

ANNEXURE "C" -2- CIRCULAR X; LEVIES

THE ELISENHEIM CHARTER

PURPOSE OF THIS CHARTER

The purpose of this charter is to communicate with all Elisenheim members regarding points and information that affects all of us.

Points of discussion:

- Trustees
- Levies
- Design Review Committee
- Preliminary Rules of the Elisenheim Owners Association ("EOA")
- Board of Representatives
- Security
- Website (Data base)

WHO WE ARE

ABOUT US:

The Elisenheim Board of Trustees ("the Trustees") were nominated and elected at the Extra Ordinary General Meeting held on the 30th of July 2014. It comprises of 3 Developer Trustees and 2 Member Trustees.

TRUSTEES:

"During the full development period 2(two) Trustees shall be Member Trustees appointed by the Representatives and the remaining 3 (three) Trustees shall be DEVELOPER Trustees appointed by the DEVELOPER."

The Developer owns the majority of Elisenheim and therefore has a majority interest. This will remain as is until completion of the development.

The purpose is to use this power in the best interest of all Members and not to benefit them or to act detrimental toward the minority in any way.

All Trustees (with specific regard to the DEVELOPER TRUSTEES) are mandated to act in good faith towards all Members.

DEVELOPER TRUSTEES:

Heleen Steyn: Chairperson

Schalk Kruger Jr.: Co-ordination & Correspondence

Willem van Heerden: Environmental, Security, Estate Rules, and Regulations, Design Review Committee.

MEMBER TRUSTEES:

Hugo van Niekerk: Vice Chairperson, Security

Phillie van der Merwe: Finance

PREVIOUS TRUSTEES

The Elisenheim Owners Association was established upon transfers of the first erven (March 2012). Upon acquiring 100% shares in EPDC, Trustco Group Holdings became the sole owner of EPDC and both the EPDC Directors and Trustees were amended accordingly. The then developer Trustees resigned upon nomination of the new developer Trustees in July 2014.

LEVIES (CURRENTLY & FUTURE)

The Elisenheim Owners Association Articles state:

“The responsibility to maintain, repair, improve and keep in good order and condition the common property and amenities and the responsibility for the payment of all rates, all services charges and other taxes and/or levies charged and payable to the Council or any authority in respect of the common property and/or for payment of the salaries and/or wages of the employees of the ASSOCIATION and/or to manage and control the security of the Township and the developments 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 that the ASSOCIATION has incurred or to which the trustees reasonably anticipate the ASSOCIATION will incur in the attainment of the objects of the ASSOCIATION or the pursuit of its business, including any special levy determined by the ASSOCIATION from time to time: provided that the DEVELOPER is not obliged to pay any levy during the development period.”

As in any housing or general residential development, there are running costs involved. The developers have been carrying these costs on behalf of the owners since the first transfer took place. This however remains an EOA function.

The Developer can no longer solely contribute to the expenses as mentioned, and a levy structure was implemented accordingly. The levy structure should have been implemented in 2012 when the EOA was established due to the first transfer that took place. The Developer has chosen not to back date levies any further than June 2014.

LEVY STRUCTURE:

The levy was determined by taking into account the running cost and includes:

- Elisenheim machinery & equipment (depreciation costs)
- Insurances
- Estate staff and Management
- Estate Office and Storage
- Annual Audit Fees
- Electricity and repair costs relating to any electrical installation on the common property
- Water (Lifestyle maintenance)
- Waste Water Treatment Works (The amount not covered by COW for first 5 years)
- Security (Estate security perimeter, Armed Response) not including personal house security.
- Lifestyle Maintenance (watering and looking after road side trees, Clearing of perimeter access, clearing of road side verges, Public open spaces)
- EOA erf and office.
- Printing and Stationary
- Savings account (future planning, play parks, security upgrades etc.)
- Managing Agent Fees

These costs were then divided by the amount of erven on phase 1, keeping in mind the General Residential erven, who in all right use and benefit from the estate security and Lifestyle concepts. Therefore the General Residential units currently contribute 20% of the total levy amount per unit to the EOA. It has been taken into consideration that the General Residential units further need to also contribute towards a body corporate levy structure.

The levies were implemented by the Trustees, in accordance with the Articles of Association. All levies are payable into the Elisenheim Owners Association bank account:

Elisenheim Owners Association

Bank Windhoek

Account No: CHK-8004041459

Branch: Kudu (WHK)

FUTURE LEVIES:

Levies are determined and revised by the Trustees on a periodic basis.

Levies will be fixed for the financial year; however the Trustees reserve the right to adjust, if the need arises. Such adjustment will be communicated to all Members in a timely manner.

The nature of a levy is inherently to cover expected future costs, it is therefore expected that there may be a surplus or a deficit at the end of the financial year. Depending on this deficit at the end of the financial year the future levy may be adjusted upward or downwards.

DESIGN REVIEW COMMITTEE (DRC)

All building plans shall be in accordance with the architectural and township guidelines applicable to ELISENHEIM and shall be approved by the Design Review Committee (DRC) before the commencement of any building work. This requirement is also applicable to any additions and alterations to existing structures and dwellings.

PLANS:

Three A1 hard copies of detailed working drawings, coloured to the ASSOCIATION Specifications, incorporating a site development plan, together with the applicable fees, are to be submitted to the DRC for approval prior to being submitted to the Local Authority and or/the ASSOCIATION for approval.

A plan scrutiny fee is payable to the EOA on behalf of the DRC on submission plans.

The reason for this is to cover the Resident Architectural scrutinizing costs allocated to the time spent on the individual plans.

