Welcome to La Bella Vita Wine Estate Property Owners & Farming Association Annual General Meeting of 2005

AGENDA
La Bella Vita Wine Estate Property Owners Association & Farming Association

- Opening and Welcome by Lise – Ann Liebenberg

- Chairpersons report 2004/2005
  - a) Photo Gallery
  - b) Cost Recovery from Turn Around Trading
  - c) Cost Recovery from Fidentia
  - d) Due diligence to Fidentia
  - e) Kunnenburg Incorporation
  - f) Surveys of plots
  - g) Man hole covers
  - h) Roses
  - i) Portion 39 Common Area Landscaping

AGENDA
La Bella Vita Wine Estate Property Owners Association & Farming Association

- Projects of 2004/2005

  a) Bulk water facilities

  b) Upgrade to sewage plant

  c) Walking trails

  d) Survey of dam

  e) Survey of running of water

  f) Lease agreement with Dew Gro

  g) Security

AGENDA

La Bella Vita Wine Estate Property Owners Association & Farming Association

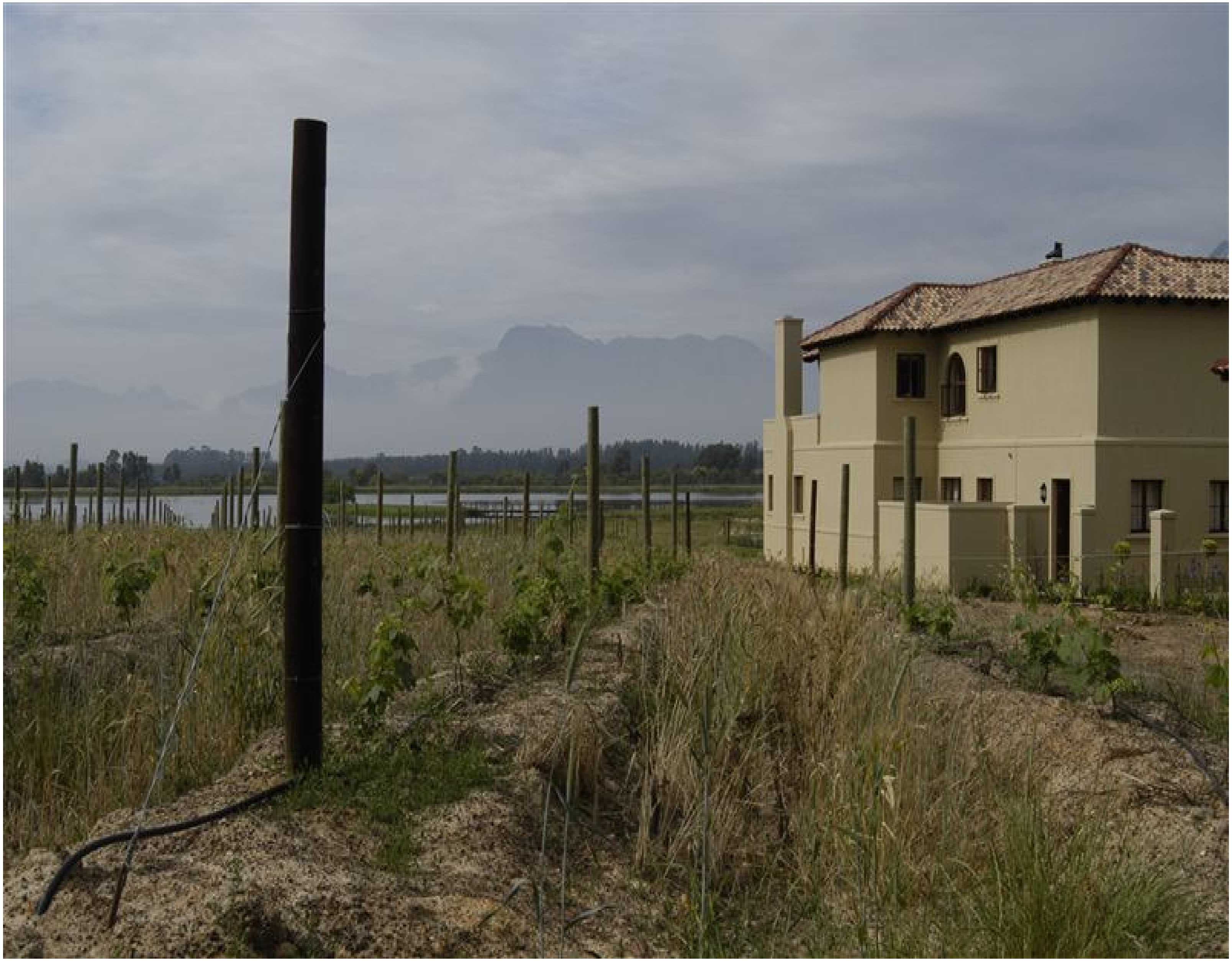
- Farming withdrawal
- Constitutions/Rules of Conduct
- Election of new Trustees – LBV HOA & FA
- Election of new Trustees – Akarana Master HOA
- 2004/2005 Budget Review HOA & FA
- Discussion of Haumann Rodger Report

