

RULES OF THE HOMEOWNERS ASSOCIATION

INTRODUCTION

The Articles of Association require the rules to be reasonable, binding on, and to apply equally to all members. Based upon this rationale, the rules should be seen to safeguard and promote appropriate, sensible and fair interaction. The BHEC (the management committee handling the estate management for the Development Phase duration) also has the right to impose financial penalties (fines) to be paid by those members who fail to comply with the rules. Fines, where imposed, shall be deemed to be a part of the levy due by the Owner. Further, the BHEC may enforce provisions of any rule by application to the courts. The Development company will control all affairs of the HOA during the Development Phase, thereafter the residents will assume control. The HOA must abide by all guidelines included in the Architectural Guidelines.

1. PROMULGATION OF RULES

1.1 Regular revision and publication of Rules

As from the date of promulgation of these rules they shall all apply forthwith and all Residents /owners shall be required to abide thereby. The BHEC has to power to make, add to, amend or repeal these rules. This handbook will be re-printed on a regular basis, and will include any changes or amendments made in the preceding period. For the purpose of these rules, "Owner" means a Purchaser, Member, Co-owner, Corporate Owner, Trustee, Lessee, Family Member, Invitee or Guest.

1.2 Conflict of existing practice with new Rules

Any existing practices in conflict with the new rules shall cease immediately, unless otherwise resolved as follows:-

Where a specific conflict arises between a new rule and an existing practice of long standing and an owner feels legitimately aggrieved, the Estate Manager, in his own right may decide to allow the partial or total relaxation of the new rule, to permit the existing practice to remain, or be suitably adjusted and reconciled. Any decision resulting from such consideration shall be entirely at the Estate Manager's discretion and shall be binding on all parties. All general approvals shall be subject to the Black Hawk Executive Committee (BHEC).

1.3 Contravention of Rules by "Others"

Any contravention of the rules by any person who gains access to the Estate under the authorization of a member shall be deemed to be a contravention by that member.

2. USE AND OCCUPATION OF A UNIT

A Unit means a stand, dwelling or outbuilding.

2.1 Use of a Dwelling

The use of a dwelling shall be governed by the Makado Municipal Town Planning Scheme in force at the time, or any other approved scheme applicable to the Estate from time to time. A unit may be used for residential purposes only. (i.e.: No trading whatsoever will be allowed, nor will any business operations which necessitate staff/clients visiting the dwelling /accessing the estate, or the registration of the premises as a business premises in terms of the Town Planning Scheme). (This Rule does not prevent the use of properties zoned for commercial use being used for commercial purposes).

2.2 Occupation

The maximum number of persons allowed to reside at any one time in one dwelling shall not exceed the number of legitimate bedrooms in the dwelling multiplied by two.

2.3 Drying of Washing

No garments, household linen or general washing of any nature may be hung out or placed anywhere to dry, except in a screened drying yard or other designated area. Items of washing must not be visible from the roads, the golf course, the game reserve or any of the common areas and must be reasonably screened from the direct view of neighbors.

2.4 Storage of Harmful Substances

No harmful or inflammable substances, or substances which contravene the EIA, may be kept on the Estate.

2.5 Attachments to Units

Nothing may be placed on or attached to a dwelling or any other structure, other than in accordance with prior written approval from the Association. The request for such approval may require a description and/or drawing and/or plan as may be necessary to fully define the request. (This item applies to the likes of external air conditioning units, awnings, etc. even when not directly attached to the building). (Specifications for types and colours of approved awnings are obtainable from the Associations Office).

2.6 Fences

No fencing of individual erven is allowed on the estate. Only approved swimming pool fencing may be erected within a maximum area of 2 metres around the edge of a swimming pool. Swimming pools must be fenced off or alternatively raised by 500mm from natural ground level so that wild animals are not able to access the swimming pool and drown.

2.7 Gazebo's

Plans for gazebos, doll/play houses must be approved prior to installation.