A contractor's deposit shall be payable immediately when a contractor is appointed, before commencing any construction work. This is refundable after the DRC have issued the owner/builder with a DRC Compliance Certificate. Before this process, no owner or tenant will be allowed to move in to the dwelling.

PRELIMINARY RULES AND REGULATIONS OF Elisenheim Owners Association

These rules and regulations are not set out to discriminate or imprison any member. It is merely there to govern our investments and our community accordingly and to try and live in harmony together and alongside each other.

It shall be the responsibility of every Member to ensure that all members of his household, employees, tenants, invitees and guests, paying or otherwise including any tradesmen, are fully aware of these Rules. In the event of any breach of the Rules by the above mentioned members, such breach shall be deemed to have been committed by the Member (Erf/ house Owner) himself.

TENANTS

Should a Member let his property, he shall notify the OA in writing, in advance of occupation, the details of the tenant and the period of the lease. The onus is on the Member to inform the tenant of the Rules.

CONDITIONS OF TITLE:

The seller is obliged to procure that, in addition to all other conditions of title and/or subdivision referred to, the following conditions of title be inserted in the Deed of which the purchaser takes titles to the property.

- Every owner of the Erf, or any subdivision thereof, or any interest therein, or any unit thereof, as defined in the Sectional Title Act, shall become and shall remain a Member of the OA and be subject to its Constitution, until he ceases to be an owner as aforesaid.

NATURAL ENVIRONMENT AND COMMUNAL AREAS:

No person shall do any gardening or landscaping on the Common Property without the express prior written agreement of the ASSOCIATION in regard to the nature and extent of such gardening or landscape activity.

USE OF THE STREETS:

All roads within the Township are public roads and are subject to the relevant road traffic ordinances or by-laws.

The speed limit is 40 km per hour in the Township.

Building material may only under special circumstances be stored on the pavements. Authorisation in writing must be received in advance from the OA. Building rubble shall be removed regularly.

Planting shall not interfere with pedestrian traffic or obscure the vision of motorists.

Caravans, trailers, boats, equipment, tools, engine and vehicle parts and the like, as well as accommodation for pets, shall be located out of view and screened from the street.

ELISENHEIM WEBSITE

The old Elisenheim Website has been updated with new contact information.

We would like to use this functionality more often to communicate with all Members.

We have also created a Data Capturing Functionality to gather all contact details of Members. We would like to invite each Member to take 2 minutes to update your contact detail for our office use.

www.elisenheim.com

For extra information regarding your extended community, you can go to the following website and follow the links.

www.trustcoproperties.na

Use of the ASSOCIATION'S mailing list for commercial purposes is prohibited and Members are prohibited from providing non-members with the Association's mailing list.

BOARD OF REPRESENTATIVES

"There shall be a Board of Representatives of each approved extension consisting of 5 (five) Representatives to fill the portfolio of Chairperson, Vice Chairperson, Finances, Security and Environmental/ Building ...

A Board of Representatives shall for the development period be divided into two classes, namely DEVELOPER Representatives and Member Representatives. Upon expiry of the development period there shall only be Member Representatives to be elected."

Nominations for the Board of Representatives for Phase 1 can be forwarded to elisenheimhoa@tgh.na.

SECURITY

We urge all Members to please fill in the Member application forms at the front entrance. This is to ensure control of who comes and goes out of our community.

This form gives the Security firm the means of knowing who you are and where you live to grant you easier access to the estate. An Elisenheim Owners Disc will then be issued to each vehicle per erf and this should be placed in view for security gate control to monitor access.

Each visitor will have to sign in and state which Member (Name, house number) they would like to visit.

The contracted security firm cannot do their work without the help of each and every Member residing on the Estate.

CONSENT

The Notarial Deed of Imposition of Conditions States:

“the OWNER of the PROPERTY, or of any interest therein or thereto and his successors in title, shall not be entitled to sell or transfer the PROPERTY, without the Association’s, or failing the ASSOCIATION, the Developer’s prior written consent which will not unreasonable be withheld and which consent will only be given once the ASSOCIATION and/or DEVELOPER has satisfied itself that all conditions imposed upon owners by the ASSOCIATION and/or DEVELOPER referred to hereinafter have been met and complied with.”

The consent procedure shall be applied as above subject to:

- DRC Compliance;
- Levies to be paid in full;
- Compliance Certificate from City of Windhoek

The Notarial Deed of Imposition of Conditions further states that:

“The owner shall be obliged to commence with and complete a Residential Dwelling upon the PROPERTY within 2 (Two) years from becoming the registered owner In the event of the OWNER failing to comply with the provisions provided, the ASSOCIATION or failing the ASSOCIATION, the DEVELOPER, shall: be entitled to give the OWNER 60 (sixty) days’ notice in writing to commence with the construction of such dwelling; if the owner fails to comply with such notice the DEVELOPER and failing the DEVELOPER, the ASSOCIATION shall forthwith be entitled (but not obliged) to repurchase the property from the OWNER at the same original price at which the PROPERTY was sold to the OWNER and to claim retransfer thereof into the name of the DEVELOPER and/or ASSOCIATION.”

WEBSITE

Web URL: www.elisenheim.com

DATA COLLECTION (OWNER/RESIDENT INFORMATION):

Facilitated by a web form

Ownership data is captured on the landing (Home) page of the website. After every single submission by the user, an email is sent to predefined email addresses. These addresses shall be that of the managing agent and an elected representative from Trustco Properties or the Elisenheim Owners Association, to ensure data integrity and serve as a layer of redundancy.