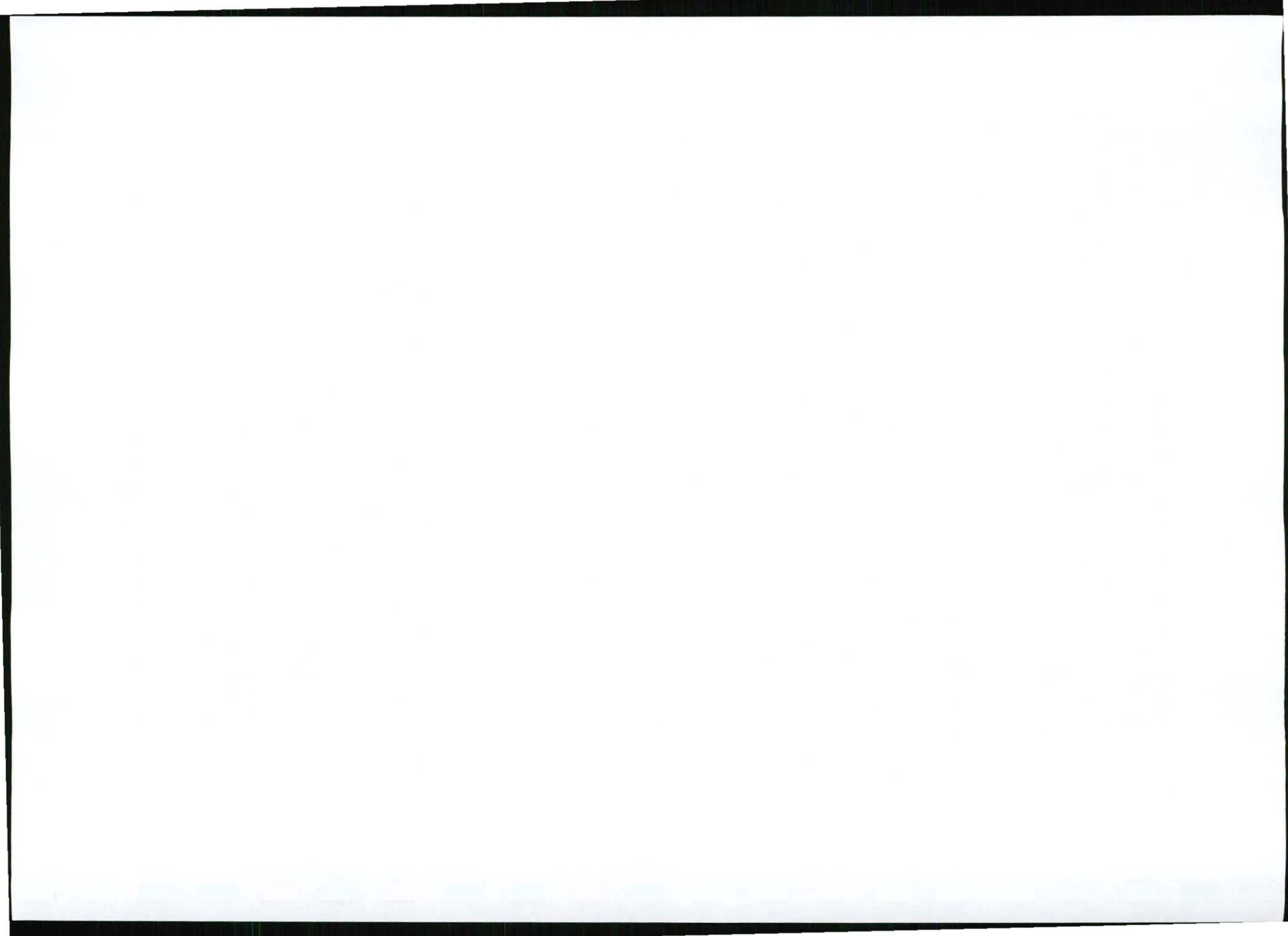
 - 6.4.1.1.1** all rates and taxes payable by the ASSOCIATION to the local authority in respect of the common property, as well as any service charges payable by the ASSOCIATION to the local authority in respect of the Estate;
 - 6.4.1.1.2** the costs of the developer's nominated provider of security services, including security guards, monitoring and surveillance;



- 6.4.1.1.3** the salary or fee payable to any Estate Manager with whom the ASSOCIATION has entered into an agreement.
- 6.4.1.2** The ASSOCIATION shall have a discretion in regard to approval of the level of services, and the cost thereof, which the ASSOCIATION requires in respect of e.g. cleaning, gardening, general maintenance, etc.
- 6.4.2** The ASSOCIATION shall have its annual general meeting at least 60 days prior to the financial year end of the ASSOCIATION and, subject to clause 6.4 above, decide on proposed increases of the levies and the amounts to be charged to members in respect thereof.
- 6.5** The ASSOCIATION may, from time to time by resolution adopted by the trustees, make special levies upon members effective from the date of passing of the applicable resolution in respect of such expenses referred to in clause 6.1 which have not been included in the levies approved by the annual general meeting in terms of clause 6.4, and such levies may be imposed and shall be payable in one sum or by such instalments and at such time or times as the trustees may determine in its resolution. The decision of the trustees in calculating such special levies shall be final and binding on all members.
- 6.6** Any amount due by a member by way of a levy shall be a debt due by him to the ASSOCIATION payable at such time or times as determined by the trustees. The trustees may determine that a levy shall be payable annually in advance in respect of the year for which it is calculated or in such monthly instalments as it may determine.
- 6.7** Until such time as a new levy pertaining to a forthcoming year has been determined pursuant to the provisions of clause 6 above, every member of the ASSOCIATION shall continue to pay the levy then currently in force, on account of the new levy yet to be determined;
- 6.8** The obligation of a member to pay a levy shall cease upon his ceasing to be a member, save that he shall remain liable for all levies calculated up to the date upon which he ceases to be a member.
- 6.9** No levies paid by a member shall be repayable by the ASSOCIATION upon cessation of his membership.
- 6.10** A member's successor-in-title to an erf shall be liable, as from the date upon which he becomes a member pursuant to the registration of transfer of such erf in his name, to pay the levies attributable to that erf.



- 6.11** A member shall be obliged to pay interest on any levy not paid on the due date at the prime lending rate of the ASSOCIATION'S bank plus 3 percentage points per annum calculated on the levies due from time to time from the due date until the date that the arrear levies have been paid in full to the ASSOCIATION.
- 6.12** The ASSOCIATION shall be entitled to require a member to sign a debit order authority to allow the ASSOCIATION or its authorised agent to collect levies directly from such member's operating bank account.
- 6.13** If any member fails to make payment on due date of levies and/or other amounts payable by such member including interest, the ASSOCIATION may give notice to such member requiring him to remedy such failure within such period as the ASSOCIATION may determine and should he fail timeously to make such payments, the ASSOCIATION may institute legal proceedings against such member without further notice and such member will be liable for and shall pay all legal costs on the scale as between attorney and own client together with collection commission and any other expenses and charges incurred by the ASSOCIATION in recovering such amounts.
- 6.14** No member shall (unless otherwise determined by the trustees) be entitled to any of the privileges of membership including his right of access to and use of any of the common property and his right to vote, until he shall have paid every levy and interest thereon and any other amount which may be due and payable by him to the ASSOCIATION.
- 6.15** The ASSOCIATION shall not be entitled to undertake on behalf of its members any permanent works of major capital nature without the sanction of a resolution of the members' adopted during a general meeting of members'. In this sub-clause "works of a major capital nature" means works that will cost more than R50 000 (fifty thousand Rand) (excluding Value Added Tax).
- 6.16** In calculating of the levy payable by any member, the trustees shall as far as reasonably practical apportion those costs relating to the common property to the owners of all erven equally, provided however that the trustees may, in any case where it considers it equitable to do so, apportion to any member any greater or lesser share of the costs as may be reasonable in the circumstances.
- 6.17** The ASSOCIATION may enter into an agreement with the developer for the repayment by the ASSOCIATION to the developer of ongoing costs or expenses incurred by the developer for the provision of services to the owners of erven in the Estate including but not limited to the supply of water, sanitation and the removal of refuse.
- 6.18** The trustees may enter into an agreement or agreements with the developer for the provision of a capital sum and/or the transfer of land and/or equipment to the ASSOCIATION in lieu of levies.



6.19 Should any dispute arise at any time between the members and the trustees in regard to the determination or calculation of the levies, the decision of the auditors for the time being of the ASSOCIATION (acting as experts and not as arbitrators) in regard to such dispute shall be final and binding on the members and the trustees.

6.20 In the event of any dispute arising in regard to the determination or calculation of any levy, every member shall, until the determination of such dispute, continue to pay the levies determined by the trustees.

7. ENTRENCHED PROVISIONS

7.1 The DEVELOPER has a continuing and permanent interest to ensure that certain basic provisions are entrenched during the construction phase to ensure the success of the development of the Estate. Accordingly, none of the following provisions of sub-clauses 7.1.1 to 7.1.5 (both inclusive) may be deleted or varied in any way in terms of this constitution, without the prior written consent of the DEVELOPER during the construction phase:

7.1.1 the ASSOCIATION may register, where necessary, various service servitudes across the Estate in favour of the local authority, the developer and/or the ASSOCIATION, whether in respect of any separate erven or the common property;

7.1.2 no member shall be entitled to object to the subdivision and/or development of any part of the land development area provided that such subdivision and/or development is not inconsistent with the General Plan approved by the relevant authorities for that part of the land development area, nor shall they be entitled to object to any such new development;

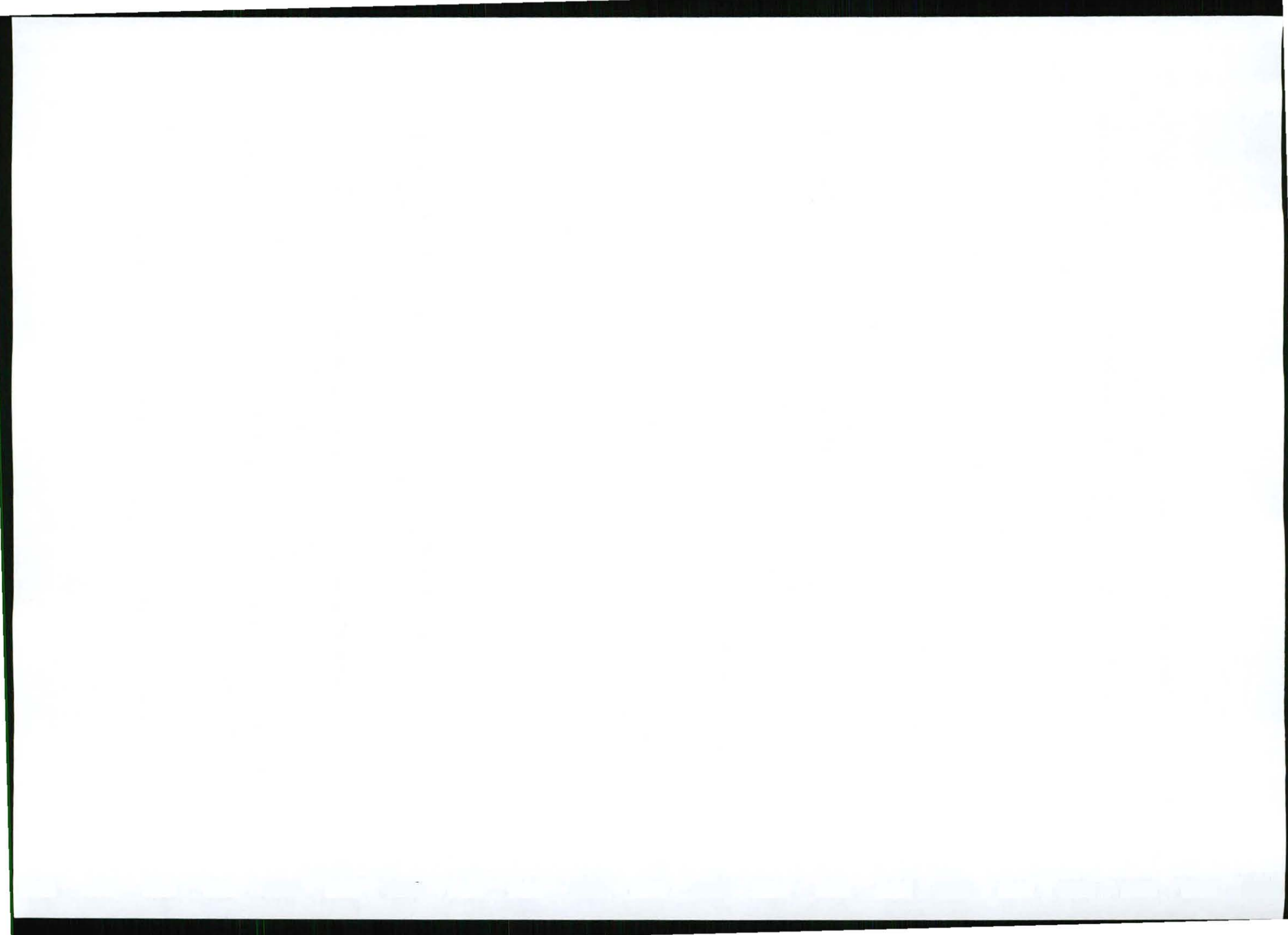
7.1.3 ownership of an erf does not confer any right, including that of access, in respect of property owned by the developer, including any right or way or access across such property;

7.1.4 the members acknowledge and agree that the developer, its successors- in - title and its employees have certain rights, including rights of access across the common property.

8. RESPONSIBILITY FOR PAYMENT OF RATES, TAXES AND SERVICES

8.1 RATES AND TAXES:

8.1.1 The ASSOCIATION shall be responsible to pay all rates and taxes in respect of the common property to the Council.



8.1.2 All other members as owners of erven, shall be responsible to pay rates and taxes in respect of their property to the Council.

8.2 SERVICES:

The responsibility for payment of charges in respect of the provision of services and the method of service supplies shall be as regulated in a manner provided in clause 9 below.

9. SERVICES

9.1 POTABLE WATER SUPPLY

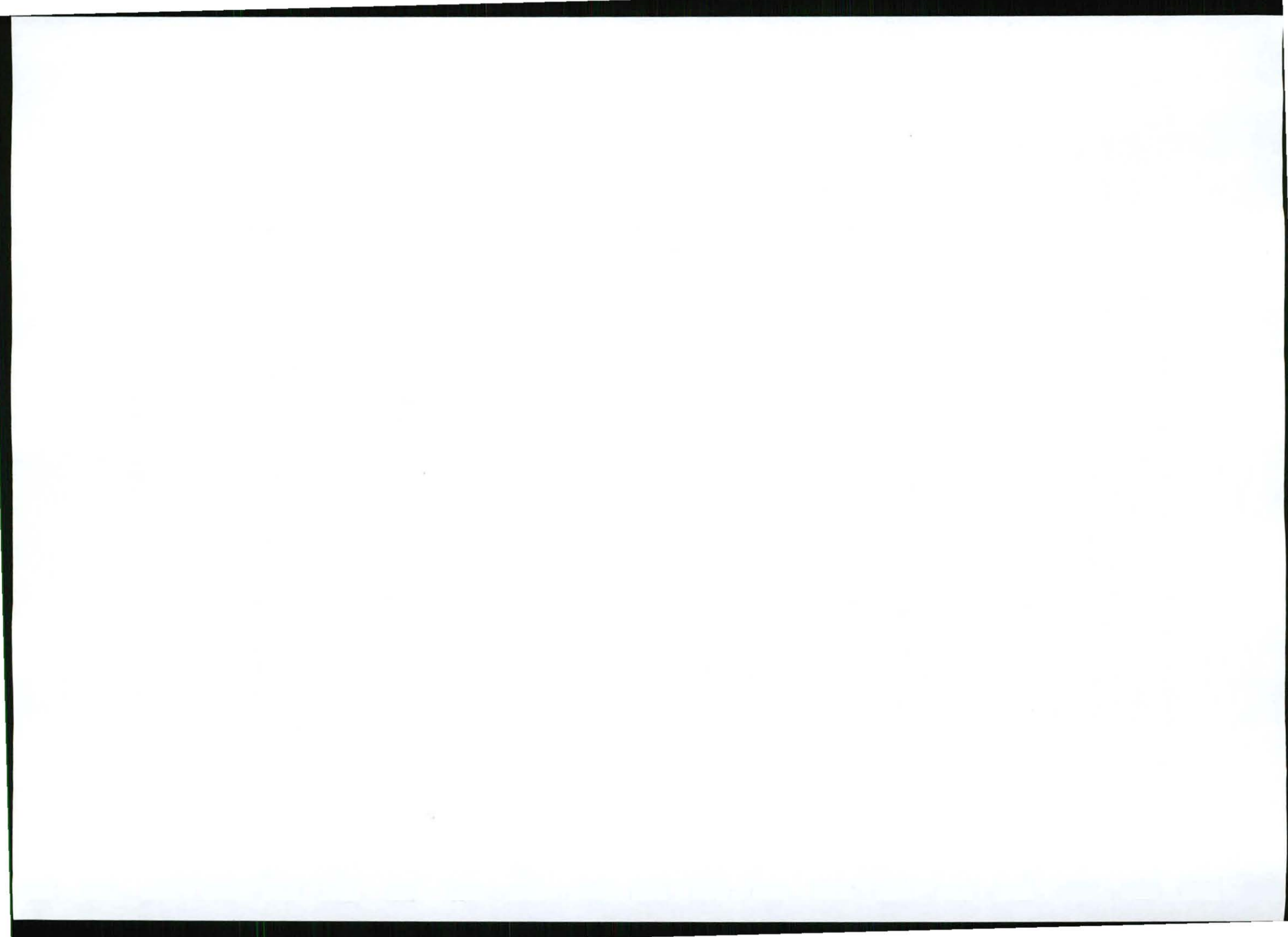
9.1.1 The main potable water supply to the Estate shall be supplied by the DEVELOPER in bulk at a point on the boundary of the Estate at which point the DEVELOPER shall install a bulk water meter.