2.8 Garden/Tools Sheds

Free standing sheds for tools or gardening equipment are prohibited.

3. UPKEEP AND MAINTENANCE OF RESIDENCES

3.1 General House Maintenance

The exterior of every "freehold" dwelling together with fences, driveways, etc., must be continuously and at all times maintained by the Owner in a clean, tidy, neat and befittingly repaired, painted and properly kept condition. The maintenance of the exterior of Sectional Title units is the responsibility of the relevant Body Corporate.

3.2 Standards of House Maintenance

Where in the opinion of the Association the condition of a dwelling is not up to the required standards of the Estate, the Association shall give written notice to the Owner, or Body Corporate, to carry out the necessary improvements within a specified time.

3.3 Failure to Comply

Should the Owner or Body Corporate fail to carry out such work as requested, the Association shall be entitled to carry out that work and to recover the reasonable cost thereof from the Owner or Body Corporate, which amount shall be deemed to be part of the levy due by the Owner or Body Corporate.

4. UPKEEP AND MAINTENANCE OF GARDENS

4.1 General Garden Maintenance

The Association requires an acceptable standard of garden design and garden maintenance. The garden service contractor, to be supplied exclusively by the estate, may not offer less than the minimum standard, nor may the owner accept less.

4.2 Failure to Comply

Should the Owner or Body Corporate fail to carry out such work as requested, the Association shall be entitled to carry out that work and to recover the reasonable cost thereof from the Owner or Body Corporate, which amount shall be deemed to be part of the levy due by the Owner or Body Corporate.

4.3 New Gardens

First time or New gardens require the approval from the BHEC and shall comply with the procedures and guidelines as laid down by the Association. Where in the opinion of the Association the condition of a garden or undeveloped property is not up to the required standards of the Estate, the Association shall give written notice to the Owner or Body Corporate to carry out the necessary improvements within a specified time.

5. THE RIGHT TO KEEP AND CONTROL OF PETS/ANIMALS

Absolutely no pets of any description are allowed to be kept on the Estate. Any party bringing any kind of pet onto the property will be requested to immediately remove this animal. Any non-compliance with this directive will result in this pet being removed by estate security and delivered to the nearest SPCA. Residents will be fined in terms of the blatant disregard of rules.

6. SECURITY

All Security procedures in force from time to time shall be strictly adhered to at all times by all persons inside the Estate.

6.1 General Security Procedures

All owners of residences are required to install only alarm systems approved by the Association. This is to ensure that the alarm system may be connected into the overall security system for monitoring.

6.2 Messenger of Court, Sheriff of the Court and Police

Due to the nature of this category of persons, access cannot be denied, and confirmation with the person/s to be served, etc will not be obtained. However, Security will ensure valid court orders, warrants, etc are produced before they are allowed in. Security will escort such persons to the premises and ensure all relevant laws and ordinances are followed, and the minimum publicity occurs.

6.3 Vacant Houses

It is advisable to report vacant or unoccupied houses to Security. Security will conduct daily inspections on the property to ensure all is well for the period the house is unoccupied. Contact numbers and key holder information must be supplied to Security in case of an emergency. Please ensure that burglar alarms are armed and all windows and doors are secured prior to leaving.

6.4 Reporting to Security

Security is a shared responsibility. Owners must report any suspicious or unlawful occurrence to Security immediately it is seen or perceived.

6.5 Access discs

Access discs are issued to an individual only. Only property owners, tenants, or persons authorised to work on the Estate may be issued access discs. An access disc may not be used by anyone other than the person to whom it is issued. Access discs may not be handed over to family, friends or others with the intention of allowing them free entry to the Estate. Only one disc may be issued per person. Each person issued an access disc has been classified into a particular security level. Each security level has different permissions related to access points, times and authorities. The general rule is residents have 24 hour access at all points and everyone else has limited access based on specific gates, times allowed and days of the week permitted.