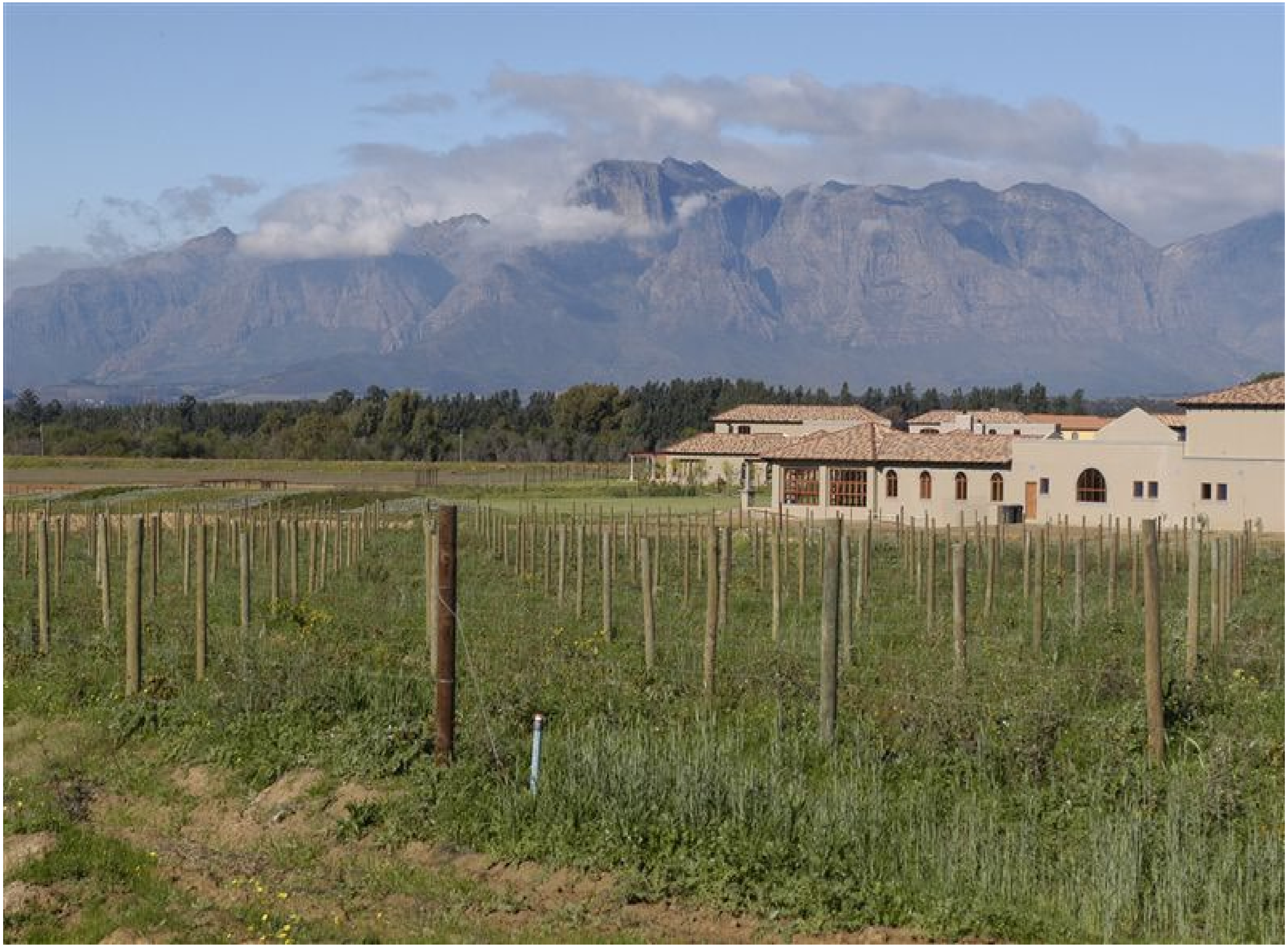
AGENDA
La Bella Vita Wine Estate Property Owners Association & Farming Association