9.1.2 The DEVELOPER shall install the internal water supply infrastructure to the boundary of each erf in the Estate.

9.1.3 The ASSOCIATION shall be responsible for the management and maintenance of the aforesaid internal water supply infrastructure and, to this end, it shall be entitled to recover from the owner of an erf in the Estate such amount as it may determine in respect of water maintenance and usage charges both in respect of individual erven and the common property in the Estate.

9.1.4 The liability of members of the ASSOCIATION for the charges referred to in 9.1.3 shall be in accordance with separate sub-meters serving the erven of members which the ASSOCIATION shall be entitled to install at the cost of such members plus such reasonable amount as the ASSOCIATION may determine in respect of the supply of water to all common property in the Estate.

9.1.5 Accounts rendered to members for water charges in terms of this clause shall be payable by such members by the due date reflected on their accounts and, in the event of a failure by a member to effect payment of the amount due by the due date, interest calculated at the prime lending rate of the ASSOCIATION'S bank plus 3 percentage points shall be levied on all arrear amounts and be payable by the member in default in addition to the capital amount owing by a date determined by the ASSOCIATION and, in the event of the member concerned not effecting payment of all amounts owing by such date, the ASSOCIATION shall be entitled to terminate the water supply to such member without prejudice to its right to recover from the member concerned all amounts owing in terms of this sub-clause and any other costs which the ASSOCIATION may incur as a result of the termination of the water supply aforesaid.



9.1.6 The ASSOCIATION may, in its discretion, include the amount payable by members for a water supply in terms of this clause in a monthly levy statement issued to such members.

9.1.7 The DEVELOPER will be responsible for the maintenance of the potable water supply system up to the bulk supply point at the boundary of the Estate referred to in sub-clause 9.1.1.

9.2 ELECTRICITY

9.2.1 THE DEVELOPER will supply electricity in bulk at a point on the boundary of the Estate. This will be known as the Point of Supply ("POS").

9.2.2 The POS will contain an intake substation with the necessary and required switchgear and a bulk supply metre for the Estate. Ownership of this equipment, together with the responsibility to operate, maintain and repair same, will vest in the DEVELOPER until the ASSOCIATION is established in terms of this constitution.

~~**9.2.3** The DEVELOPER shall install the internal electricity reticulation to the boundary of each erf in the Estate.~~

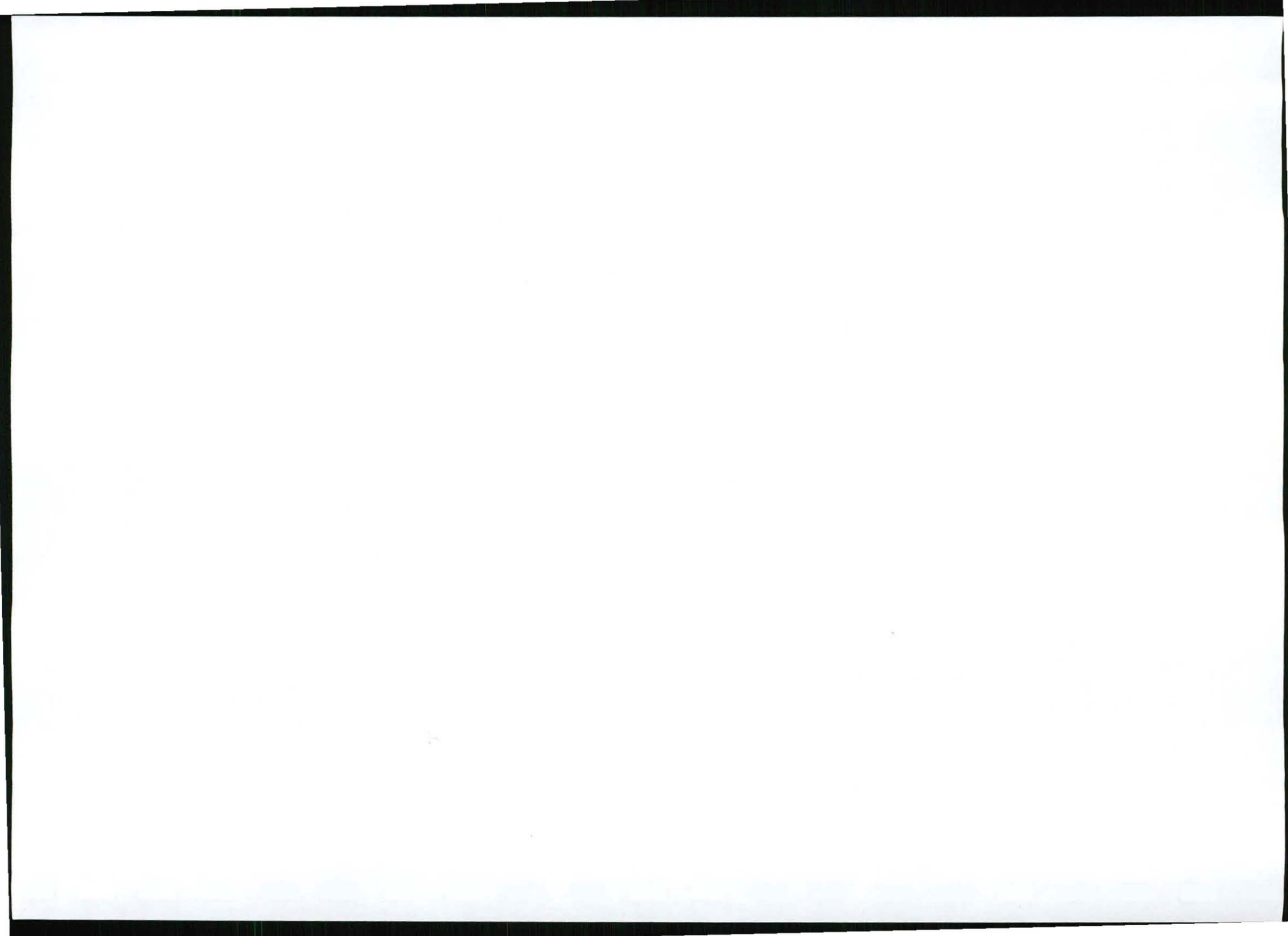
9.2.4 The ASSOCIATION will be responsible for the operation and maintenance of the said internal reticulation of electricity and shall, further, be responsible to appoint a responsible person as defined in the Occupational Health and Safety Act to exercise this function on its behalf.

9.2.5 Each member's electricity consumption will be metred separately and it will be required from the ASSOCIATION or its contractors to conduct monthly readings and issue accounts in respect thereof to members together with their monthly levy statements, alternatively, the ASSOCIATION, in its sole discretion, may require each member to install an electricity pre-paid meter at his dwelling house in which event such member shall be responsible for the cost of electricity consumed by him.

9.2.6 Lighting on the common property shall be supplied through separate electricity supply meters and the cost incurred in respect thereof shall be recovered from members as part of the levies imposed by the ASSOCIATION on all members.

9.3 SECURITY, COMMUNICATIONS & TV

9.3.1 The ASSOCIATION shall be responsible for the maintenance of the security systems, all internal communication (intercoms, gates, gate booms, etc) and the provision of TV signals within the Estate and will take all the steps necessary to provide and maintain adequate security measures for the Estate.



9.3.2 It is recorded that the DEVELOPER has arranged security for the entire Estate and that the ASSOCIATION shall be obliged to enter into a security agreement with the Developer's nominated provider. The DEVELOPER shall be the security authority for the Estate and be solely entitled, to the exclusion of any other party, to control all the security measures in respect of the Estate until expiry of the construction phase, after which period the ASSOCIATION shall act as security authority

9.3.3 All members of the ASSOCIATION shall co-operate with the ASSOCIATION to install and maintain security systems that will integrate the security systems of the ASSOCIATION with those of the members of the ASSOCIATION.

9.3.4 All members of the ASSOCIATION shall allow the ASSOCIATION or its employees access to their properties to install, maintain and operate such security systems.

9.3.5 All members of the ASSOCIATION shall be obliged to accept the established security infrastructure provided by the DEVELOPER and not be entitled to install any security systems such as access control systems, alarm systems, intercoms and close circuit video systems which are incompatible and incapable of being integrated with the systems of the ASSOCIATION, and which have not been approved by the ASSOCIATION in writing.

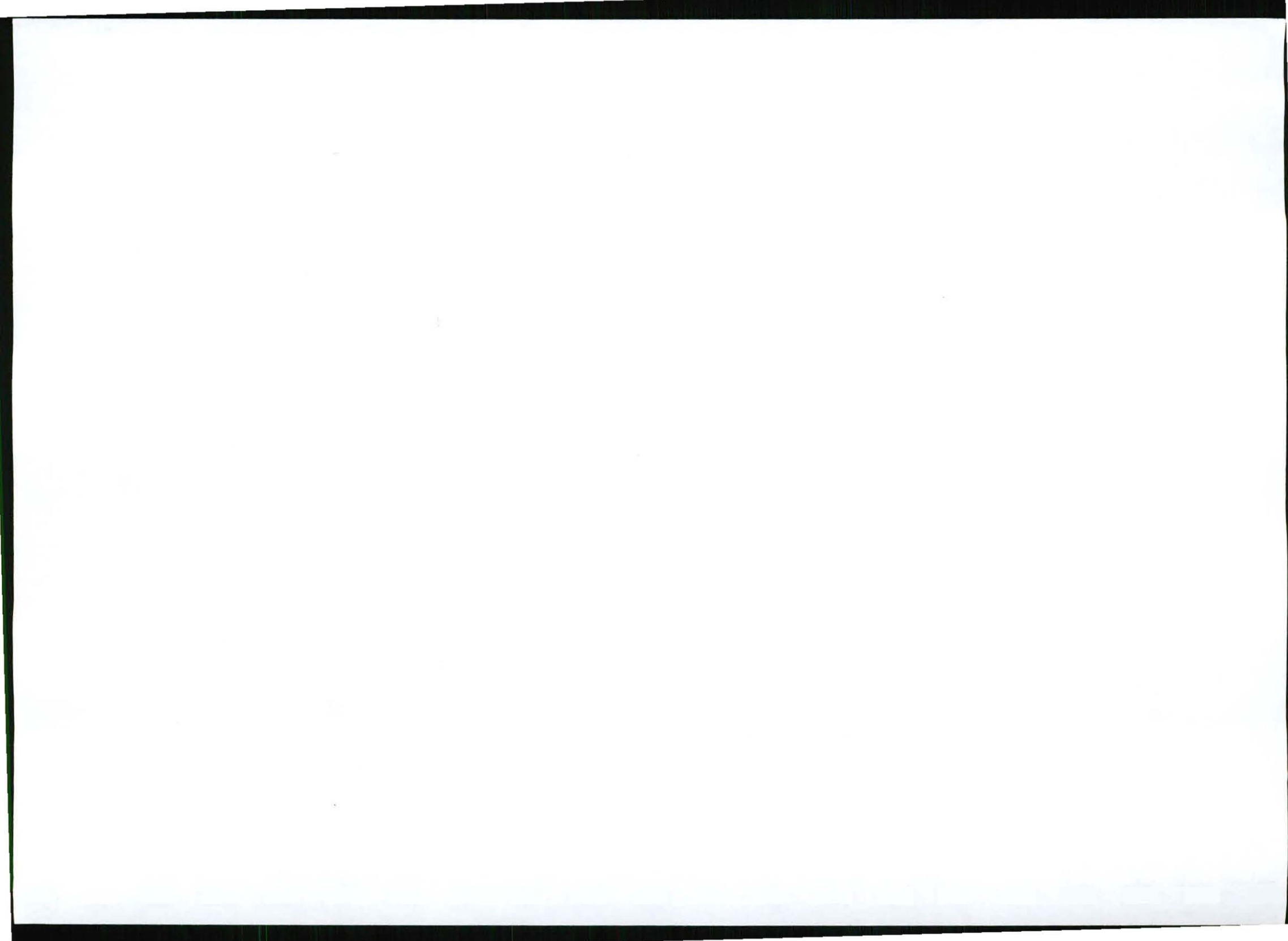
9.3.6 It is recorded that the aforesaid provisions are incorporated as being of crucial importance for purposes of a cohesive and effective security system for the Estate, and in the best interests of all members of the ASSOCIATION. All members shall accordingly be obliged to participate therein.

9.4 MAINTENANCE OF COMMON PROPERTY

The on-going maintenance of the common property including indigenous landscaping and gardening shall be the responsibility of the ASSOCIATION. In this regard, the ASSOCIATION shall bring to the attention of all members the provisions of clause 12 of this constitution as it relates to the implementation of the EMP during both the construction and operational phases of the development.

9.5 SEWERAGE

The ASSOCIATION will be responsible for the maintenance of the internal sewer reticulation serving the Estate as well as for the maintenance of the sewerage treatment plant. The associated maintenance costs will be recovered from members by means of levies imposed upon them by the ASSOCIATION from time to time.



9.6 STORM WATER SYSTEM

The ASSOCIATION will be responsible for the maintenance of the internal storm water system serving the Estate. The associated maintenance costs will be recovered from members by means of levies imposed upon them by the ASSOCIATION

9.7 GENERAL

9.7.1 The Association shall have the right to convey water, electricity, sewerage, telephone information technology, telecommunication, security communication, and any other services over any erf or building in the Estate, whosoever is the owner thereof, and shall have the right of access to any such building, after reasonable notice to the member concerned where applicable, for the purposes of installing, replacing and/or repairing such services, provided that, where such action is urgent and cannot be delayed, the member concerned shall be deemed to have waived his right to prior notification in terms of this sub-clause.

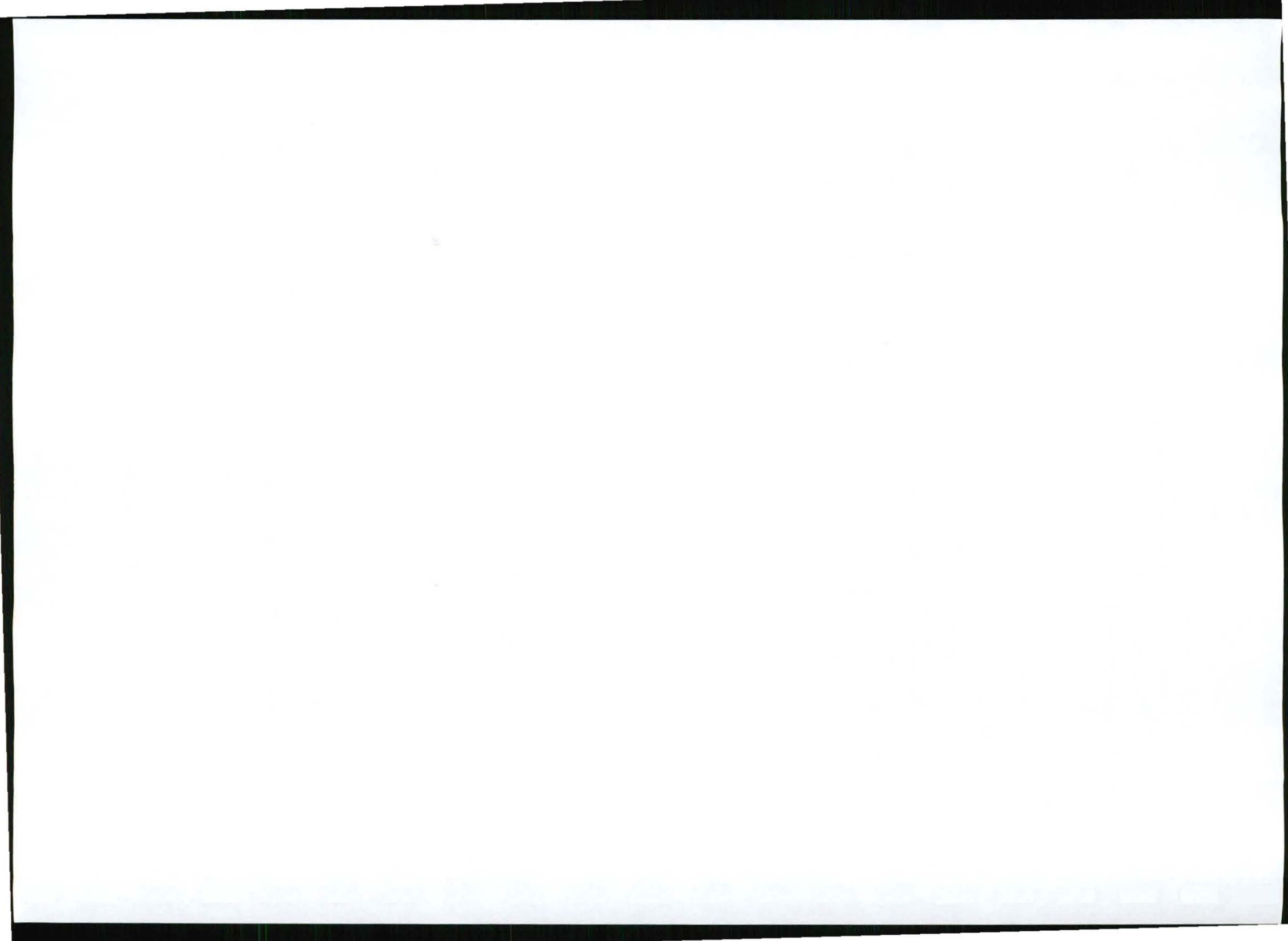
~~**9.7.2** The members of the ASSOCIATION will allow reasonable access to employees or representatives of the ASSOCIATION into buildings or over erven for purposes of maintaining any pipes or equipment or, in general, any of the systems necessary for the conveyance or provision of the services referred to above.~~

Furthermore, and without derogating from the aforesaid, all members of the ASSOCIATION will be obliged to provide their co-operation and allow reasonable access to employees or representatives of the ASSOCIATION to enable them to install, implement and maintain any pipes or other modes of conveyance of the services referred to above.