Each owner is responsible for the safe keeping and proper use of his/her individual access disc and shall not permit the use thereof by unauthorized persons. (It should be noted all exit/entry movements are recorded on the security computer and are identifiable to each individual). Access by access disc to the Estate is limited to residents, to registered domestics, and to other authorised and security-cleared persons. Additional access discs for non-resident family members of owners are subject to individual application and to approval by the Security Manager. On application for an access disc the applicant must produce the original and a copy of his/her Identity Document. Discs are obtainable from the Estate Security Control Room. Procedures are in place to monitor the swapping of or loan of discs to persons other than who they were issued to. If any person, other than the authorised holder, uses an access disc, it will suspend until reactivation is authorised by the Estate Manager. Residents: every family member who may enter or leave the Estate must be issued an access disc. Therefore, children who are permitted to enter and leave the Estate on their own must be in possession of a disc. In the event of the theft of a disc, the theft should be reported to security immediately so that the disc can be de-activated.

6.6 Security - Gates and Booms

Every member shall stop at all security control gates/internal booms, and then proceed by operating his access disc. Should a member not be in possession of an access disc, or should the automatic system not be operating, the member may only proceed on being allowed to do so by the guard on duty.

6.7 Pedestrian access

All pedestrians going through the gates must use their proximity access discs and proceed through the pedestrian turnstiles. Visitors are not permitted to traverse the Estate on foot. The person being visited must uplift his/her visitor from the gatehouse. Non-disc holders are not permitted to walk on the Estate unaccompanied by a resident.

6.8 Access & egress to and from the Estate

No person may enter the Estate without having prior authorization and having been cleared by Security. Security is permitted to detain any person on exit to determine his/her identity prior to allowing them to leave. Between 22h00 and 05h30 all persons (including residents) leaving the Estate will have their identity confirmed by the guard on duty. The guard may ask for certain individual information from the person to confirm identification. Security personnel will be given strict instructions to ensure that they positively identify all persons leaving the Estate between these times. This is necessary to ensure the identity of persons driving out at night.

6.9 Visitor procedures

Day visitors:

Are defined as any visitor entering and exiting the Estate during the course of one calendar day. All visitors must be confirmed prior to their arrival at the Estate. If this is not possible, Security has been given instructions only to allow visitors' entry after confirmation has been made with the resident. The resident must be at home, or prior arrangements must have been made with the security manager, in order for the visitor to be allowed in. All visitors will be signed in a "Visitor Register" and may be issued with a visitor's card. On exit, the card must be returned to the guard. On exit, the visitor will be signed out after the guard has confirmed the details of the visitor. The guard will ensure a record of the number of people who entered matches the number leaving; if not, the guard will make enquiries and investigate the whereabouts of missing persons.

Overnight visitors:

Are defined as any visitor remaining on the Estate after 23h00 on the day of entry, and leaving before 23h00 on the following day. The resident must report overnight visitors to Security. Security has been tasked with ensuring all visitors that have entered during the day have left by 23h00. If your visitor is expected to stay over this time, it is advisable to phone Security and inform them. Security has been instructed to check with the resident if a visitor has not left by 23h00.

Extended stay visitors:

Are defined as visitors who will be staying over on the Estate for 2 nights or more, whether for the purposes of house sitting or other. Visitors who will be staying over for a number of days must be reported to, and authority obtained from, HOA Management who, in turn, will inform Security. The visitor will be issued with a temporary visitor access card allowing him/her access to and from the Estate. This access card will only be enabled for the period of time for which the visitor has approval. The access card must be returned to the Security Control Room on leaving the Estate. A deposit will be payable for the temporary access card.