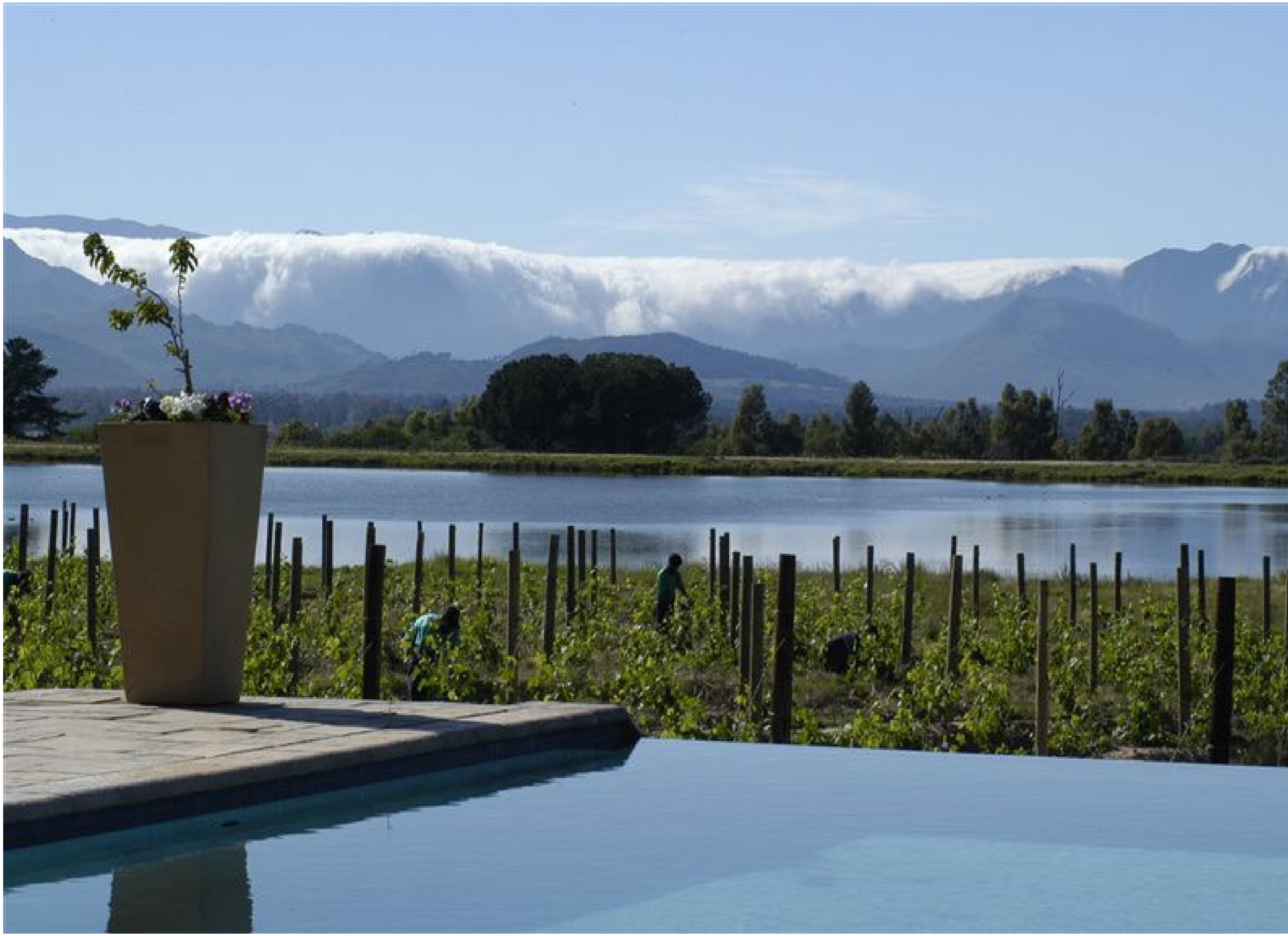
- Capital account deficiencies
- 2005/2006 Proposed Budget
- General