9.7.3 The DEVELOPER during the construction phase and, thereafter, the ASSOCIATION, shall have the right to register servitudes of right of way and/or servitudes for the conveyance of electricity, water, sewerage, telephone lines, information technology, security systems and any other type of services and/or servitudes of encroachment or servitudes in respect of any common walls or structural support or any other servitudes in respect of any other type of use over any erf, building or common property in favour of the ASSOCIATION or in favour of any adjoining erf or any other part of the Estate that, in the opinion of the DEVELOPER or ASSOCIATION is reasonably necessary for the proper functioning of the Estate or any part thereof. The ASSOCIATION accepts and shall be bound by and consents to the registration of such reciprocal servitudes between members of the ASSOCIATION and the ASSOCIATION as are provided for herein.

10. ARCHITECTURAL GUIDELINES AND CONTROLS

10.1 The Architectural Guidelines and Controls annexed hereto constitute an integral part of this constitution. It is recorded that they contain the procedures, requirements and guidelines to be adhered to by every member who wishes to effect construction,



improvements or alterations to or undertake any renovation of any dwelling house on an erf in the Estate.

10.2 All improvements shall be of sound construction and shall comply with the provisions of the said Architectural Guidelines and Controls.

10.3 No construction or erection of any improvements or alterations to and no renovation of any erf that is undertaken by any party other than the DEVELOPER may commence prior to the due and proper approval of plans for such construction, improvements, alterations or renovation by both the review committee and, where required, the local authority, in accordance with the following provisions:

10.3.1 the member concerned shall submit to the review committee for approval, a full set of the proposed building plans or alteration plans which indicate both construction and design details;

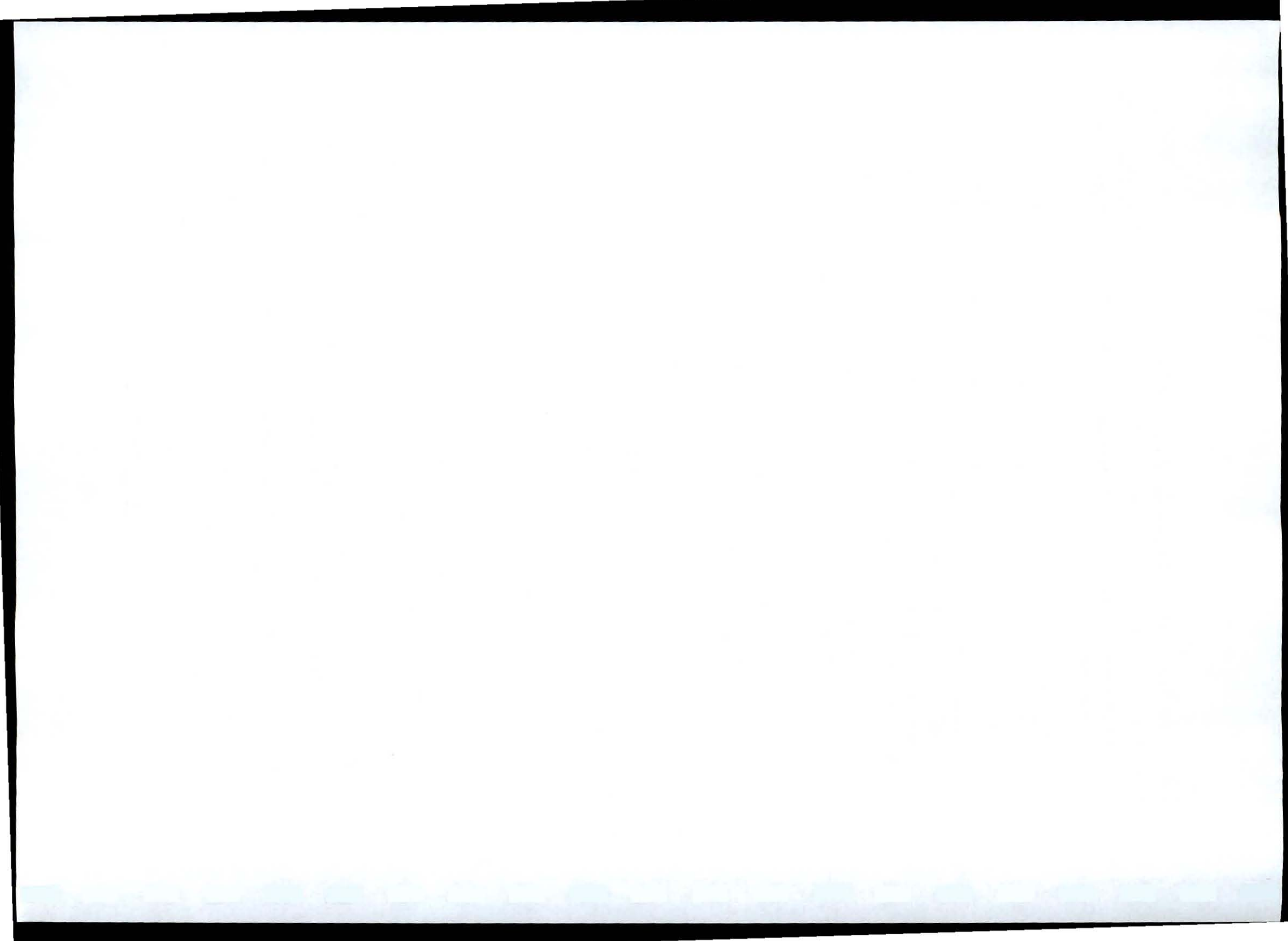
10.3.2 the member concerned shall be liable for payment of the reasonable cost of professional scrutiny and examination of such plans by the review committee;

10.3.3 after the approval of such plans by the review committee, same shall be submitted to the local authority for approval. No plan shall be submitted to the local authority unless it bears the endorsement of approval of the review committee, clearly dated and certifying that the plan complies with the Architectural Guidelines and Controls.

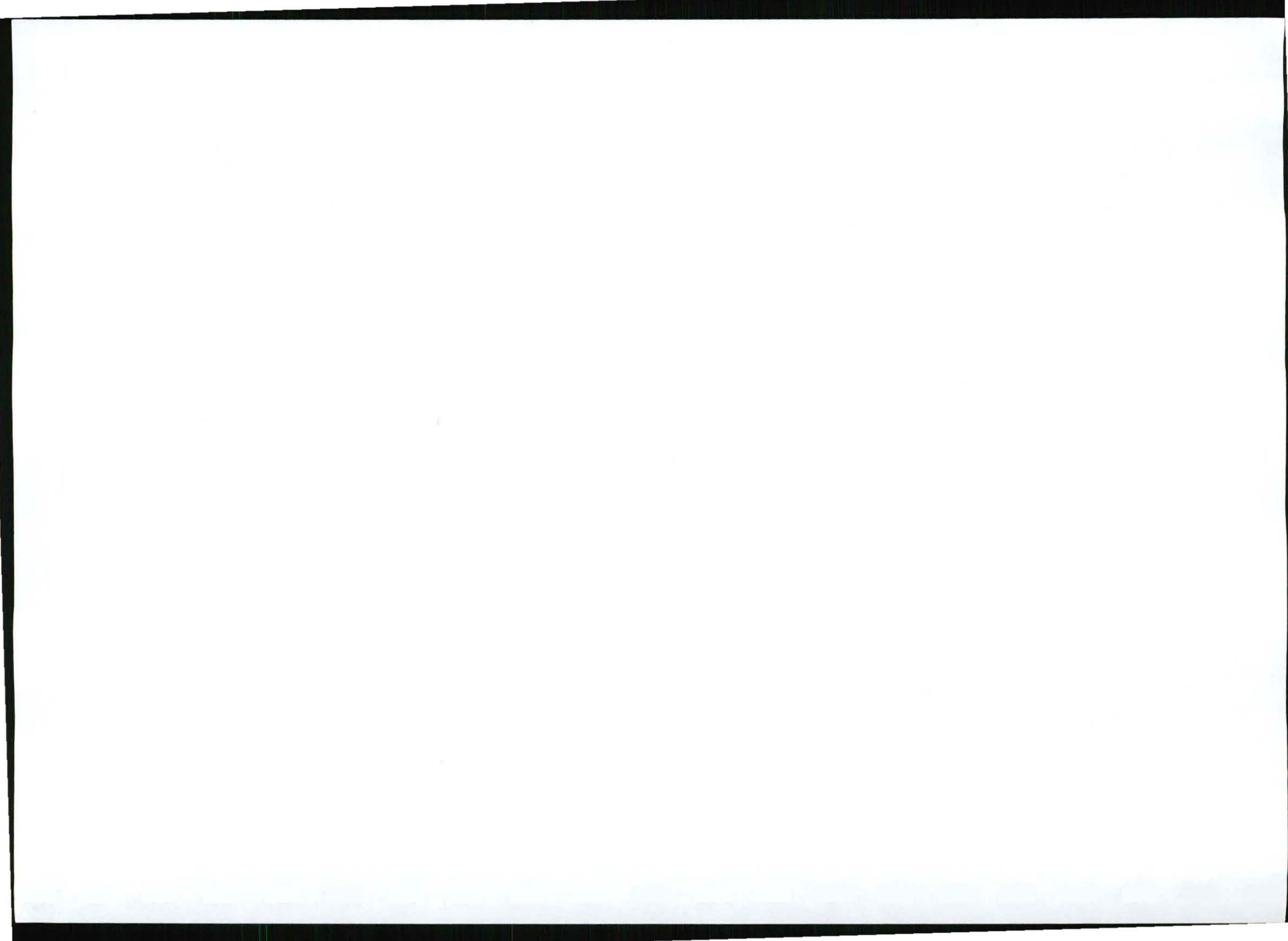
10.4 When effecting the construction, improvements or alterations or renovations contemplated in this clause, the member shall, at all times, comply strictly with the Architectural Guidelines and Controls as well as all conditions and standards imposed by the local authority insofar as these may be additional to the provisions of the Architectural Guidelines and Controls. No member shall be entitled to deviate in any manner whatsoever from any plan approved by the review committee and the local authority unless the prior written approval of both the review committee and the local authority for such proposed deviation has been obtained.

10.5 No member shall be entitled to challenge or contest any of the provisions of the Architectural Guidelines and Controls. No application for the amendment of the Architectural Guidelines and Controls shall be made to the local authority unless prior written consent of the DEVELOPER in the construction phase and, thereafter, the review committee during the operational phase has been obtained thereto.

11. MANAGEMENT AND CONDUCT RULES (GENERAL)

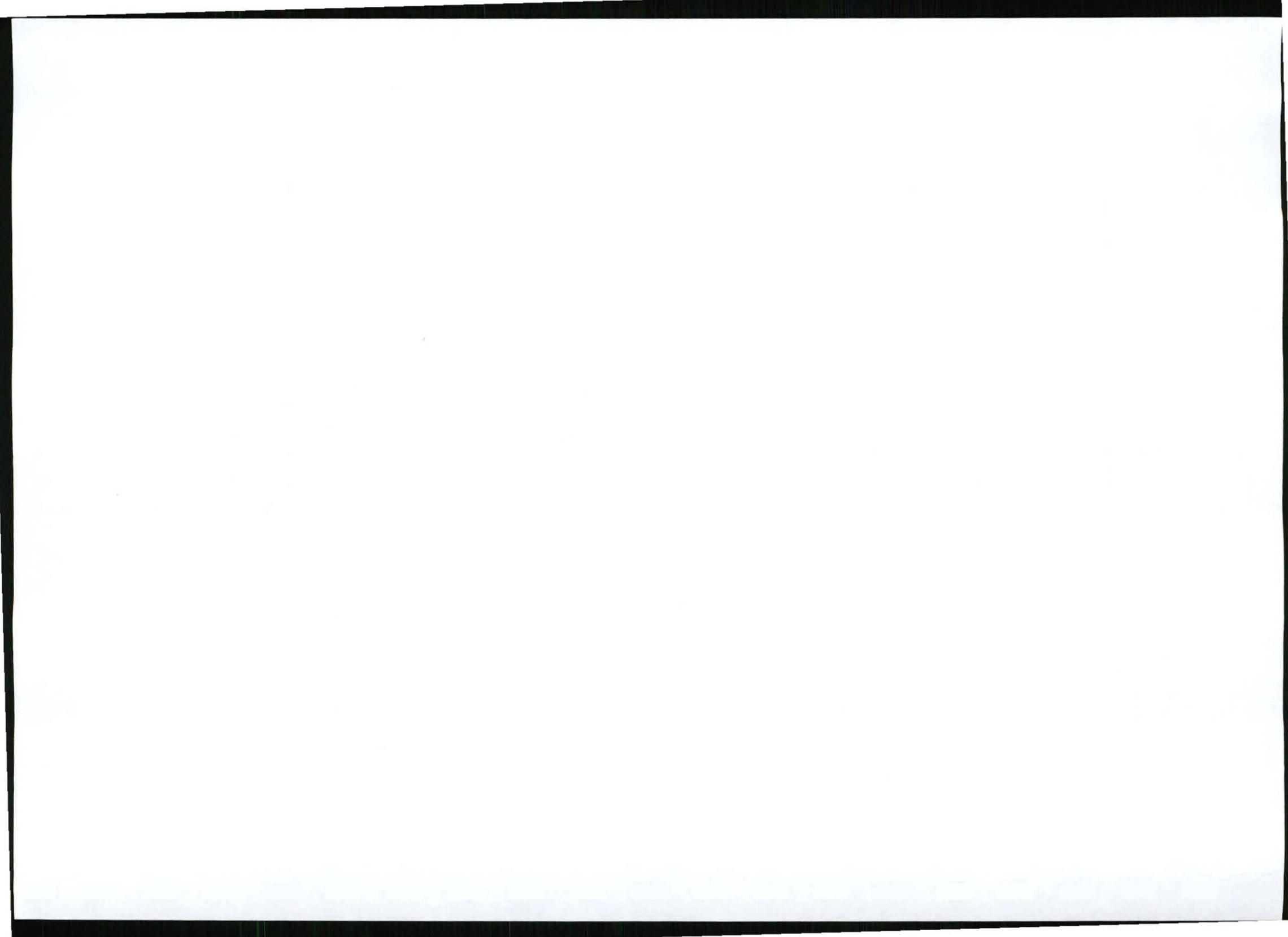


- 11.1** The management and conduct rules of the ASSOCIATION constitute an integral part of this constitution.
- 11.2** The management and conduct rules then in force upon the establishment of the ASSOCIATION shall be those as contained in this constitution.
- 11.3** Subject to this constitution and to any restriction imposed or direction given at a general meeting of the ASSOCIATION and subject to any condition imposed by the Tribunal or the local authority, the trustees may, from time to time, make management and conduct rules, and vary or modify these rules, in regard to:
- 11.3.1** the code of conduct applicable to the designated builder, contractors (including sub-contractors') and suppliers within the Estate or any building, construction or any other work carried on within the Estate;
 - 11.3.2** the preservation of the natural environment, vegetation and fauna within the Estate including the right to control, and if necessary, order the removal of vegetation, and the right to prohibit the erection of fences and walls upon or within the boundaries of any erven;
 - 11.3.3** the right to prohibit, restrict or control the keeping of any animal including dogs which they regard as dangerous or a nuisance or likely to cause annoyance or a nuisance to other members in the Estate;
 - 11.3.4** the conduct of any persons within the Estate for the prevention of nuisance of any nature to any member;
 - 11.3.5** the use of services and recreation areas, amenities and facilities, including the right to charge a reasonable fee for the use thereof.
 - 11.3.6** the maintenance of all buildings, outbuildings, structures, improvements of any nature and landscaping within the Estate;
 - 11.3.7** the control of the number of occupants or residents permitted on any one erf;
 - 11.3.8** the admission of any person within the Estate, and the eviction of any person not entitled to be thereon;
 - 11.3.9** the right of members to enter upon or obtain access to abutting property of the DEVELOPER;
 - 11.3.10** the furtherance and promotion of any of the objects of the ASSOCIATION and/or for the better management of the affairs of the ASSOCIATION



and/or for the advancement of the interests of the members and/or the residents within the Estate.