6.10 Contractor procedures

Contractors are defined as any person/company appointed to construct buildings, do alterations to residences or property and installations of any kind related to property and equipment. This procedure also applies to temporary labour employed to do "odd jobs", plumbers or electricians called out for an emergency,

or any other person/s who will do work of any kind on the Estate All contractors must be registered through the HOA Security Control Room before entry is allowed. All contractors who will work on the estate for a period of more than 3 days must obtain discs to allow them access into the Estate. A temporary work permit must be obtained for anyone whose work is expected to last longer than 1 day but less than 3. Each person entering on a temporary permit must be in possession of a valid identity document, which will be handed to Security at the gate on entry to the Estate and handed back on leaving. No contractor is allowed to walk on the Estate. Each person must be transported onto and off the Estate by vehicle. Once on site, neither the contractor nor his labour may walk off the site under any circumstances. Any contravention of these rules will result in the contractor being removed from site.

6.11 Gatehouses

Gatehouses are strictly out of bounds except to security personnel and other authorised persons. Abuse of Guards (who have a very specific job to do), is strictly prohibited. Tailgating is prohibited.

7. USE OF ROADS

The roads on the Estate, in spite of being 'private', are in fact used by the public. Because of this, and for the safety of all Residents and road users, it is necessary to apply the provisions of the Road Traffic Act 29 of 1989 (as amended). The roads are for the use of all, whether on foot, skates, cycles, golf carts, cars, buses or trucks and, in our exclusive environment, this places extra responsibility and awareness on all who use these roads, but more particularly on all adults and especially parents who need to educate and control their children.

7.1 Speed Limit

The speed limit throughout the Estate is 40 kilometers per hour. Any person found driving in excess of 40kph, or in a dangerous manner, will be subject to a warning for the first offence; R100 fine for the 2nd offence; and subsequent offences will be referred to the BHEC.

7.2 Pedestrians and Golfers

Pedestrians must be given the right of way. Golfers at their applicable crossings also have right of way. Golf carts shall have the right of way over other vehicles within the Estate.

7.3 Operating Restrictions for Vehicles

No person shall operate any vehicle upon any place within the Estate unless he is the holder of a valid driver's license or, in the case of a golf cart being used for the purpose of playing golf, a valid cart permit issued by The Golf Club. Engine powered vehicles, cars and motorcycles may be operated only on surfaced roads. (Sidewalks, open lawn areas and cart paths are 'out of bounds' to vehicles). Any person found driving a motor vehicle on any road on the Estate, for which they do not hold a valid driving license, will be subject to a fine of R200 for the first offence.

Any subsequent offence of the same nature will attract a fine of R2,000. Any subsequent offence will attract a fine of R10,000. Golf carts and bicycles may use cart paths, provided no golf is in progress and disrupted by such activity. (Jogging along paths is also permitted).

7.4 Parking

Parking on sidewalks and open lawned areas, or in front of driveways to residences is prohibited, and parking may only be done in areas so designated for that purpose.

7.5 Scooter Bikes/Dune Buggies/ Off-road Bikes

Scooter bikes, beach or dune buggies, motorcycles or any other vehicle with noisy exhausts may only be driven in a quiet manner on the roads to allow access from the gates to residences, or vice-versa, and under no other circumstances. Any breach of this directive will result in a warning followed by the banning of this vehicle from entry into the estate. Any vehicle exhibiting any defects eg. severe oil leaks, will be prohibited from entry into the estate until such defect has been repaired.

Any damage created such vehicle or persons on the estate will result in the relevant resident being billed via the levy for such repair. Residents shall be responsible for their visitors and will be liable for such damages.

7.6 Caravans and Boats

All caravans, boats and trailers shall be parked only in areas set aside for this purpose if available, ie boathouse.

7.7 Golf Carts

Golf carts may be driven by persons over 16 years of age only. They may not be driven across lawns, on common property or around parking areas and must stay strictly on the internal Estate roads or on cart paths or on the golf course when playing a legitimate round of golf. Golf Carts may not be driven on the golf course when the course is declared "too wet" and members must always check with the pro-shop that carts are permitted.

8. SPORTING, RECREATION AND COMMUNITY FACILITIES

Members of the Association may be members of the Golf Club.