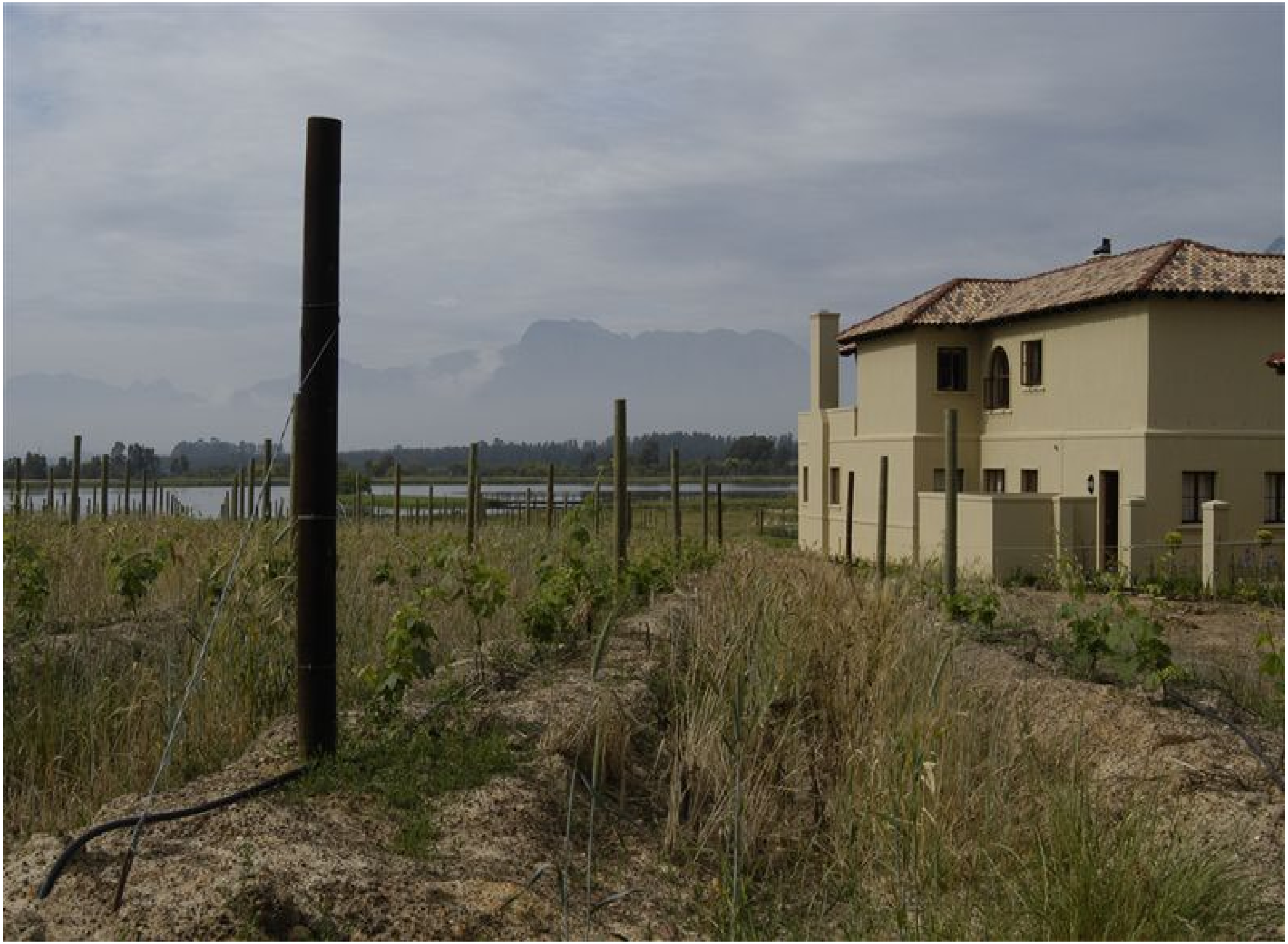
HIGHLIGHTS
OF
2004/2005