- 11.4** For the enforcement of any of the rules made by the trustees in terms of this clause or of any of the provisions of this constitution generally, the trustees may:
- 11.4.1** give notice to the member concerned requiring him to remedy such breach within such period as the trustees may determine; and/or
 - 11.4.2** take or cause to be taken such steps as they may consider necessary to remedy the breach of the rule or provision of which the member may be guilty, and debit the cost of so doing to the member concerned, which amount shall be deemed to be a debt owing by the member concerned to the ASSOCIATION; and/or
 - 11.4.3** take such action including the imposition of a fine, or proceedings in court, as they may deem fit.
- 11.5** Should the trustees institute any legal proceedings against any member or resident within the Estate for the enforcement of any of the rights of the ASSOCIATION in terms hereof, the ASSOCIATION shall be entitled to recover all legal costs so incurred from the member or resident concerned, calculated as between attorney and client, including tracing fees and collection commission.
- 11.6** In the event of any breach of the rules by the members or any member's household or his guests or lessees, such breach shall be deemed to have been committed by the member himself, but without prejudice to the foregoing, the trustees may take or cause to be taken such steps against the person actually committing the breach as they may, in their discretion, deem fit.
- 11.7** If any member disputes the fact that he has committed a breach of any of the provisions of the rules made by the trustees or any provisions of this constitution, a committee of three (3) trustees appointed by the chairperson, shall adjudicate upon the issue at such time and in such manner and according to such procedure (provided that natural justice shall be observed) as the chairperson may direct.
- 11.8** Notwithstanding anything to the contrary herein contained, the trustees may, in the name of the ASSOCIATION, enforce the provisions of any rules by civil application or action in a court of competent jurisdiction and, for this purpose, may appoint attorneys and counsel as they may deem fit.
- 11.9** The ASSOCIATION may, in a general meeting, itself make any rules in regard to any matter and may also vary or modify any rule made by it or by the trustees from time to time.



11.10 All rules made by the Trustees in terms of this clause shall be reasonable and shall apply equally to all owners of erven with substantially the same use.

12. MANAGEMENT AND CONDUCT RULES (ENVIRONMENT)

12.1 A comprehensive environmental management plan (EMP) has been prepared for both the construction and operational phases of the development of the Estate. The said EMP is attached to the Architectural Guidelines and Controls referred to in clause 10.1 and all its provisions are incorporated herein as if specifically listed. Every member of the Association shall be obliged to observe and adhere strictly to the provisions thereof.

12.2 The EMP shall serve as a point of reference to the ASSOCIATION, the DEVELOPER, contractors and all members in maintaining and interacting with the sensitive indigenous environment of the Estate. A copy of the EMP shall at all times be available at the offices of the Association.

12.3 The Environmental Control Officer (ECO) appointed by the DEVELOPER to monitor and oversee the implementation of the EMP through the operational phase of the development shall, at all times, be consulted on any issue that may arise in relation to the protection and maintenance of the environment of the Estate. To this end, it is recorded that the decision of the ECO on what constitutes unacceptable building or environmental management practices shall be final and binding on the DEVELOPER, the ASSOCIATION, its members, guests and contractors.

12.4 Without derogating from the specific provisions of the EMP, the ASSOCIATION shall make every member, his guests and contractors aware of the following:

12.4.1 Indigenous vegetation and wild animals, including reptiles, amphibians and birds, may not be harmed in any manner. Accordingly, no snares may be set in the Estate and on land comprising the abutting Areena Game Farm/Conservancy.

12.4.2 No domestic animals including dogs will be allowed on the Estate to prevent predation on small animals and birds.

12.4.3 No internal boundary fences or walls may be erected around the individual erven in order to allow for the free movement of wild animals in the Estate.

12.4.4 No alien vegetation may be planted in the Estate, including on the residential erven, and members shall be obliged to have their gardens planted with indigenous trees, shrubs and water wise plants endemic to the area. The ECO will assist members in this regard and the DEVELOPER will similarly make available to the ASSOCIATION a list of acceptable trees, shrubs and plants.



13. TRUSTEES

13.1 The trustees of the ASSOCIATION shall, during the construction phase, be divided into two classes, namely DEVELOPER trustees and MEMBER trustees. Upon completion of the construction phase, there shall only be MEMBER TRUSTEES.

13.2 There shall be not more than five (5) trustees of the ASSOCIATION of whom, during the construction phase:

13.2.1 two (2) shall be MEMBER TRUSTEES appointed by the members;
and

13.2.2 the remaining trustees shall be DEVELOPER TRUSTEES appointed by the DEVELOPER: Provided that the DEVELOPER shall, during the construction phase, be one of the aforesaid trustees.

13.3 Upon termination or expiration of the construction phase, all the trustees shall be appointed by the members.

13.4 A trustee shall be a natural person and shall not necessarily be a member of the ASSOCIATION. A trustee, by accepting his appointment to office, shall be deemed to have agreed to be bound by all the provisions of this constitution.

13.5 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 trustee. During the construction phase, the chairperson shall be one of the DEVELOPER TRUSTEES, unless the trustees otherwise agree.

14. REMOVAL AND ROTATION OF TRUSTEES

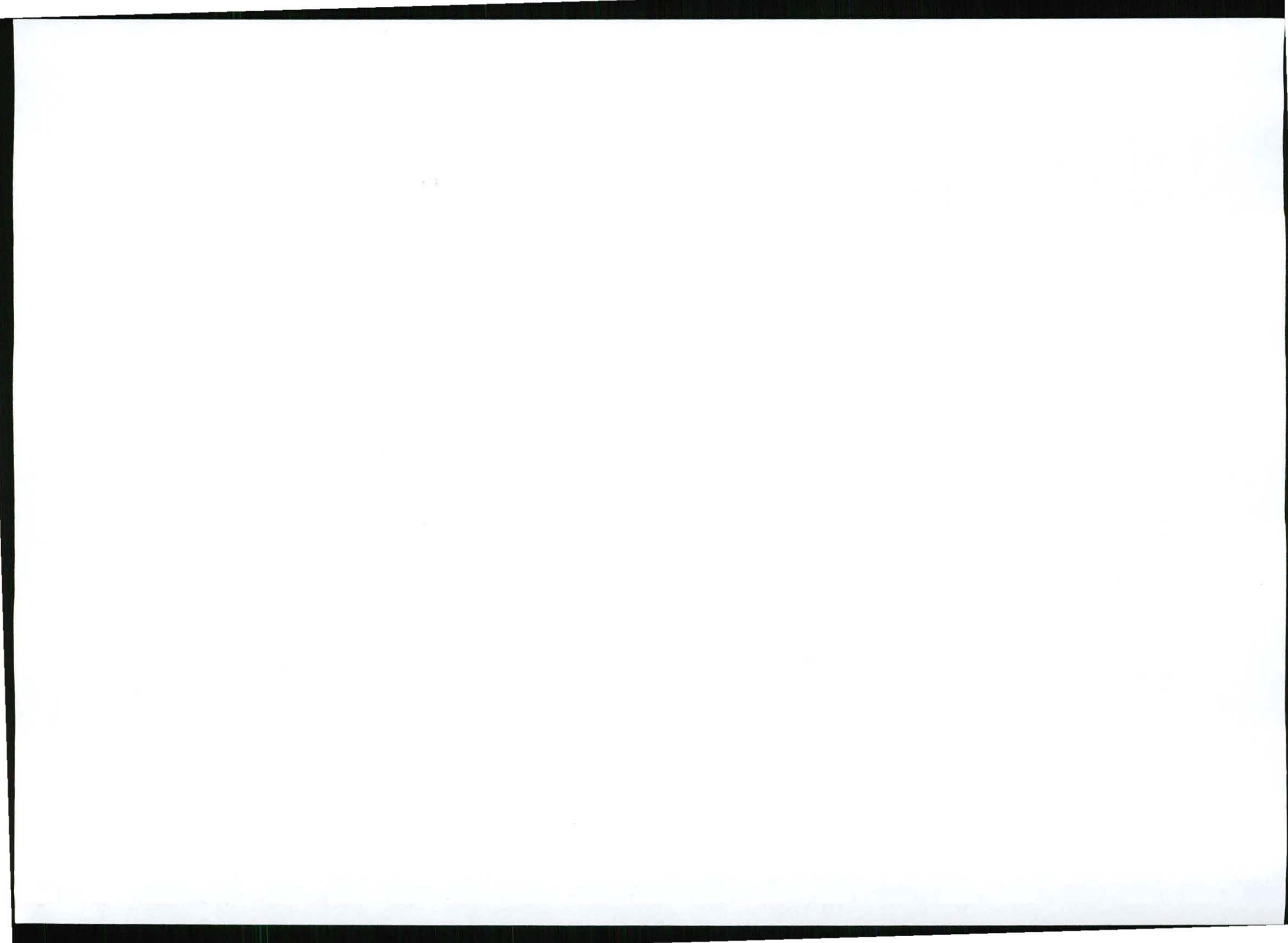
14.1 Save as provided in this clause and except for the DEVELOPER TRUSTEES, each trustee, shall continue to hold office as such from the date of his appointment to office until the annual general meeting next following his appointment, at which meeting each trustee shall be deemed to have retired from office as such but will be eligible for re-election to the board of trustees.

14.2 A trustee shall be deemed to have vacated his office upon:

14.2.1 him having become disqualified to act as a director in terms of the Companies Act;

14.2.2 his estate being sequestered, whether provisionally or finally;

14.2.3 the commission by him of any act of insolvency;



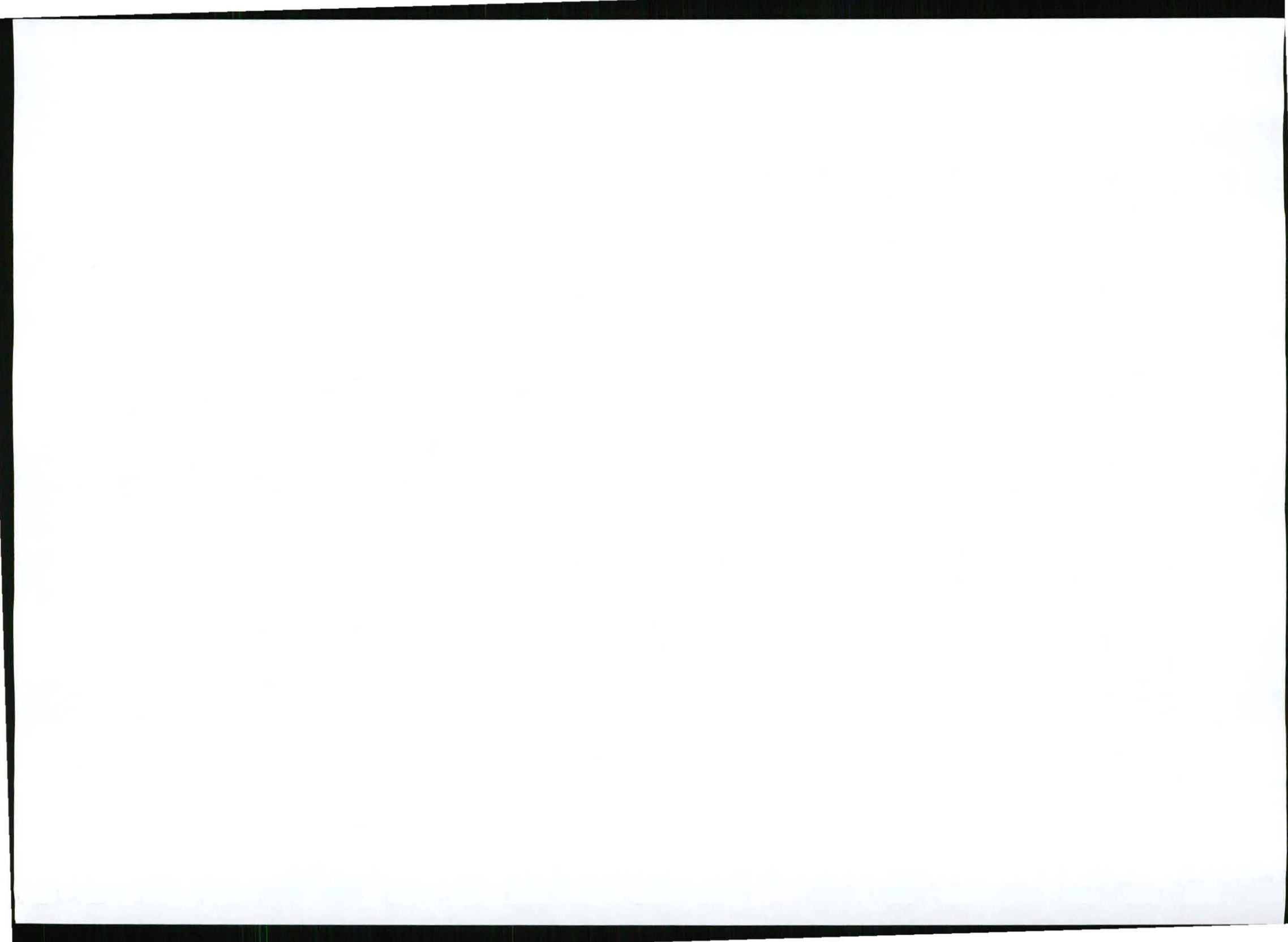
- 14.2.4** his conviction for any offence involving dishonesty or any other serious criminal offence;
 - 14.2.5** him becoming of unsound mind or being found lunatic;
 - 14.2.6** him resigning from such office in writing;
- 14.3** Any act performed by a trustee in good faith before his retirement or removal as a trustee shall be regarded as valid.
- 14.4** In the event of any vacancy occurring in the Board of Trustees prior to the next annual general meeting, the vacancy in question shall be filled by a person nominated by the remaining trustees provided that, whilst DEVELOPER TRUSTEES are in office, the remaining DEVELOPER TRUSTEES shall nominate a person to fill any vacancy in their number.
- 14.5** The DEVELOPER may remove and replace any DEVELOPER TRUSTEE at any time upon written notice to this effect to the remaining trustees.

15. TRUSTEES EXPENSES AND REMUNERATION

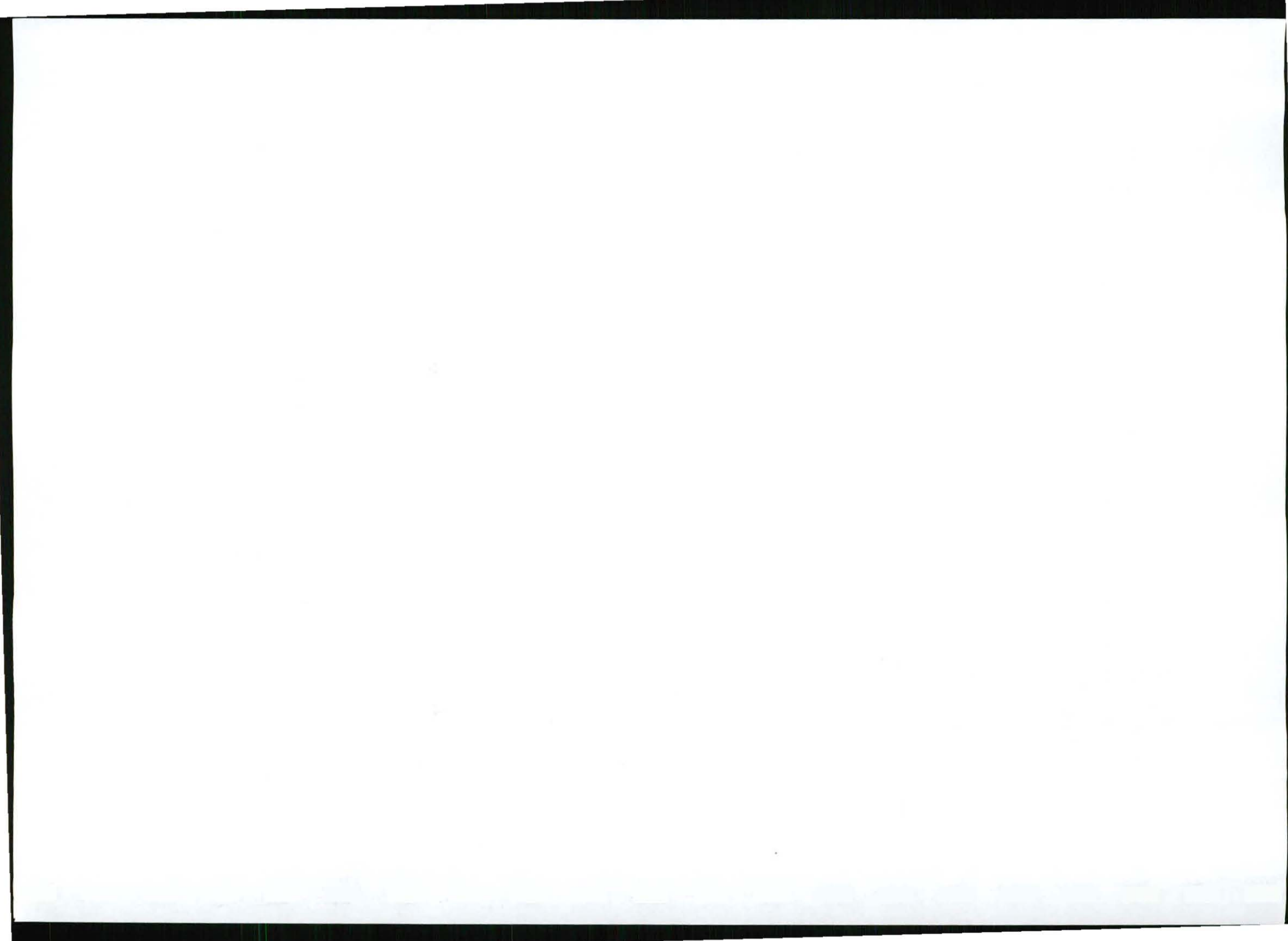
- 15.1** Trustees shall be repaid all reasonable and bona fide expenses incurred by them in connection with the performance of their duties as trustees and as may be approved by the Board of Trustees from time to time.
- 15.2** Trustees shall be entitled to remuneration in respect of the performance of their duties as determined by the ASSOCIATION at a general meeting of the ASSOCIATION.