8.1 Community Facilities

Community facilities are for the use of members, guests and general public. The facilities may be booked for special communal functions or occasions for Estate residents through the Estate Manager's office. Private use of the facilities by

outsiders is permitted. Under no circumstances may community furniture or equipment be removed from the facility. Any damage to facilities is to be reported to the Estate Manager and if any such damage is due to the actions of a resident, any repairs will be to their account.

8.3 Dams

Dams where it is part of the Estate have certain area of "common property" around them. Residents are required to exercise respect and not intrude on the privacy of residents whose properties front onto the lakes/dams/streams.

8.4 Picnicking

Picnicking is not permitted anywhere on the property.

8.5 Boating

Boating is permitted on the dam under the jurisdiction of the BHEC. Access to the dam must be done in accordance with the boathouse facility.

8.6 Fishing

Fishing is not permitted on the estate.

8.7 Firearms

Discharging of any firearm, air gun or other lethal weapon is strictly prohibited, save in self-defense, or where authorised in special circumstances by the Estate Manager.

8.8 Golf Club

All members of the Association and their invitees shall at all times abide by the constitution of the Club. Access to the Golf Club will be done in accordance with the club's rules.

8.9 Nature Reserve

As there is an abundance of wildlife on the Estate, members are welcome to enjoy the reserve, but no plants or animals may be killed or removed from the Estate.

9. GENERAL

9.1 Development Phase

The development phase as referred to in the Introduction is fifty four months from commencement of transfers to purchasers. During this period the Development company shall assume all the rights of the Homeowners Association and all matters relating to the estate. The HOA will thereafter commence responsibility on the estate.

9.2 Alterations

Any alterations to the Rules of the Homeowners Association, or any other estate documentations, may be executed by the committee to be established. Any changes that may affect the Development Companies /Seller's rights contained in this agreement and the Agreement of Sale for the sale, must be agreed to in writing by the developer. Specific reference is made to clause 4.7 & 8.8 in the Agreement of Sale.

9.3 Domestic and garden refuse.

All domestic refuse shall be put into black plastic bags purchased by the owner and kept in an animal proof bin, purchased by the Owner, in a suitable place within his property and screened from public or neighbours view. On prescribed days and times the bags must be placed by the resident in the animal proof collection bins ready for collection. Garden refuse may be put out with domestic refuse but in green bags as directed under upkeep and maintenance of gardens. Where refuse is of such a size or nature that it cannot be removed by the normal service, the Owner shall make special arrangements with the refuse contractor or a private contractor, and all costs thereof shall be for the Owners account.

9.4 Slaughtering

No animal, bird or reptile may be slaughtered within the Estate.

9.5 Curing of Meat, Etc.

No meat, skin, fish or carcass may be hung up to dry or to cure within the Estate.

9.6 Signs

No signs may be displayed on the Estate (giving the name of builders, decorators, furnishers, alarm companies, garden installers, garden maintenance contractors, and the like). *(This rule shall not apply to the regulation notice required by the Guidelines for the erection of new buildings, nor to Security signs depicting zones on the perimeter fence)*. All decorative house names must conform as to size, colour and position, within the requirements of the Association. No flags, flagpoles, lightning rods, or radio aerials on poles may be erected on private residential units on the Estate. (This rule shall not apply to the Clubhouse, Hotel or Commercial property).

9.7 Satellite Dishes

Terrestrial and Satellite TV are both the prerogative and responsibility of the owners. Positioning of dishes and aerials is subject to permission being obtained from the Estate Manager prior to installation, and provided that these are erected in accordance with the architectural guidelines.

9.8 Shade Cloth

The use of any kind of shade cloth, if visible to the public, neighbours or golfers, is prohibited, other than on building sites.

9.9 Awnings

The Association controls the style and colour of external awnings and authorization for their erection must be obtained from the Estate Manager prior to installation.