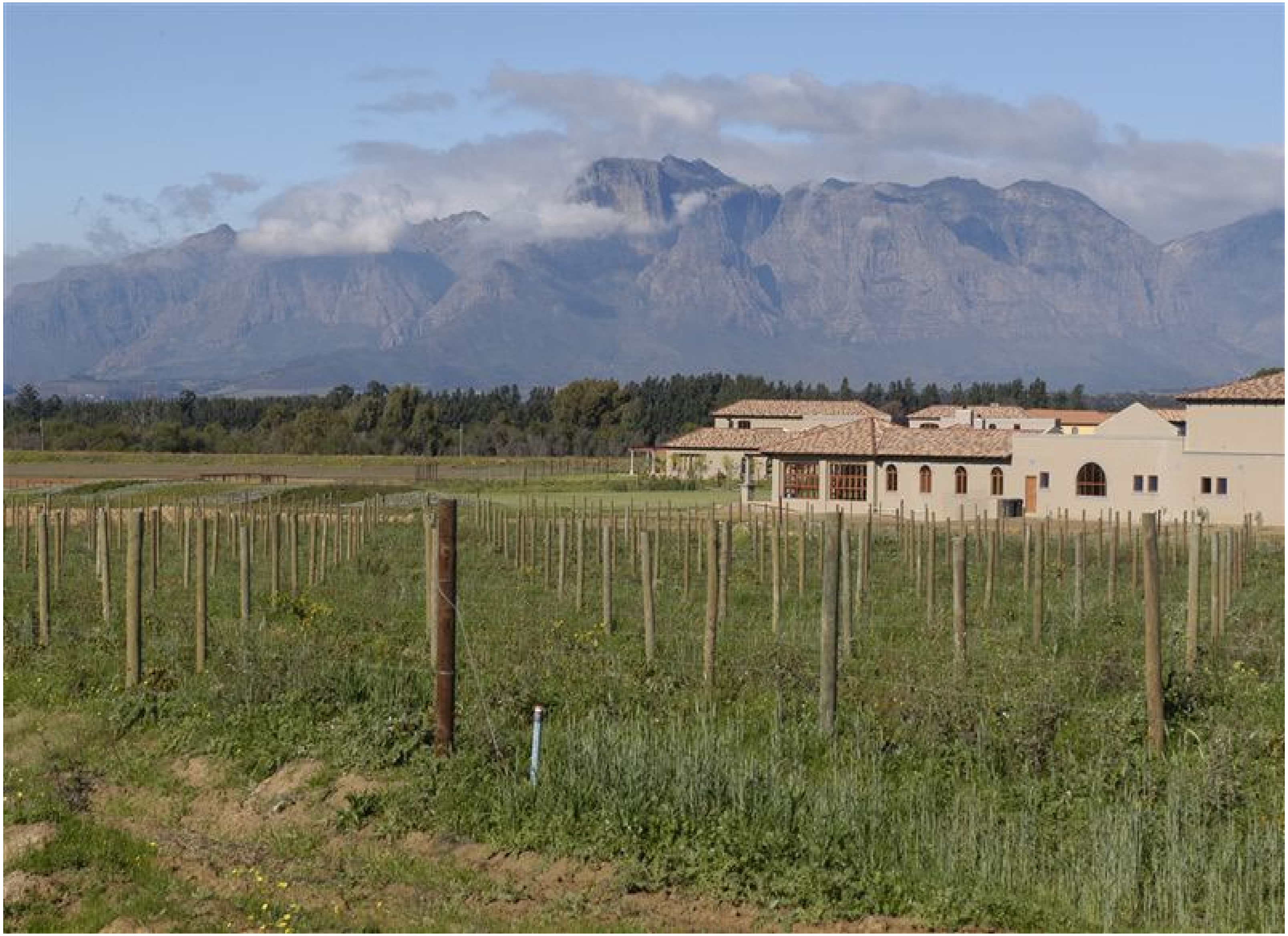
PHOTO GALLERY