16. POWERS OF TRUSTEES

- 16.1** Subject to the express provisions of this constitution, trustees shall manage and control the business and affairs of the ASSOCIATION, shall have full powers in the management and direction of such business and affairs including the right of appointment and dismissal of any Estate Manager, may 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, subject however to such rules as may have been made by the ASSOCIATION in general meeting or as may be made by the trustees from time to time.
- 16.2** 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, auditors, attorneys, architects, engineers, town planners, an Estate Manager or any other professional firm or person or other employees whatsoever for any reasons deemed necessary by the trustees and on such terms and conditions as the trustees shall decide.



- 16.3** The trustees shall, after the construction phase, further have the power:
- 16.3.1** to require that any construction of any nature within the Estate shall be supervised to ensure that the provisions of this constitution and the rules are complied with and that all such construction is performed in a proper and workmanlike manner;
 - 16.3.2** to issue Architectural Guidelines and Controls from time to time and to ensure that same are complied with at all times;
- 16.4** The trustees shall have the right to vary, cancel or modify their decisions and resolutions from time to time.
- 16.5** The trustees shall be entitled to appoint committees consisting of such number of their members and such outsiders, including an Estate Manager, as they deem fit and to delegate to such committees such of their functions, powers and duties as they deem fit, with further power to vary or revoke such appointments and delegations as the trustees may, from time to time, deem necessary.
- 16.6** The trustees shall appoint an architectural review committee to exercise the powers set out above which may, but shall not necessarily, consist of the following persons:
- 16.6.1** a practising professional architect or town planner duly qualified to practice as such for his own account in the Republic of South Africa;
 - 16.6.2** one or more trustees;
 - 16.6.3** such other members as the trustees may determine.
- 16.7** Members of the architectural review committee shall not be required to be members of the ASSOCIATION.
- 16.8** For the duration of the construction phase, the DEVELOPER and the architect appointed by him shall be the sole members of the Review Committee.
- 17. PROCEEDINGS OF TRUSTEES**
- 17.1** The trustees may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they deem fit, subject to the provisions of this constitution.
- 17.2** The quorum for the holding of all meetings of the Board of Trustees shall be three (3) trustees present personally, provided that, during the construction phase, at least one (1) DEVELOPER TRUSTEE shall be present at all meetings of trustees to constitute a quorum. If no quorum is present within fifteen (15) minutes after the time for



commencement of a meeting then it shall stand adjourned for seven (7) days or if that is not a business day, then to the first business day thereafter, and those trustees present at the adjourned meeting shall constitute a quorum.

17.3 At any meeting of the trustees, each member trustee shall have one (1) vote and each developer trustee shall have three (3) votes: Provided that, during the construction phase, the developer shall be entitled to three times the total number of votes of all the other trustees.

17.4 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, the chairperson of the Board of Trustees shall have a second or casting vote.

17.5 The trustees shall cause minutes to be kept of every meeting of the Board of Trustees, which minutes shall, without undue delay after the meeting has closed, be reduced to writing and certified correct by the chairperson thereof. All minutes of trustee meetings shall, after certification, be placed in a trustee's minute book to be kept in accordance with the provisions of the laws relating to the keeping of minutes of meetings of company board of directors. The trustee's minute book shall be open for inspection at all reasonable times by any trustee, the auditors, the members and the Estate Manager.

17.6 A resolution signed by all the trustees shall be valid in all respects as if it had been duly passed at a meeting of the Board of Trustees.

18. GENERAL MEETINGS OF THE ASSOCIATION

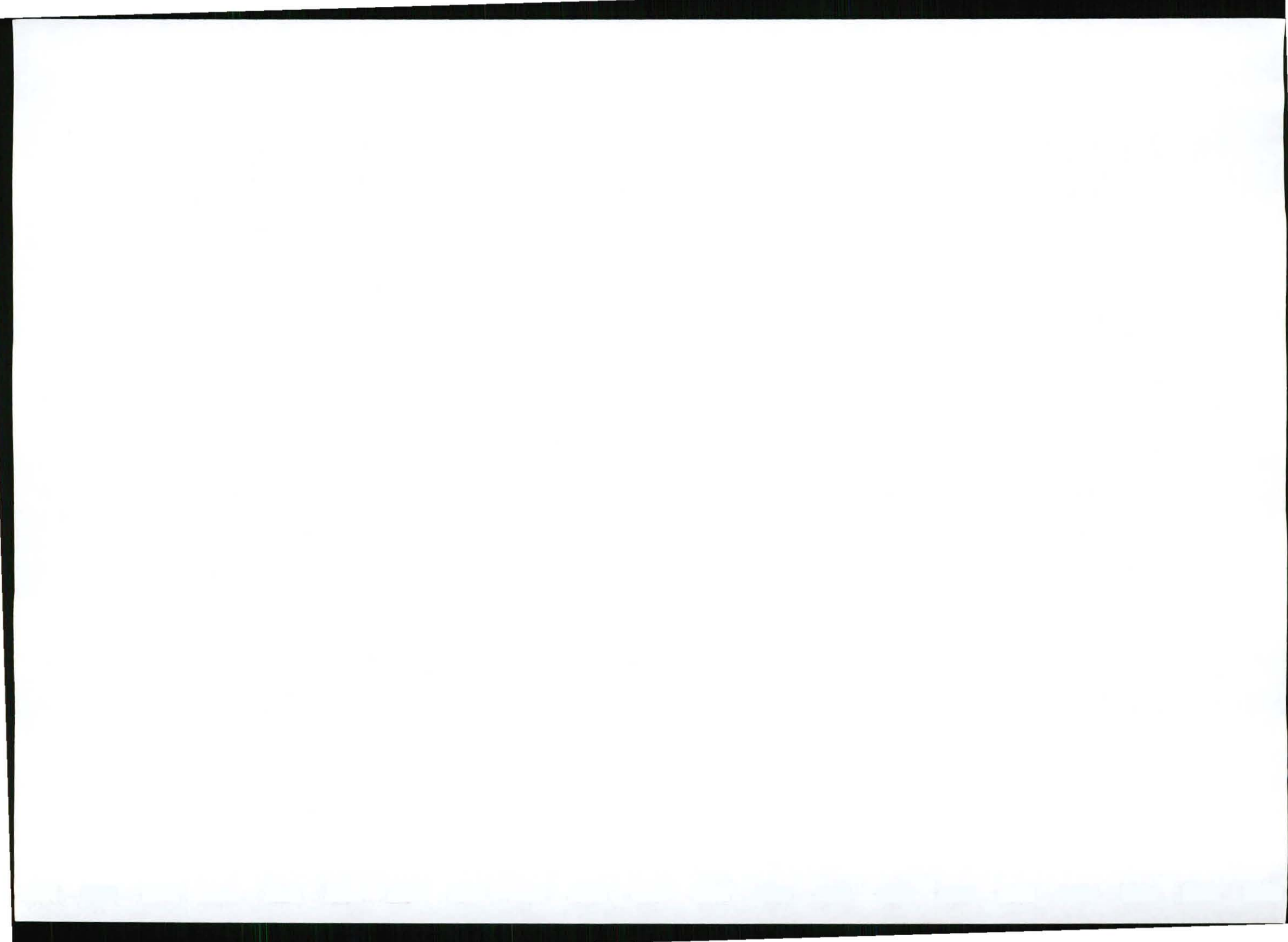
18.1 The ASSOCIATION shall, within six (6) months after the end of the financial year, hold a general meeting as its Annual General Meeting in addition to any other general meetings during that year, and shall specify the meeting as such in the notices issued in terms of section 179 of the Companies Act.

18.2 An annual general meeting shall be held at such time and place as the trustees shall decide from time to time.

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

18.4 The trustees may, whenever they deem fit, convene a general meeting. A general meeting may also be convened by the trustees on a requisition made in terms of section 181 of the Companies Act or, in the event of the trustees not doing so, may be convened by the requisitionists as provided for by and subject to the provisions of that section.

19. NOTICES OF MEETINGS



19.1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty one (21) clear days notice in writing and any other general meeting shall be called by not less than fourteen (14) clear 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 this constitution, entitled to receive such notices from the ASSOCIATION: provided that a meeting of the ASSOCIATION shall, notwithstanding the fact that it is called by shorter notice than that specified in this sub-clause, be deemed to have been duly called if it is so agreed by not less than fifty one percent (51%) of the members having a right to attend and vote at the meeting.

19.2 The annual general meeting shall deal with and dispose of all matters prescribed by the Companies Act, 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 auditor and may deal with any other business tabled before it. All business brought before any other general meeting shall be considered special business.

20. PROXIES

20.1 A member may be represented at a general meeting by a proxy, who must be a member of the ASSOCIATION or a director, member, partner or trustee of that member, save for the developer whose proxy need not necessarily be a member.

20.2 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 twenty four (24) hours before the commencement of the meeting or adjourned meeting concerned but the trustees may from time to time determine that such documents:

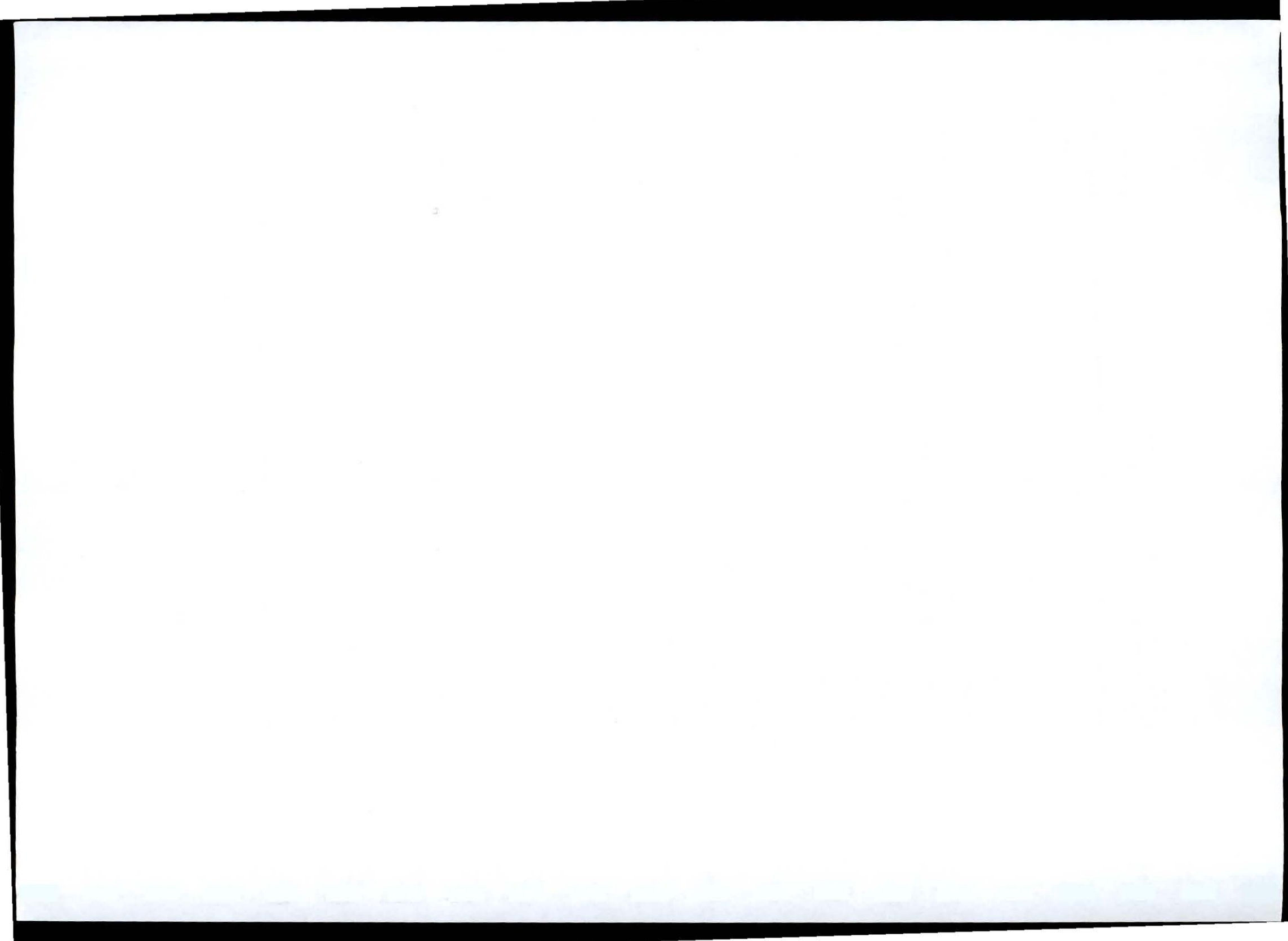
20.2.1 are to be lodged at a particular place; or

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

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

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

20.3 A proxy shall be valid for an indefinite period unless it is stated on the proxy that it is only to be valid for a shorter period. The instrument appointing a proxy shall be in the form as



prescribed by the ASSOCIATION. A proxy shall be valid for any adjournment of the general meeting to which it relates unless otherwise indicated on the proxy.

21. QUORUM

21.1 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, twenty five percent (25%) of the members present in person or by proxy shall constitute a quorum, provided that at least three (3) members are present in person at such meeting and provided that during the construction phase, at least one (1) representative of the developer is present at such meeting.

21.2 If, within fifteen (15) minutes after the time appointed for the commencement of a general meeting or within such extended period as the chairperson of the Board of Trustees or, in his absence, an acting chairperson elected by the trustees present at such meeting, may allow, a quorum is not present, the meeting shall be dissolved if it was convened on requisition. In all other cases, 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 Board of Trustees may determine. If a quorum is not present at such adjourned meeting, the members present shall constitute a quorum.

22. ADJOURNMENT BY CHAIRPERSON WITH CONSENT OF MEETING

22.1 The chairperson 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:

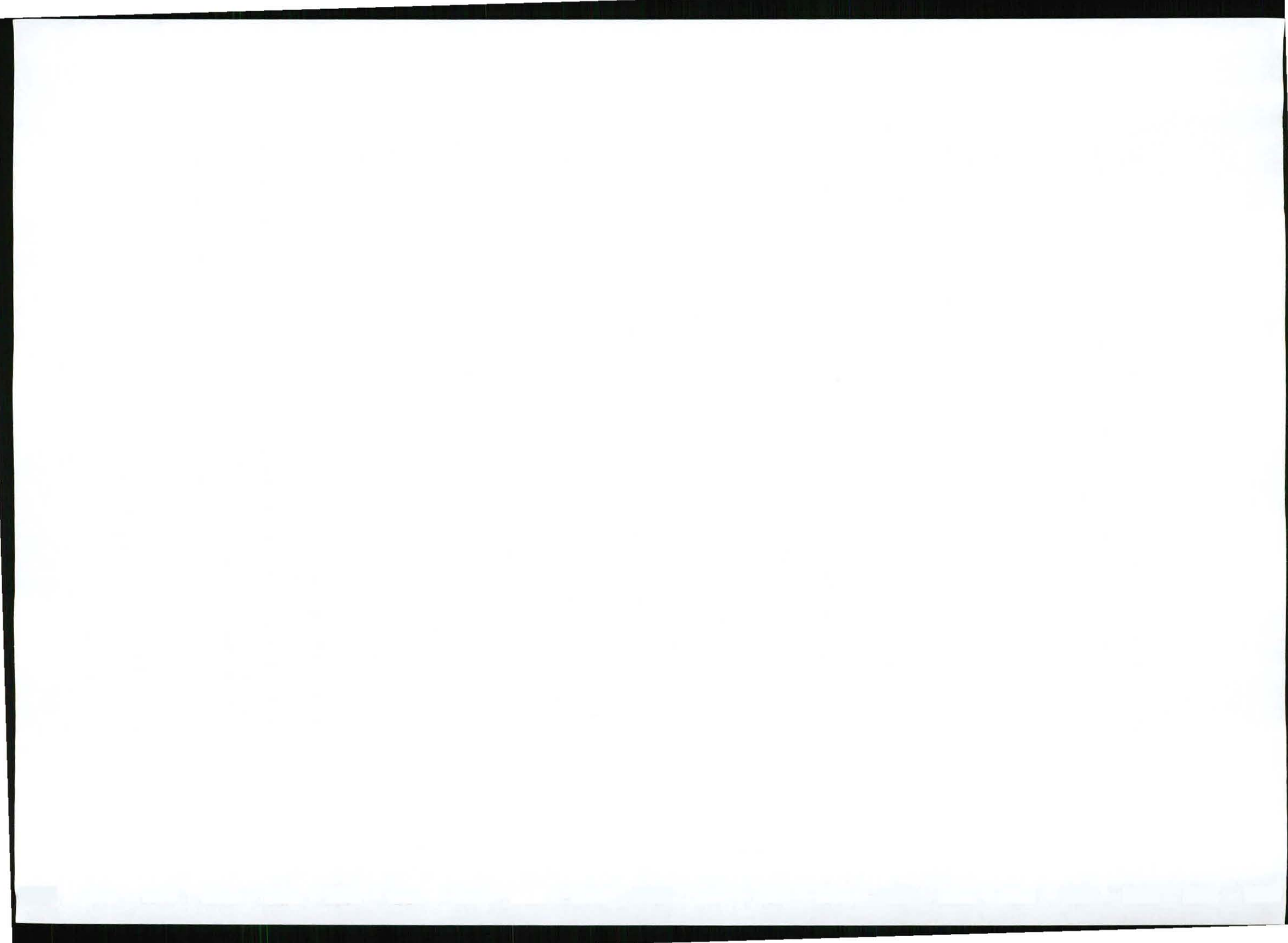
22.1.1 no notice need be given of the adjourned meeting save for an announcement at the meeting of the date, time and venue of the adjourned meeting (unless the meeting is to be adjourned for thirty (30) days or more in which event notice is to be given in the same manner as for the original meeting);

22.1.2 only business left uncompleted at the original meeting may be transacted at the adjourned meeting.