9.10 Adverts/publicity Material

No private, religious or commercial advertising notices or brochures are permitted to be distributed around the Estate. This does not include letters or notices to owners from the Association.

9.11 Hooting

The use of car hooters within the Estate to beckon or attract residents or servants is prohibited.

9.12 Auctions/Jumble Sales/Garage Sales

Any form of public auction or sale on any property within the Estate is prohibited without the adherence to clause 11.

9.13 Use of and Conduct in Open Spaces

The lighting of fires in any open space on the Estate is prohibited unless for the express purpose of braaing at an authorised function, or at an ordinary residential activity, and provided the braai is in a proper receptacle/burner specifically built for that purpose. Disturbing, collecting or destroying of plant material is prohibited except by authorization from the Estate Manager. Disturbing, harming or destroying any wild animal or bird is prohibited. Littering or discarding of any item whatsoever on the Estate is prohibited except in receptacles specially provided. The pollution of any river, rock pool, lake, dam, pond or stream is prohibited.

9.14. Domestic Employees:

All domestic workers must be approved and registered by the HOA. Their employer as and when they are employed must register them. The registration will last for one year or until revoked by the resident, whichever occurs first, whereupon it has to be renewed. Non-resident domestic employee access will only be validated for the specific days they are working for the resident. Each resident must register his or her domestic employees regardless of whether they are employed by more than one resident and have already been registered. Casual workers shall be treated in the same manner as building contractor staff and shall be escorted by the owner and recorded in and out at the gates each day. Owners shall be responsible to ensure their employees /workers comply with all security requirements as well as all rules of the Estate. Only one domestic employee per household may be accommodated on the Estate.

If accommodated on the Estate, domestic employees are to be housed in the residence of the employer. Separate domestic quarters as such are not permitted on the Estate. If a domestic employee is resident within a household, Security has to be advised at the time of registration. If not accommodated on the Estate, domestic employees are allowed to be on the Estate between the hours of 06h00 and 18h00 daily. Any extensions to these hours are to be applied for through the Estate Manager. All domestic employees, whilst on duty on the Estate, are obliged to wear the Identity Card issued to them by Security and carry their access disc. Domestic Employees are not allowed to receive visitors on the Estate. During their off-duty periods, domestic employees are not to wander around the Estate, or visit other houses. They should be encouraged to leave the Estate and be with their families.

9.15. Resident employees and staff

All employees of residents, not classified as domestic employees, must be registered and obtain an access disc for entry to the estate. Access discs will be validated only for recognized normal business hours unless authorised differently by the HOA. *No employee is permitted to remain on the estate over night unless prior authority has been obtained.*

9.16 Transport

Domestic employees must use recognized paths and roads. They are not permitted to walk across the Golf Courses.

9.17 Au-pairs and nurses/critical care

All au pairs and nurses must be registered with the HOA and the appropriate security clearance will be given if all criteria related to such services are met.

9.18 Temporary domestic workers

A temporary permit must be obtained through security for domestic employees working for no more than 5 days. The domestic employee must hand in a valid Identity Document every day on entry to the Estate. This will be returned when the employee leaves. A domestic employee working for more than 5 days must obtain a temporary access disc from Security. Temporary domestic employees are not permitted to use Estate Transport and may not walk on the Estate, but must be picked up and dropped off at the gatehouse by the employer.

9.19 Fireworks

The lighting or letting off of fireworks within the Estate is strictly prohibited at all times.

9.20 Parties and functions on the Estate

Ordinary dinner parties and other social gatherings of reasonable proportions are part of normal living and of good social interaction. They pose few, if any problems. However, the holding of large celebratory functions at private residences within the Estate is discouraged for reasons of disruption to security, parking and the general disturbance of and inconvenience to other residents. In an Estate such as ours, the obvious place to hold a function is at the Golf Club or Hotel – it is in the correct position, reasonably close to the main gate with plenty

of parking and is specifically equipped and geared to handle all requirements. Special permission for a function to be held within the Estate, where more than 20 people may be attending, must be timeously sought, prior to the proposed date of such function.

