

PUBLIC ANNOUNCEMENT

Your Trustees and C-Max are pleased to announce the conclusion of an agreement which it is hoped will result in the completion of phase 2 and put an end to the acrimonious disputes of the past couple of years. The agreement is available to members of the HOA for review at the offices of the HOA but essentially it provides for the following:

- The payment by C-Max of levies both in respect of arrears and for the balance of an agreed development period of three (3) years. The amount totalling R1, 75 million will be in part in cash and thereafter from the proceeds of sales generated by C-Max from its developments. C-Max has guaranteed to make up any shortfall should the sales fail to realise the agreed amount.
- The rectification of the services of phases 2A and 2B. Should the parties be unable to agree the nature and extent of such rectification, a mechanism has been agreed upon for expedited determination to avoid lengthy court cases. C-Max has provided indemnities and guarantees for the fulfilment of its obligations to carry out such rectification for which it is responsible. C-Max has already accepted that a measure of remedial work is required to the electrical reticulation and the cladding of the canals. C-Max will also be responsible upon completion of its remedial work for any defects which may thereafter arise for a period of up to five (5) years.
- C-Max will, subject to certain conditions regarding the provision on an interim basis of adequate services to members owning properties in phase 2B, be permitted to commence transfer of units at La Caribe and elsewhere. This is in everyone's interest as the levies payable by these soon to be new members will accrue for the benefit of and be paid to the HOA. It is anticipated that the first parcel of some sixteen (16) units at La Caribe and one single residential erf will take place shortly.

- C-Max may now continue with the development of erven 881 and 917 [phase 2C]. The parties have agreed that the development of:
 - Erf 881 shall be limited to sixty (60) sectional title units; and
 - Erf 917 shall be limited to thirty-nine (39) single residential units and seven (7) erven marked as private open space.
- C-Max shall be responsible for the installation of services to meet the requirements of the Kouga Municipality and an independently appointed engineer, in phase 2C. Should it become necessary as a result of the installation of these services to upgrade the bulk infrastructure of the marina, C-Max has accepted responsibility for this as well.
- Erf 915 (the current site and sales office of C-Max) will at the end of the development period be transferred to the HOA for its use in perpetuity as a communal building. The precise nature and extent of such use will be determined from time to time by the Trustees.

At the signing ceremony last week both your chairman, Blikkies Heyns, and James Hinton on behalf of C-Max expressed the need for a new start. Your Trustees and C-Max are confident that the agreement, together with the new found spirit of cooperation evidenced at the signing, will provide the platform needed to bring phase 2 fully into the community of the HOA.