23. VOTING RIGHTS OF MEMBERS

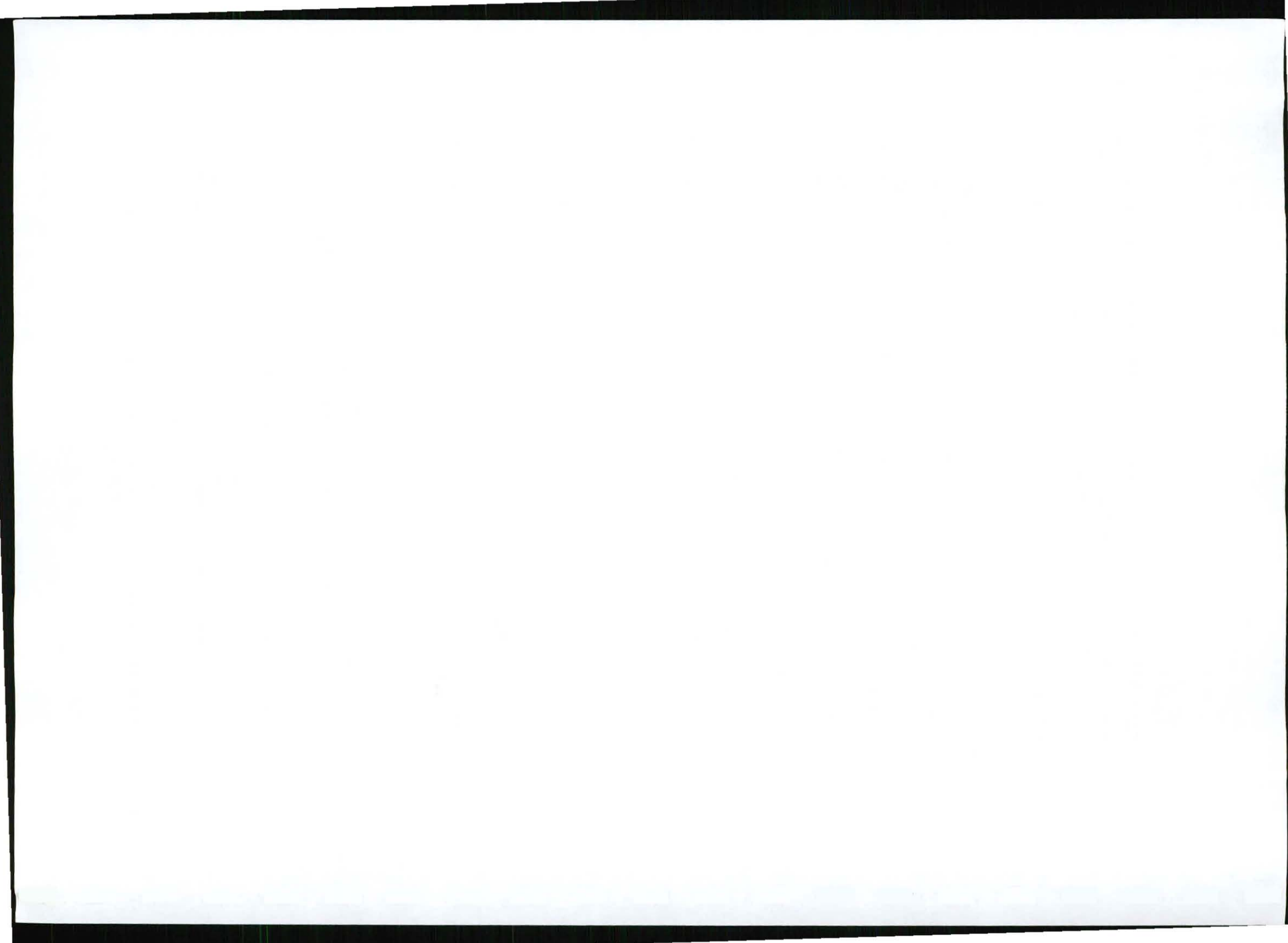
23.1 Members shall be entitled to vote only on the matters raised at every general meeting.

23.2 At every general meeting:



- 23.2.1** each member, present in person or by proxy and entitled to vote, shall have one vote for each erf registered in his name;
- 23.2.2** if an erf is registered in the name of more than one (1) person, then all such co-owners shall, jointly, have only one vote;
- 23.2.3** during the construction phase, the developer shall be entitled to three times the total number of votes of all the other members of the ASSOCIATION;
- 23.3** 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.
- 23.4** 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 according to law.
- 23.5** Resolutions shall be passed by simple majority vote, save with respect to amendments to this constitution, as provided for in clause 30.
- 23.6** If a poll is duly demanded, it shall be taken in such manner as the chairperson of the meeting may direct either at once or after an interval or adjournment.
- 23.7** If any difficulty or dispute arises regarding the admission or rejection of a vote or regarding any other matter, such difficulty or dispute shall be determined by the chairperson whether or not scrutineers have been appointed to count the votes and his/her decision shall be final and conclusive.
- 23.8** A vote cast under a proxy, power of attorney, or other authority which has been revoked shall nevertheless be valid unless:

 - 23.8.1** written notice of the revocation is received by the ASSOCIATION prior to the meeting concerned; or
 - 23.8.2** the chairperson of the meeting agrees to accept written or oral notice of such revocation at the meeting.
- 23.9** No objection shall be raised as to the admissibility of any vote except at the meeting or adjournment meeting at which the vote objected to is 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 chairperson of the meeting whose decision shall be final and conclusive.



23.10 A declaration made in good faith by the chairperson 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.

23.11 Any resolution which could be passed at a general meeting (other than a special resolution or a resolution to remove a trustee or auditor) 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.

24. ACCOUNTING RECORDS

24.1 The trustees shall cause such accounting records as are prescribed by section 284 of the Companies Act to be kept. Proper accounting records shall not be deemed to have been kept if such accounting records as are necessary to fairly present the state of affairs and business of the ASSOCIATION and to explain the transactions and financial position or the trade or business of the ASSOCIATION are not kept.

24.2 The accounting records of the ASSOCIATION shall be kept at its registered office or at such other place or places as the trustees may deem fit, and shall always be open to inspection by the trustees.

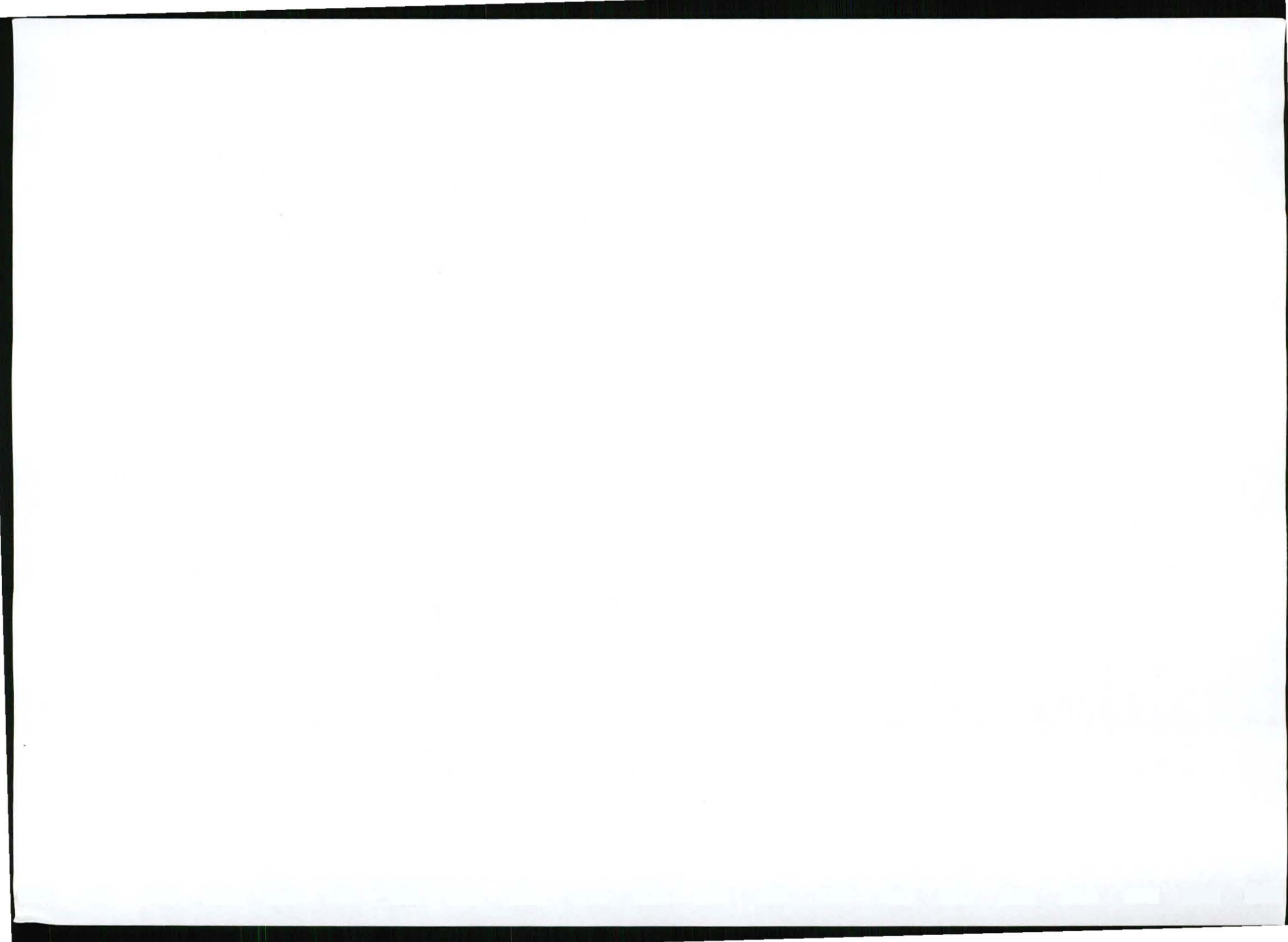
24.3 The trustees shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the ASSOCIATION or any of them shall be open to inspection by members not being trustees and no member (not being a trustee) shall have any right of inspecting any accounting records or documents of the ASSOCIATION except as conferred by the Companies Act or authorised by the trustees.

24.4 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 sections 286 and 288 of the Companies Act.

24.5 A copy of the annual financial statements which are to be laid before the ASSOCIATION in annual general meeting shall, not less than twenty one (21) days before the date of the meeting, be sent to every member of the ASSOCIATION: provided that this sub-clause shall not require a copy of those documents to be sent to any person of whose address the ASSOCIATION is not aware.

25. SERVICE OF NOTICES

25.1 The ASSOCIATION may give notices to any member either personally, or by sending same by 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.

25.2 Notice of every general meeting shall be given to:

25.2.1 every member of the ASSOCIATION;

25.2.2 the auditors for the time being of the ASSOCIATION; provided that no other person shall be entitled to receive a notice of general meetings.

25.3 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.

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

25.5 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.

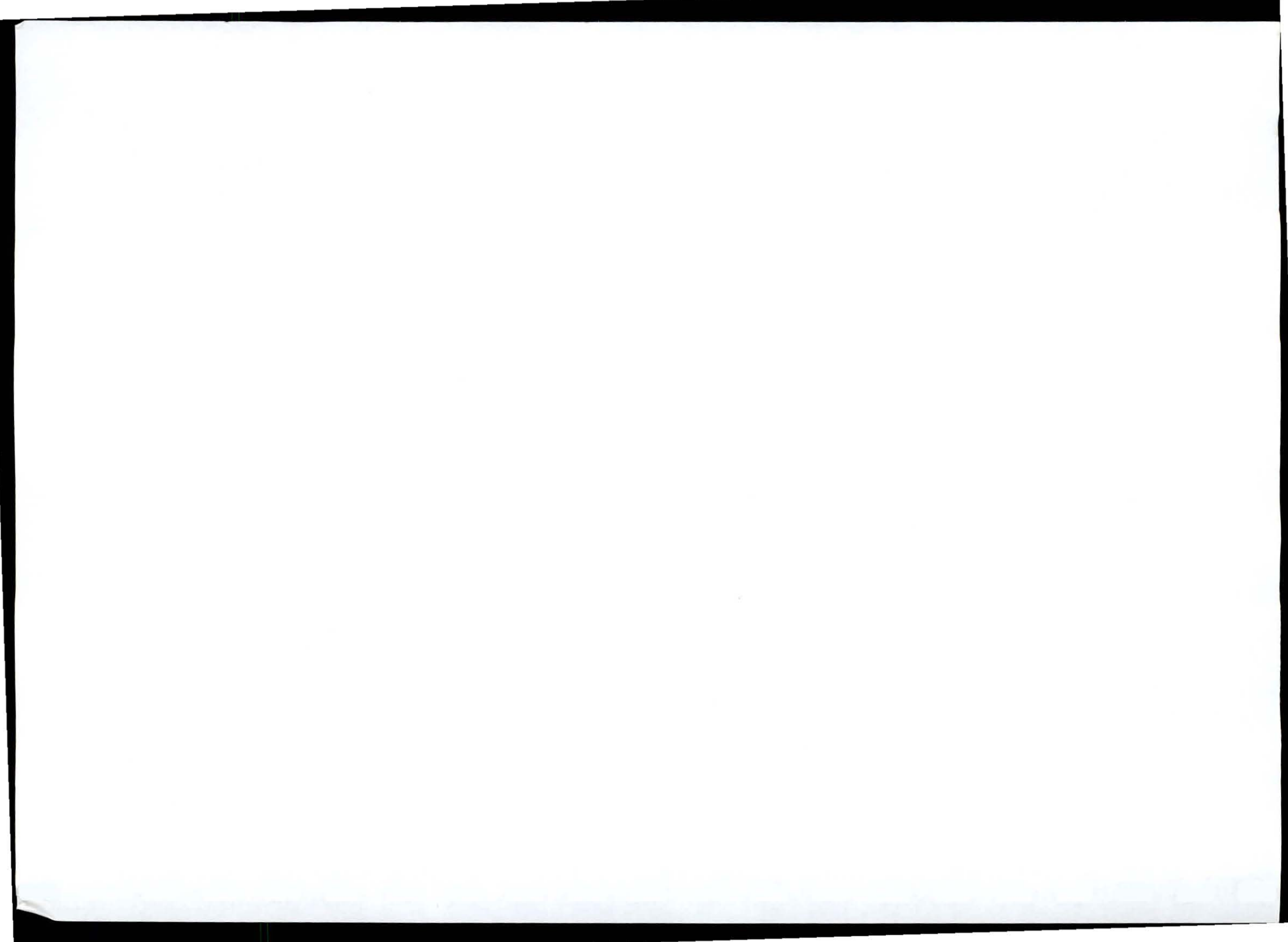
26. INDEMNITY

26.1 All trustees and the auditors 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.

26.2 Every trustee, servant, agent and employee of the ASSOCIATION, and the auditors, 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.

27. GENERAL

27.1 Whenever the trustees consider that the appearance of any erf or building in the Estate owned by a member is such as to be unsightly or injurious to the amenities of the surrounding area or the Estate generally, they may serve notice on such member to take steps as may be specified in the notice to eliminate such unsightly or injurious condition. Should the member fail within a reasonable time which shall be specified in such notice, to comply therewith, the trustees may enter upon the land or buildings concerned and take such steps as it may deem necessary and to recover the costs thereof from the member concerned, which costs shall be deemed to be a debt owing to the ASSOCIATION.



The trustees shall be obliged, in giving the aforesaid notice to act reasonably. In the event of any dispute, the member concerned shall bear the onus of establishing that the trustees acted unreasonably.

27.2 Any member as registered owner of an erf in the Estate shall erect and complete the erection of a dwelling house thereon within 12 (twelve) months after registration of transfer of the erf into his name, unless an extension of time is allowed by the DEVELOPER or ASSOCIATION.

27.3 Should any member fail to comply with the provisions of sub-clause 27.2, the ASSOCIATION shall be entitled to impose double the amount of levies due by such member as envisaged in Clause 9 of this constitution.

27.4 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, or may pass on such costs direct to the members.

27.5 Any person using any of the services, land or facilities of the ASSOCIATION shall do so entirely at his own risk.

27.6 The ASSOCIATION may, at its pleasure and subject to such conditions as it may determine, allow members to use the open space and roads in the Estate for such other purposes as may be necessary to accommodate special events in the Estate.