Such permission will not be lightly given and, in the unlikely event of permission being granted, cognizance shall be taken by the Association of the position of the residence in relation to gates and to neighbours, parking availability, times of function, type of music to be provided, size and position of any proposed marquee, arrangements at gates, requirements for security and additional guards, as well as other matters of importance to the situation, all of which may result in the possible imposition of restrictions and/or special conditions as may be deemed fit by the BHEC. Restrictions imposed on any function shall be strictly adhered to. For the purpose of these clauses "functions" shall mean any celebratory function, party, ceremony, reception, event, or gathering etc. where more than 20 people may be attending.

9.21 General Aesthetics/Standards

Verandah/garden furniture or any other external appurtenances, decorations, decorative lights, drapes, bunting, umbrellas, signs symbols or whatever which, in the opinion of the BHEC, are aesthetically displeasing or uncomplimentary to the general amenity and ambience of the Estate may not be displayed to view in any part of the Estate. Garage doors must be kept closed at all times, other than when legitimate ingress or egress is taking place.

9.22 Residential Guests

Favourable concessions for temporary Estate Access, for residential guests of members/owners, are available on application through the Associations Office. See section on Security. Abuse of temporary special facilities for residential guests of members/owners is not permitted. Such facilities are available strictly for genuine residential guests and are not available to, nor may they be used by casual day/weekend visitors/guests.

10. LEVY PAYMENTS

10.1 Owners must pay levies in full and in advance by the 1st day of each and every month.

10.2 Owners in arrears at the 7th of the month shall pay interest, (at 3% above the current prime overdraft rate of Nedbank), and such interest shall be applied to the full amount overdue, from the 1st of the month up until the date of payment.

10.3 Owners still in arrears after 30 days must pay immediately on being billed the full amount overdue, plus the next levy due, plus interest (at 3% above the current prime overdraft rate of the Standard Bank of South Africa) on the full overdue amount up until the date of payment.

10.4 Owners in arrears after 60 days shall have their overdue account, and the full interest thereon, handed over for collection and possible legal action. Any costs incurred by these proceedings and all additional interest up to the date of final settlement shall be for the Owner's account. *(Any interest on, or collection fees for overdue levies, shall be considered to be part of the levy and treated as such). (In exceptional circumstances, where an Owner may have a singular problem regarding payment of dues, he may approach the Association in writing through the Estate Manager, with a request for special consideration and/or temporary relaxation of the above rules, which consideration and any decision resulting from there shall be entirely at the discretion of the BHEC).*

10.5 Levy amounts may not be reduced to offset against real, perceived, partial or non-provision of services or for any other reason unless previously discussed with and sanctioned by the Association.

10.6 Owners who are "away" at month-end must make arrangements to ensure the Levies are paid by due date. (Being "on holiday", "away overseas" or "away on business" and like excuses are not acceptable reasons for late payment of Levies). Members are encouraged to effect payment by way of debit orders which can be signed for at the offices of the Association or the Association's Accounting agent, and which are controlled by the Association and submitted to the Bank by the Association's accounting agent.

10.7 All Purchasers and Homeowners Association members acknowledges that the seller/developer will establish a company that will be responsible for the management and billing of all services and municipal charges used by all residents and estate occupants (Services Management Company – SMC). These services will include water, electricity, rates and taxes and waste management. These charges will be billed directly from the SMC to members, and these monies will be paid directly to the SMC, for further payment to the various service providers. This company, for the provision of these services will charge the relevant fees, service charges etc. The fees charged by the Seller's company for service usage and associated costs will be in accordance with the relevant regulations. Any cessions, discounts or rebates the SMC may receive, will be for that company's account.

All other costs, not noted above, relating to the estate shall be dealt with through the homeowners association and billed from the homeowners association for management thereof. During the Development Phase the BHEC will manage all affairs of the estate as well as providing billing to residents to cover all estate costs.