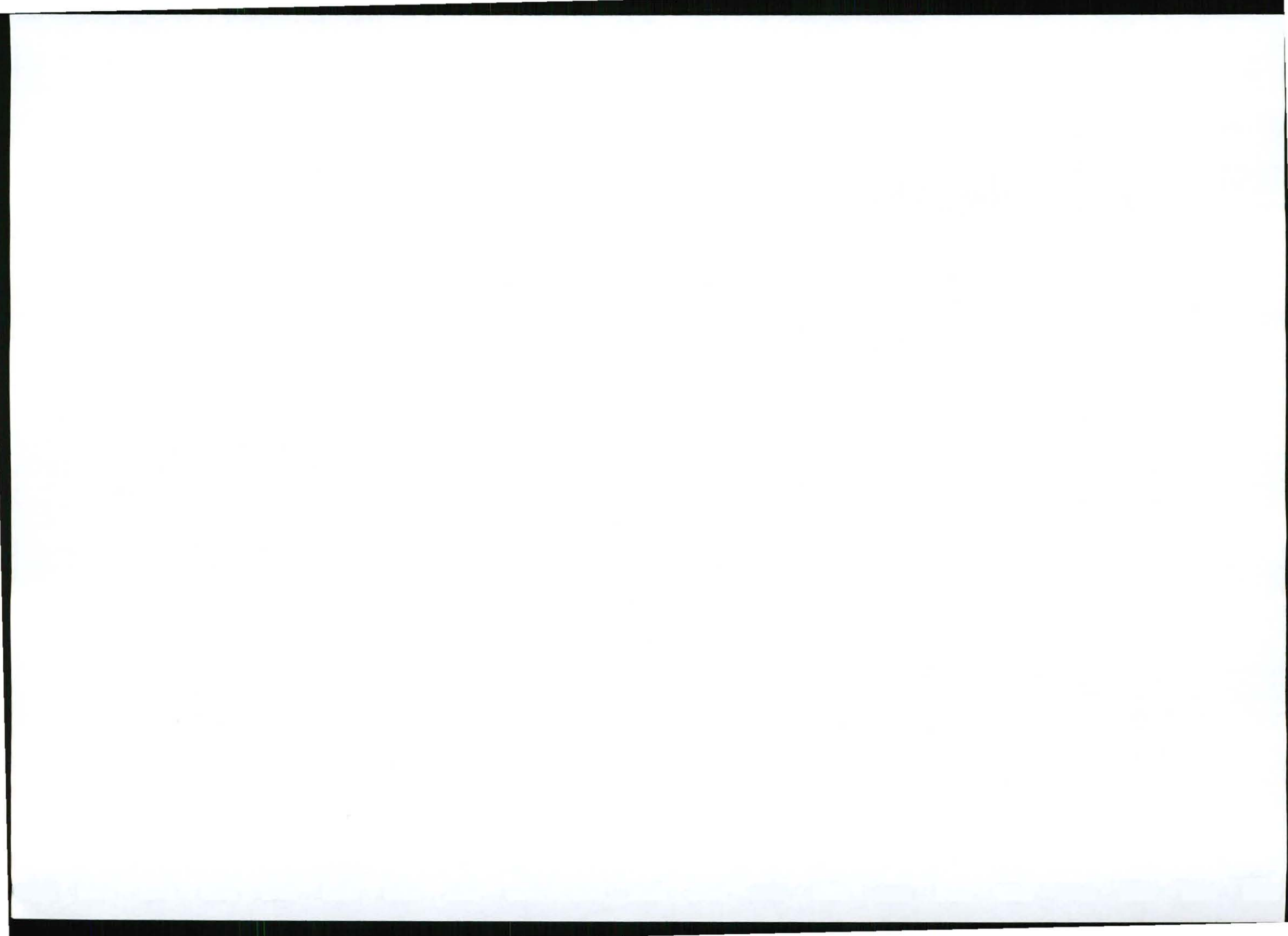
27.7 No member shall operate or conduct a time share scheme as contemplated in the Time Share Control Act No. 71 of 1983 in respect of any erf owned by him save where such scheme arises from co-ownership or syndication involving not more than 3 (three) members per erf.

28. DISPUTES

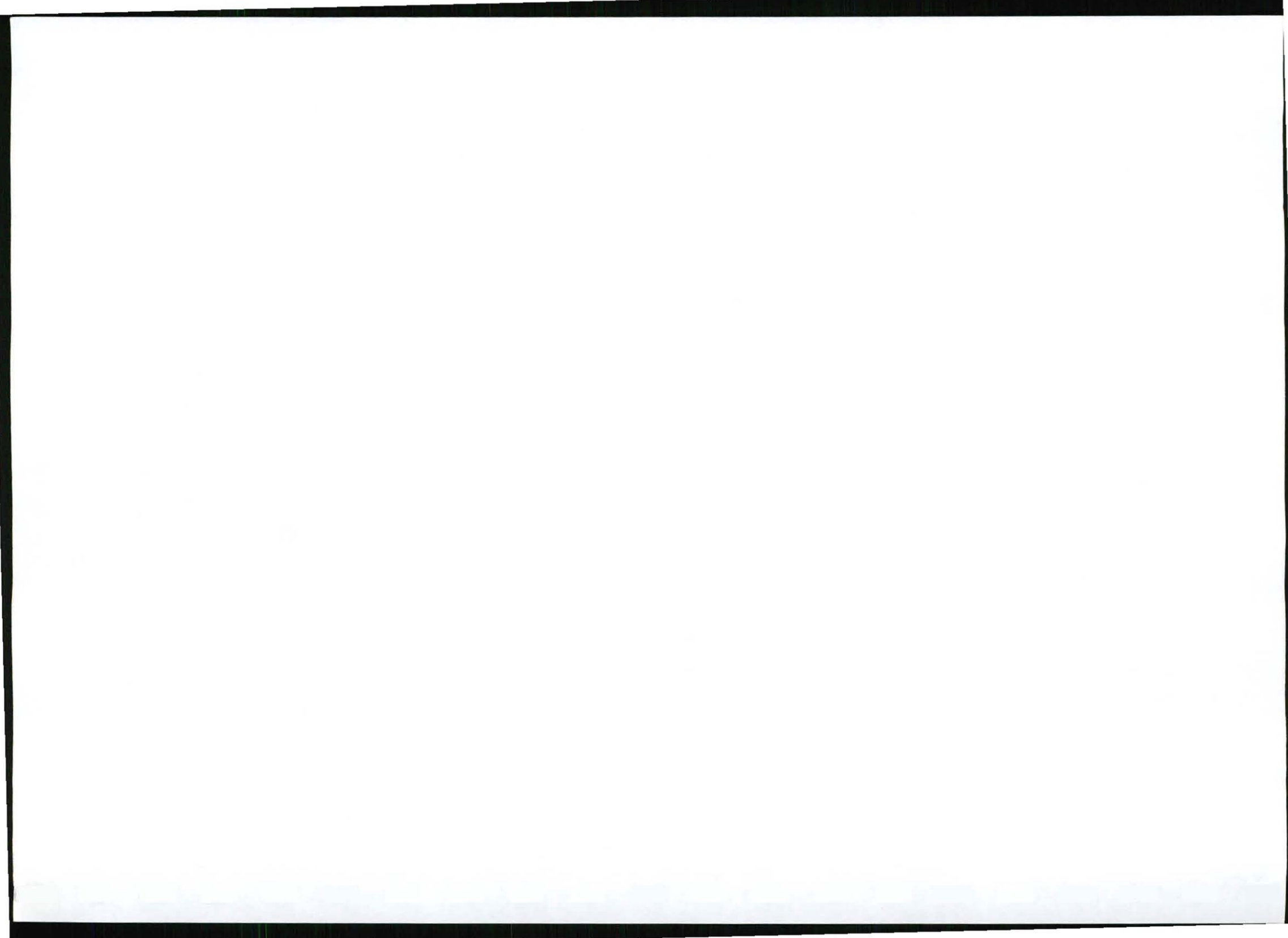
28.1 Any dispute arising out of or in connection with this constitution must be determined in terms of this clause, except when an interdict is sought for urgent relief, which may be obtained from a court of competent jurisdiction.

28.2 On a dispute arising, the party who wishes to have the dispute determined must notify the other party thereof. Unless the dispute is resolved amongst the parties to that dispute within fourteen (14) days of such notice, either of the parties may refer the dispute to determination in terms of this clause.

28.3 If a party exercises his right in terms of this clause to refer the dispute for determination, such dispute shall be referred to the under-mentioned persons who shall, in each case, have a minimum of ten (10) years experience in their field of expertise:



- 28.3.1** if the dispute is primarily an accounting matter, a practising chartered accountant;
- 28.3.2** if the dispute is primarily a legal matter, a practising attorney or advocate;
- 28.3.3** if the dispute is primarily a matter relating to the measurement in any way of any building construction or any aspect thereof, a practicing quantity surveyor;
- 28.3.4** if the dispute is primarily a matter relating to any defect in any building construction, a practicing engineer;
- 28.3.5** if the dispute relates to any other matter, such other independent and suitably qualified person.
- 28.4** If the parties are unable to agree either on the person referred to in sub-clause 28.4 or on the classification of the dispute within a period of seven (7) days of either party having given notice to the other, proposing an appointee or alternative appointee, then the person in question shall be nominated by the President for the time being of the Law Society of the Cape of Good Hope or its successor/s.
- 28.5** Any person agreed upon and nominated as aforesaid ("the expert"), shall in all respects act as an expert and not as an arbitrator.
- 28.6** The dispute resolution proceedings shall be on an informal basis, it being the intention that a decision should be reached as expeditiously as possible, subject only to the due observance of the principles of natural justice.
- 28.7** The parties shall use their best endeavours to procure the decision of the expert aforesaid within twenty one (21) days or so soon thereafter as possible, after it has been demanded.
- 28.8** The decision of the expert aforesaid shall be final and binding upon all parties and be capable of being made an order of court on application by any of them.
- 28.9** The costs of and incidental to any proceedings in terms of this clause, including the fees of the expert, shall be in the discretion of the expert who shall be entitled to direct the allocation of the costs and whether or not they shall be taxed as between party and party or as between attorney and client.
- 28.10** The provisions of this clause constitute the irrevocable consent of the parties to any proceedings in terms thereof and none of the parties shall be entitled to withdraw therefrom or claim in any such proceedings that it is not bound by such provisions.



28.11 The provisions of this clause shall be deemed to be severable from the rest of this constitution and shall remain binding and effective as between the parties notwithstanding that this constitution may otherwise be cancelled or declared of no force and effect for any reason.

29. ESTATE MANAGER

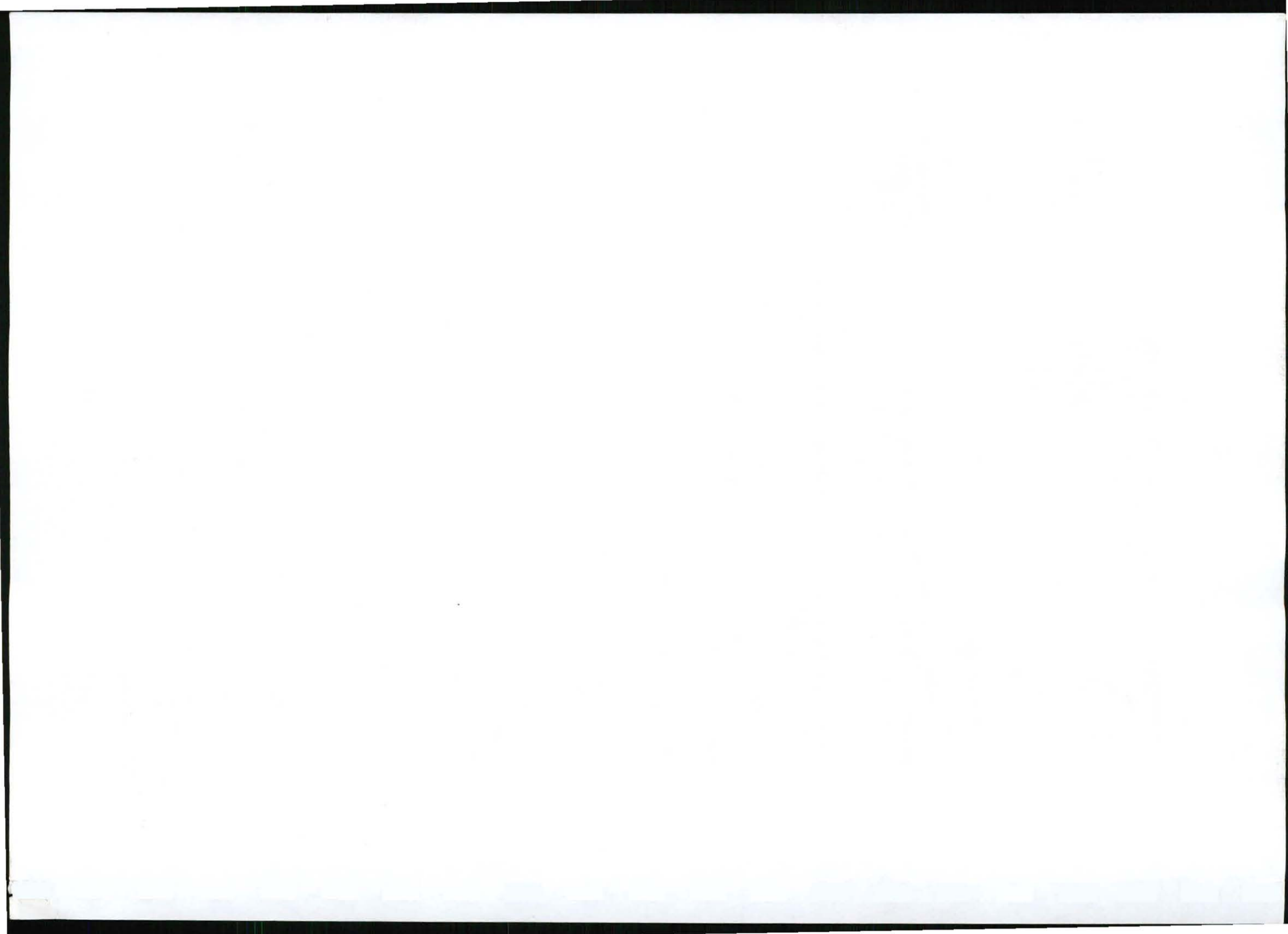
29.1 The developer shall, for the duration of the construction phase, and, thereafter, the trustees, be entitled to appoint an Estate Manager to control, manage and administer the development and the common property and to exercise such powers and duties as may be entrusted to the said Estate Manager, including the right to collect levies.

29.2 The terms and conditions of the appointment of the Estate Manager shall be in the discretion of the DEVELOPER or the TRUSTEES, as the case may be.

30. AMENDMENT

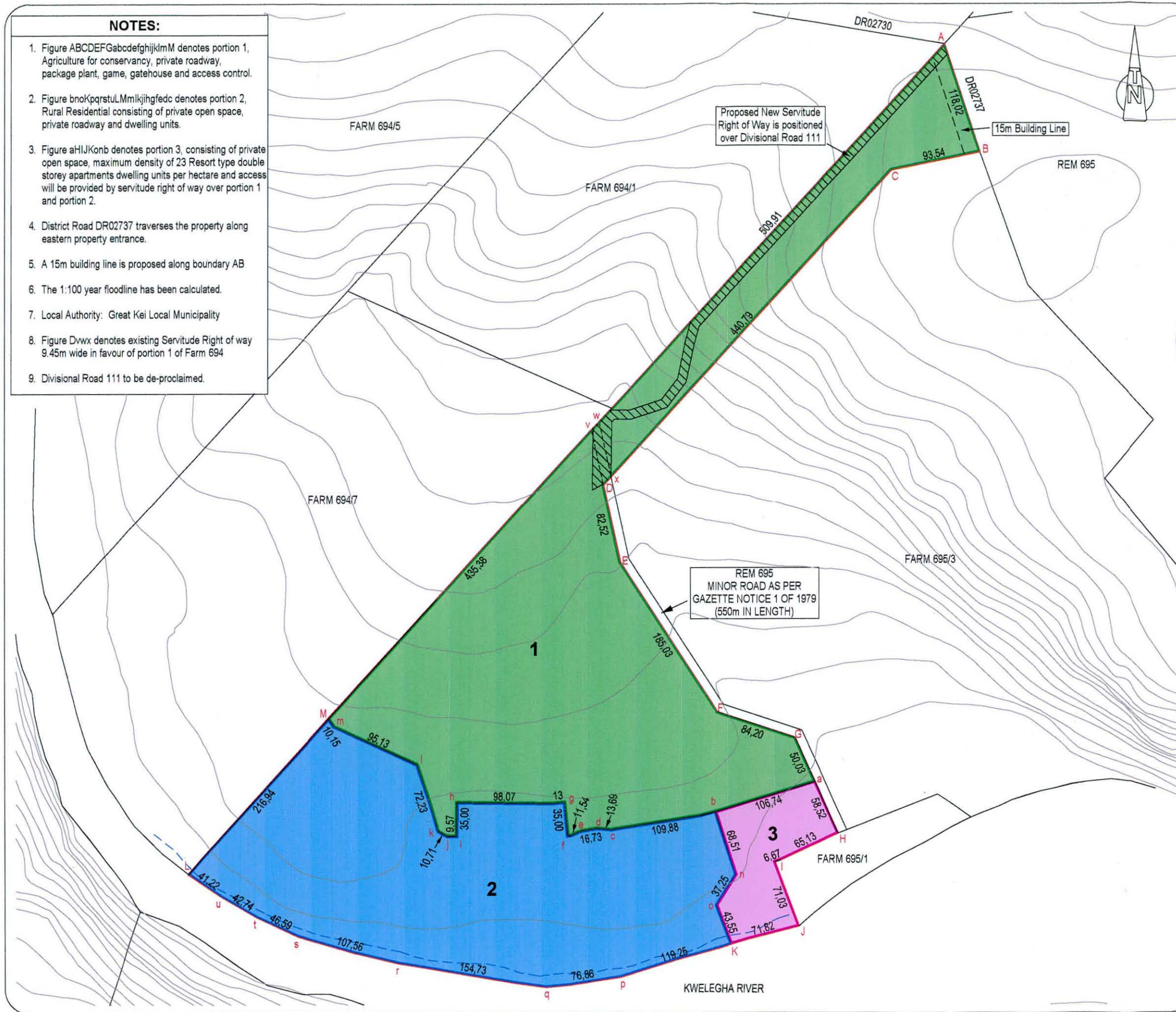
30.1 Subject to sub-clause 30.2, any amendment, substitution or repeal of any provision of this constitution shall require the approval of at least 51% (fifty one per centum) of the total number of votes of members of the ASSOCIATION given at a general meeting called specifically for such purposes and the notice of such meeting shall, in addition to complying with the requirements for the convening of a meeting in terms of this constitution, set out in specific terms the proposed addition, amendment, substitution or matter to be repealed.

30.2 No amendment, substitution or repeal of any provision of this constitution in terms of sub-clause 30.1 shall of force or effect until a copy of the constitution as so amended, substituted or repealed has been submitted to the local authority and the Tribunal and receipt thereof has been acknowledged by the said local authority and Tribunal.



NOTES:

1. Figure ABCDEFGabcdehijklmM denotes portion 1, Agriculture for conservancy, private roadway, package plant, game, gatehouse and access control.
2. Figure bnokpqrstuLmnikjghfedc denotes portion 2, Rural Residential consisting of private open space, private roadway and dwelling units.
3. Figure aHlJKonb denotes portion 3, consisting of private open space, maximum density of 23 Resort type double storey apartments dwelling units per hectare and access will be provided by servitude right of way over portion 1 and portion 2.
4. District Road DR02737 traverses the property along eastern property entrance.
5. A 15m building line is proposed along boundary AB
6. The 1:100 year floodline has been calculated.
7. Local Authority: Great Kei Local Municipality
8. Figure Dvwx denotes existing Servitude Right of way 9.45m wide in favour of portion 1 of Farm 694
9. Divisional Road 111 to be de-proclaimed.



AREENA RIVENDELL ESTATE & AREENA ISLAND VIEW RESORT FARM 695-2, EAST LONDON

LAND USE RIGHTS TABLE

USE	PORTION NO.	AREA (HA)	% COVERAGE	DU/HA	NO. OF UNITS
AGRICULTURE & NATURE CONSERVANCY	1	12.81	55.69	0	0
RURAL RESIDENTIAL DWELLINGS	2	9.02	39.22	5.1	46
RESORT ESTATE APARTMENTS	3	1.17	5.09	20	23
TOTAL	3	23.00	100	-	69

BROAD LAND USE RIGHTS

AGRICULTURAL CONSERVANCY	Agriculture, Conservancy, Private Roadway, Package Plant (Sanitation), game farm, Gatehouse and Access Control (No dwellings are planned on this portion)
RURAL RESIDENTIAL	Private Roadway, Private Open Space and Rural Residential dwelling units (46 units in total)
RESORT APARTMENTS	Resort Apartments, Private Open Space, Application for 20 Dwelling Units/hectare (23 units in total)

NOTES

1. All dimensions are in metres
2. Contour Interval - 1m

CADASTRAL BOUNDARIES ARE AS EXTRACTED FROM RECORDS AT THE SURVEYOR GENERALS OFFICE
ALL CADASTRAL BOUNDARIES ARE TO BE CONFIRMED BY A PROFESSIONAL LAND SURVEYOR

DATE: 19 OCTOBER 2009

CLIENT: AREENA RESORT TRUST

Scale 1: 4000

Prepared by:

NPM PLANNING
TOWN & REGIONAL PLANNERS

www.nmplanning.co.za

QUEENSTOWN
44 Edden Road,
Queenstown
P.O. Box 1699,
Queenstown, 5320
045 938 2029/105
045 938 2016
qpm@nmpplanning.co.za

EAST LONDON
7 King Street,
Southernwood,
P.O. Box 19345,
Tocoma, 5214
043 722 2935
086 593 3487
el@nmpplanning.co.za

PORT ELIZABETH
195 Cape Road,
Mill Park,
P.O. Box 10322,
Linton Grange
641 374 4810
641 374 1008
pe@nmpplanning.co.za

Title
PROPOSED LAND DEVELOPMENT AREA PLAN

PLAN NO.: 5965.06

Rev No **0**

© Copyright Reserved NPM Planning cc



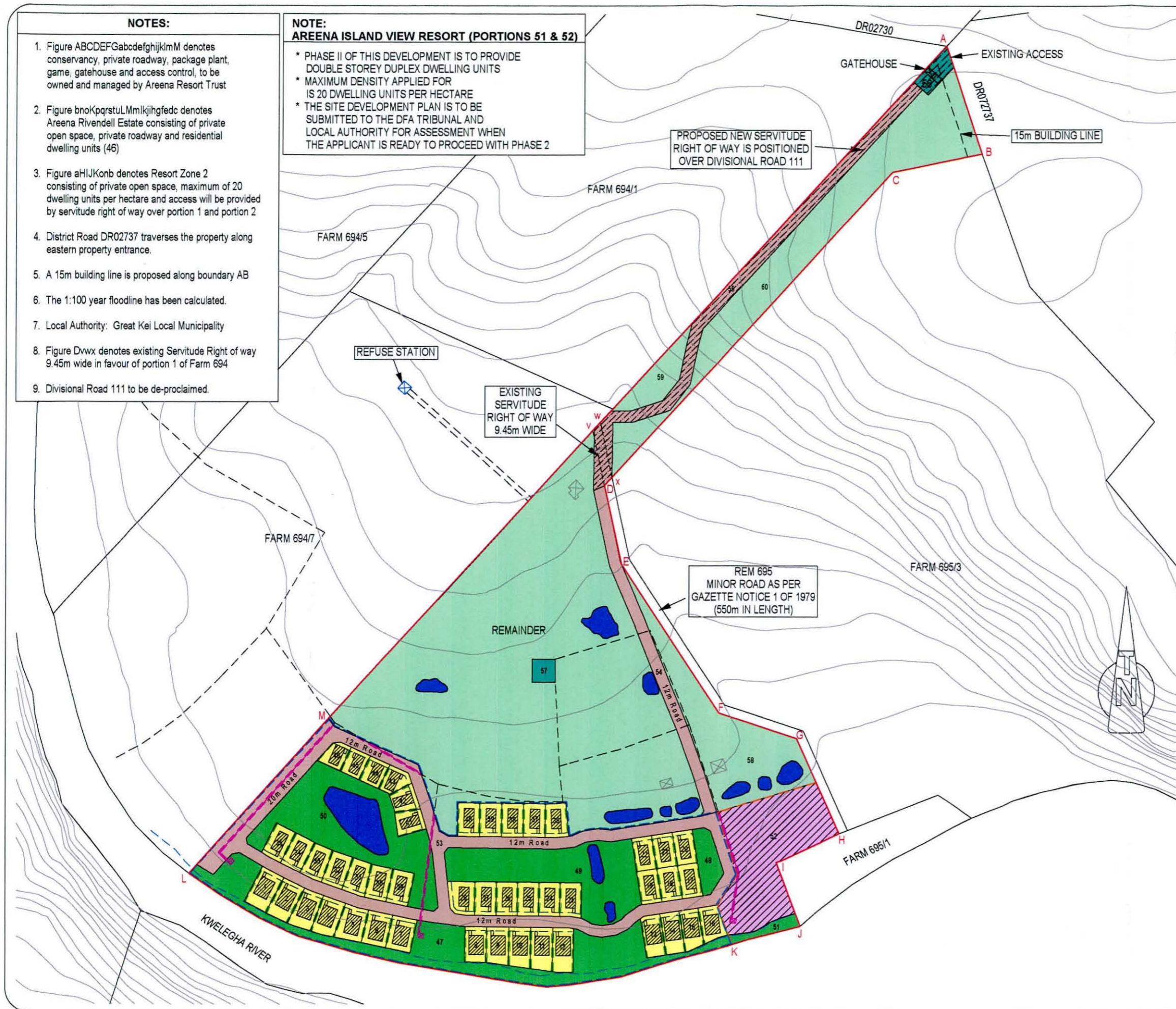
NOTES:

- Figure ABCDEFGabcdehijklmM denotes conservancy, private roadway, package plant, game, gatehouse and access control, to be owned and managed by Areena Resort Trust
- Figure bnoKpqrstuLmMkijhgfedc denotes Areena Rivendell Estate consisting of private open space, private roadway and residential dwelling units (46)
- Figure aHIJKonb denotes Resort Zone 2 consisting of private open space, maximum of 20 dwelling units per hectare and access will be provided by servitude right of way over portion 1 and portion 2
- District Road DR02737 traverses the property along eastern property entrance.
- A 15m building line is proposed along boundary AB
- The 1:100 year floodline has been calculated.
- Local Authority: Great Kei Local Municipality
- Figure DvwX denotes existing Servitude Right of way 9.45m wide in favour of portion 1 of Farm 694
- Divisional Road 111 to be de-proclaimed.

NOTE:

AREENA ISLAND VIEW RESORT (PORTIONS 51 & 52)

- * PHASE II OF THIS DEVELOPMENT IS TO PROVIDE DOUBLE STOREY DUPLEX DWELLING UNITS
- * MAXIMUM DENSITY APPLIED FOR IS 20 DWELLING UNITS PER HECTARE
- * THE SITE DEVELOPMENT PLAN IS TO BE SUBMITTED TO THE DFA TRIBUNAL AND LOCAL AUTHORITY FOR ASSESSMENT WHEN THE APPLICANT IS READY TO PROCEED WITH PHASE 2



AREENA RIVENDELL ESTATE & AREENA ISLAND VIEW RESORT FARM 695-2, EAST LONDON

LAND USE RIGHTS TABLE

LAND USE	ZONING	NOTATION	PORTION NO.	AREA (HA)	%
RESIDENTIAL	RESIDENTIAL ZONE 1	[Yellow Box]	1 - 46	4.00	17.73
PRIVATE OPEN SPACE	OPEN SPACE ZONE	[Green Box]	47 - 51	3.40	15.07
AREENA ISLAND VIEW RESORT	RESORT ZONE 2	[Purple Hatched Box]	52	1.10	4.88
PRIVATE ROADWAY	RESIDENTIAL ZONE 1	[Brown Box]	53 - 55	2.93	12.98
GATEHOUSE ACCESS CONTROL & ROADWAY	SPECIAL ZONE	[Teal Box]	56	0.09	0.40
SEWAGE PACKAGE PLANT	SPECIAL ZONE	[Dark Teal Box]	57	0.06	0.27
AGRICULTURE	AGRICULTURAL ZONE 1	[Light Green Box]	Remainder, 58 - 60	10.98	48.67
TOTAL			61	23.00	100

NOTES

- CONTOUR INTERVAL 5M
- 1:100 YEAR FLOODLINE
- S.R.O.W TO BE CREATED FOR NEIGHBOURING FARMS 694/7, 695/3, 695/1, 694/5, 1419
- 300m² Maximum Developable Footprint - Erven 1 to 16
1 Parking bay per site (5m x 2.5m), Double Storey
- 250m² Footprint - Erven 17 to 46
1 Parking per site (5m x 2.5m), Double Storey
- WATER AND SEWAGE PIPELINE (SERVITUDE)
- DAMS
- PUMP SUMP
- EXISTING STRUCTURES
- REFUSE COLLECTING POINT TO BE MANAGED BY AREENA RESORT TRUST
- SERVITUDE RIGHT OF WAY TO PROVIDE ACCESS TO REFUSE SITE OVER FARM 694/7
- AREENA ISLAND VIEW RESORT
- AREENA RIVENDELL ESTATE
- 4m STREET BUILDING LINE
- 1m SIDE AND REAR BUILDING LINE
- WATER AND SEWAGE PIPELINE

CADASTRAL BOUNDARIES ARE AS EXTRACTED FROM RECORDS AT THE SURVEYOR GENERAL'S OFFICE
ALL CADASTRAL BOUNDARIES ARE TO BE CONFIRMED BY A PROFESSIONAL LAND SURVEYOR

DATE: 11 August 2009

CLIENT: AREENA RESORT TRUST

Scale 1: 4000

Prepared by:



NPM PLANNING
TOWN & REGIONAL PLANNERS

www.npmplanning.co.za

QUEENSTOWN
44 Ebdon Road,
Queenstown
P.O. Box 1699,
Queenstown, 5320
045 836 2029/05
045 836 2016
qtr@npmplanning.co.za

EAST LONDON
7 King Street,
Southwood,
P.O. Box 19345,
Tecoma, 5214
043 722 2925
096 509 3467
el@npmplanning.co.za

PORT ELIZABETH
195 Cape Road,
Mill Park,
P.O. Box 10222,
Linton Orange
041 374 4610
041 374 1008
pe@npmplanning.co.za

Title

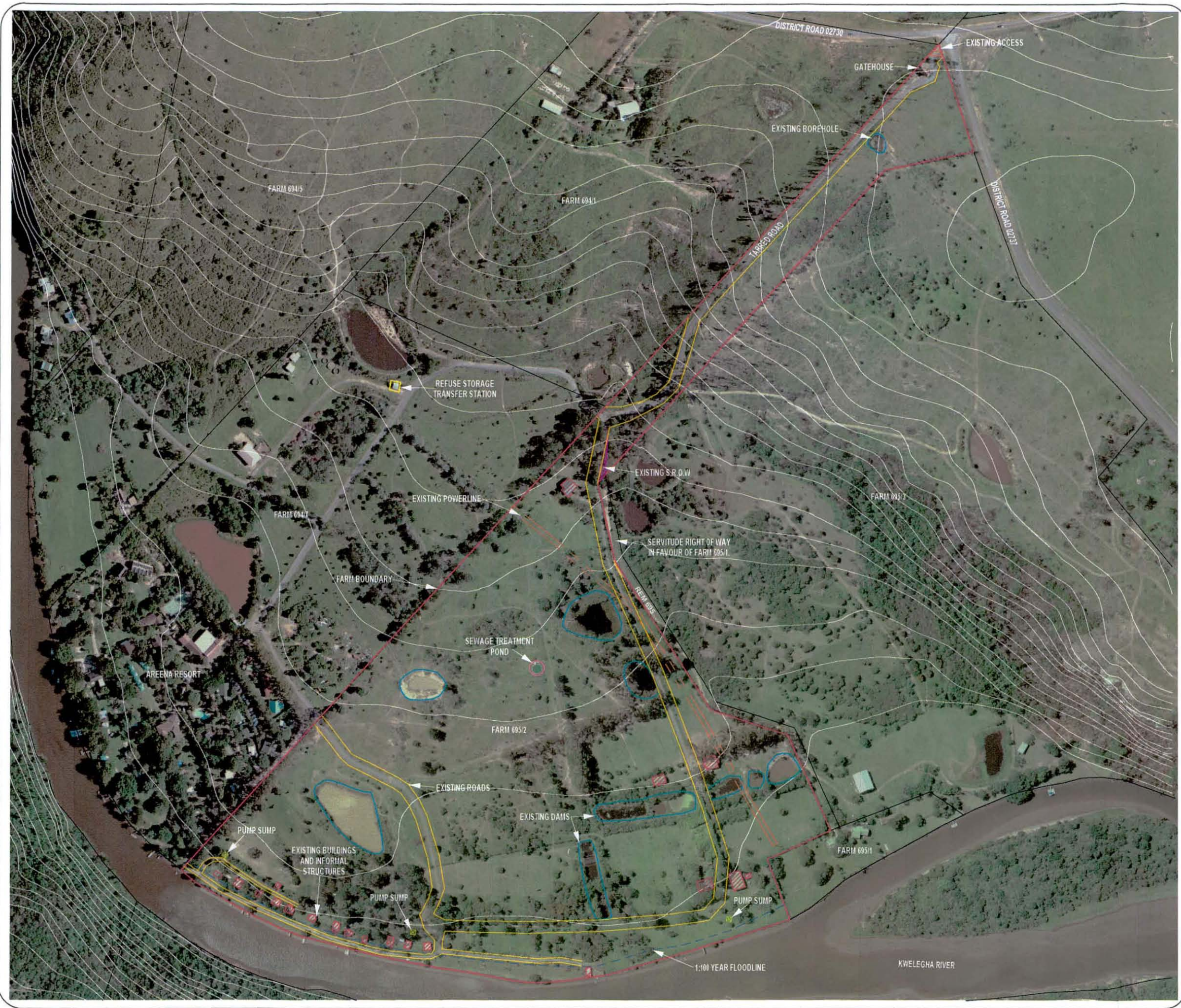
SITE DEVELOPMENT PLAN

PLAN NO.: 5965.08

Rev No 0

© Copyright Reserved NPM Planning cc





SUBDIVISION AND REZONING OF FARM 695-2, EAST LONDON

LAND USE TABLE

LAND USE	NOTATION	LAND USE	NOTATION
EXISTING BUILDINGS AND INFORMAL STRUCTURES		EXISTING POWERLINES	
SITE BOUNDARY		EXISTING BOREHOLE	
1: 100 YEAR FLOODLINE			
EXISTING DAMS			
EXISTING ROADS			
SEWAGE TREATMENT POND			
EXISTING S.R.O.W			

NOTES

CONTOUR INTERVAL 5M

CADASTRAL BOUNDARIES ARE AS EXTRACTED FROM RECORDS AT THE SURVEYOR GENERALS OFFICE

ALL CADASTRAL BOUNDARIES ARE TO BE CONFIRMED BY A PROFESSIONAL LAND SURVEYOR

DATE: 19 October 2009

CLIENT: AREENA RESORT TRUST

Scale 1: 4000

Prepared by:



NPM PLANNING
TOWN & REGIONAL PLANNERS

www.npmplanning.co.za

QUEENSTOWN
44 Ebben Road,
Queenstown
P.O. Box 1689,
Queenstown, 5320
045 638 2029/195
045 638 2016
qtn@npmplanning.co.za

EAST LONDON
7 King Street,
Southernwood,
P.O. Box 19345,
Tecoma, 5214
043 722 2935
086 509 3487
el@npmplanning.co.za

PORT ELIZABETH
195 Cape Road,
Mill Park,
P.O. Box 10322,
Linton Grange
041 374 4010
041 374 1006
pe@npmplanning.co.za

Title

DRAFT SITE PLAN

PLAN NO.: 5965.05

Rev No **0**