Sale of a Unit

11.1 Any owner selling his property must have satisfactorily settled all his obligations to the Association prior to consent being given.

11.2 The transferee must agree to become a member of the Association.

11.3 For reasons of security, the nature of the development of the Estate, and various matters about which any purchaser should become aware when buying into the Estate, if an owner wishes to dispose of his property, he shall, to the extent that he requires the services of an estate agent in regard to such disposal, do so in accordance with this Rule 11.5.1

11.4 Owners may not enter into any type of Fractional Ownership transaction with third parties. Dwellings may only be used by owners or guests thereof. Individual weeks or other time frames may not be sold or offered for any benefit to the owner. Any rentals of these dwellings may do exclusively through Black Hawk Sales & Rentals (BHS&R). This will ensure security and conformance to these rules. A twenty percent fee shall be retained by BHS&R.

11.5 An Owner who wishes to dispose or let his property shall:-

11.5.1 If he requires the services of an Estate Agent, do so exclusively through Black Hawk Sales & Rental (BHS&R), an entity to be formed by the Development Company;

11.5.2 Use the Contract of Sale drawn up by Black Hawk Sales and Rental;

11.5.3 All letting must be executed through the BHS&R, together with all relevant clause 11 detail.

11.6 Failure to comply with these rules (clause 11), but set out hereunder is a specific breach clause, which will apply in the event of an owner being liable for fees/commissions not paid in accordance with this agreement.

11.8 If an owner fails to comply with these rules, BHS&R shall have the absolute right to withhold its consent to the owner transferring his property until these conditions have been complied with in all respects.

11.9 Where an owner wishes to sell a unit privately and does not wish to use the services of an Estate Agency, this may be done, but the final sale document must be arranged through BHS&R for which a fee is charged, equal to three percent of the transferring value. *(This arrangement is necessary to ensure all requirements of, and obligations to, the Association is complied with prior to the actual sale).*

12. FAILURE TO COMPLY WITH THE RULES

12.1 Failure by an Owner to comply with any provisions of any rules may result in:- a call for an explanation and/or an apology, and/or - a reprimand and a request to comply, and/or - the imposition of a fine (which shall be deemed to be a part of the Levy due by the Owner), and/or - the withdrawal of any previously given consent applicable to the particular matter, and/or - an order to pay for damages resulting from non-compliance with any rule, and/or - application to the Courts for the enforcement of the rule/s.

12.2 The actions to be taken and the penalties to be imposed for breaches or contraventions of the rules shall be entirely at the discretion of the Rules Committee, (appointed by the BHEC) who shall take due regard of the nature, circumstances and severity of each misdemeanor, breach or non-compliance.

12.3 Should any owner be aggrieved by any decision made by the Rules Committee they may, within 7 days of the finding, lodge an appeal to the BHEC via the Estate Manager, giving their reasons for such an appeal. As a guide only, the amount of the fines, which might be imposed, will, at the BHEC's discretion, vary broadly between the general scale listed below:

Offence First offence Second offence or disregard of fine

Technical breach of conduct rule without malice aforethought or premeditated intent or due consideration. R50 - R2,000 Non-compliance R250 - R5,000 Blatant disregard of rules or of legitimate instruction R500 - R10,000.

12.4 Fines imposed for the breach of or non-compliance with the rules shall be deemed to be part of the levy due by the Owner.

12.5 In respect of breaches of clause 6 and 8 of the Resident Conduct Rules, which are those most common, those clauses have been amended to incorporate specific sanctions.

13 Land Zonings

13.1 The developer reserves the right to rezone, subdivide or alter land uses within the Development Phase of the estate. Owners receiving transfer from the developer may not subdivide, rezone or change land use.

13.2 The developer shall incorporate additional phases into this development. These phases shall be incorporated into Black Hawk Golf & Spa. These additional phases shall be incorporated during the Development Phase referred to in 9.1.