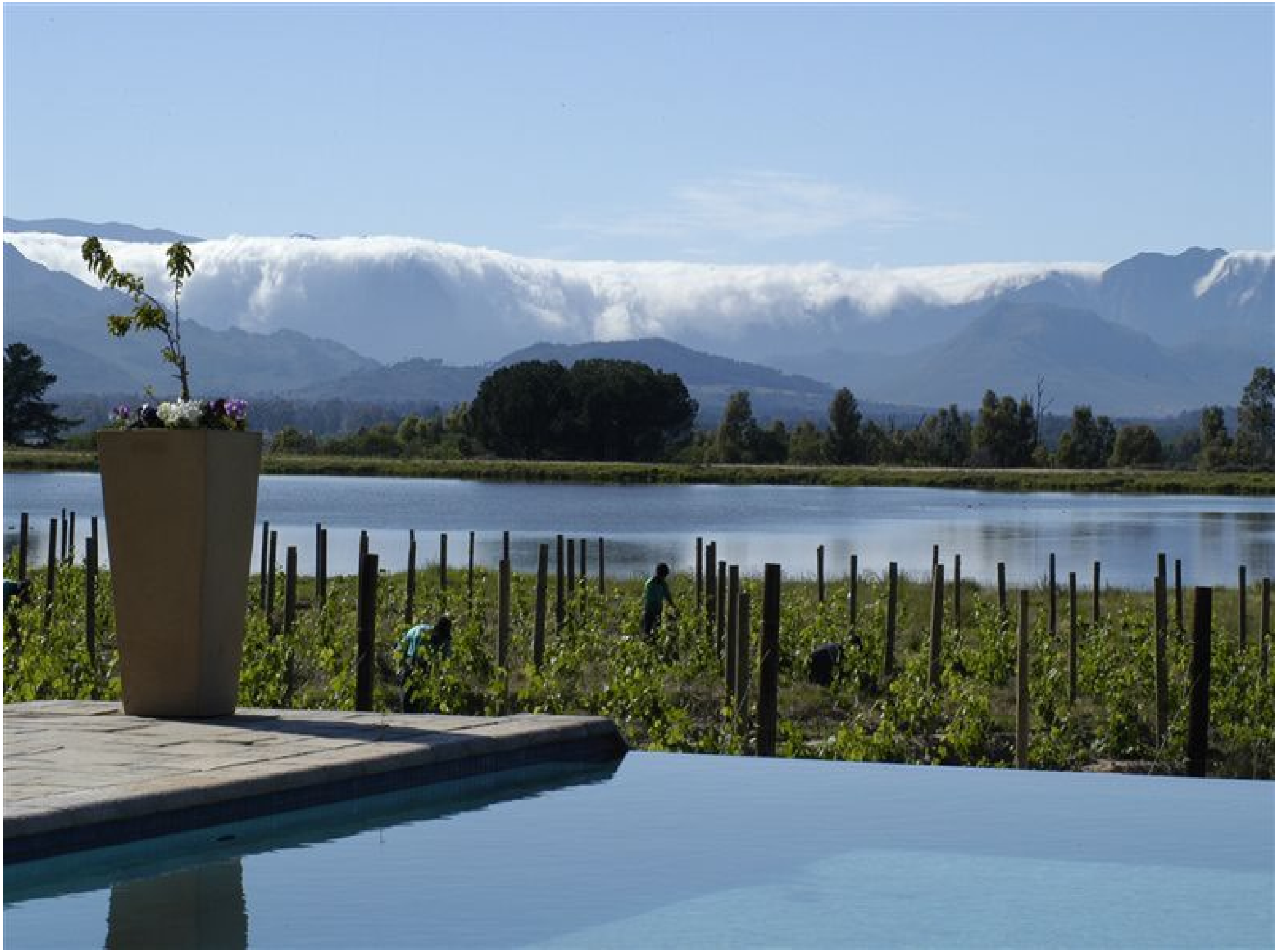


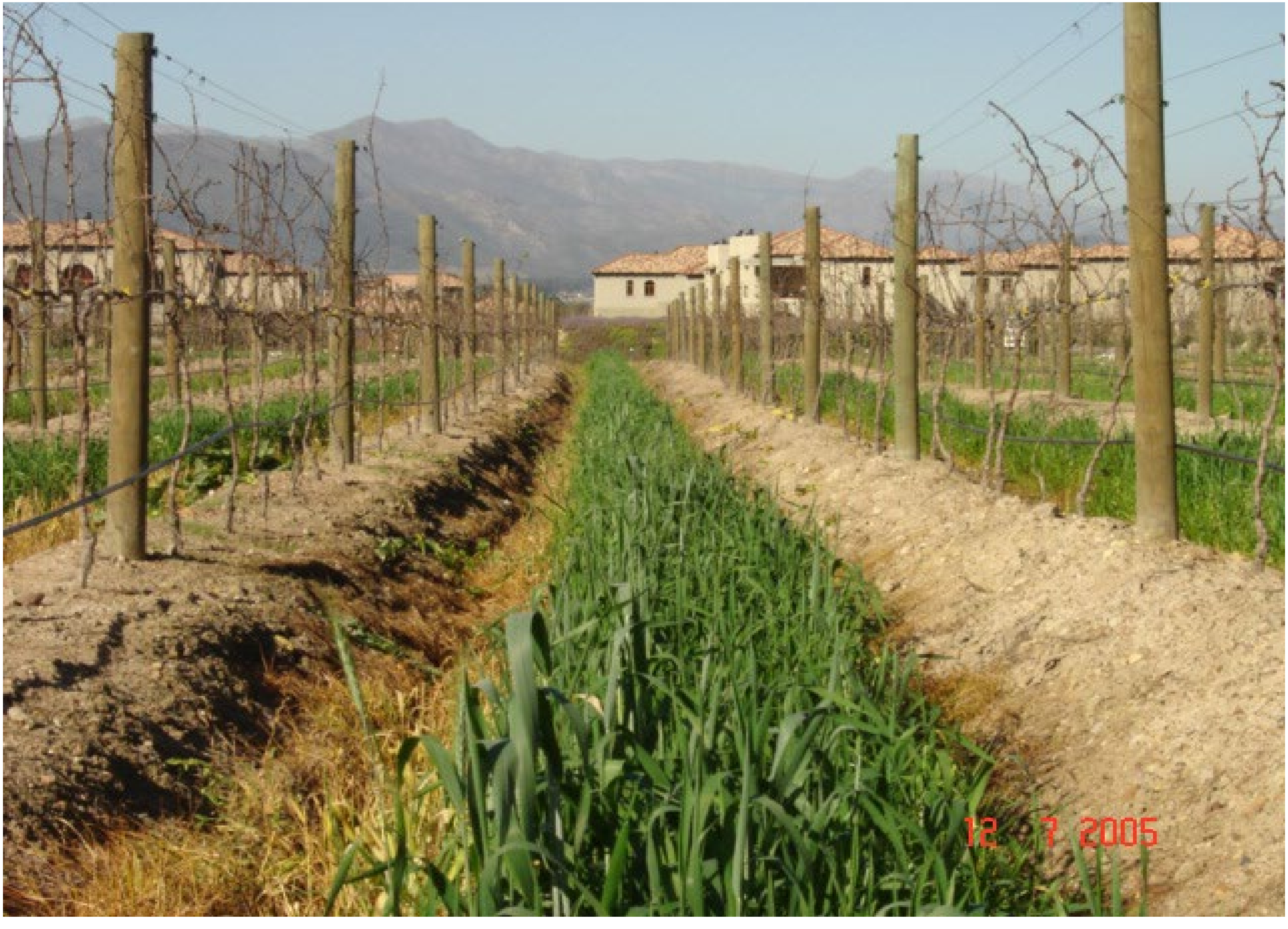








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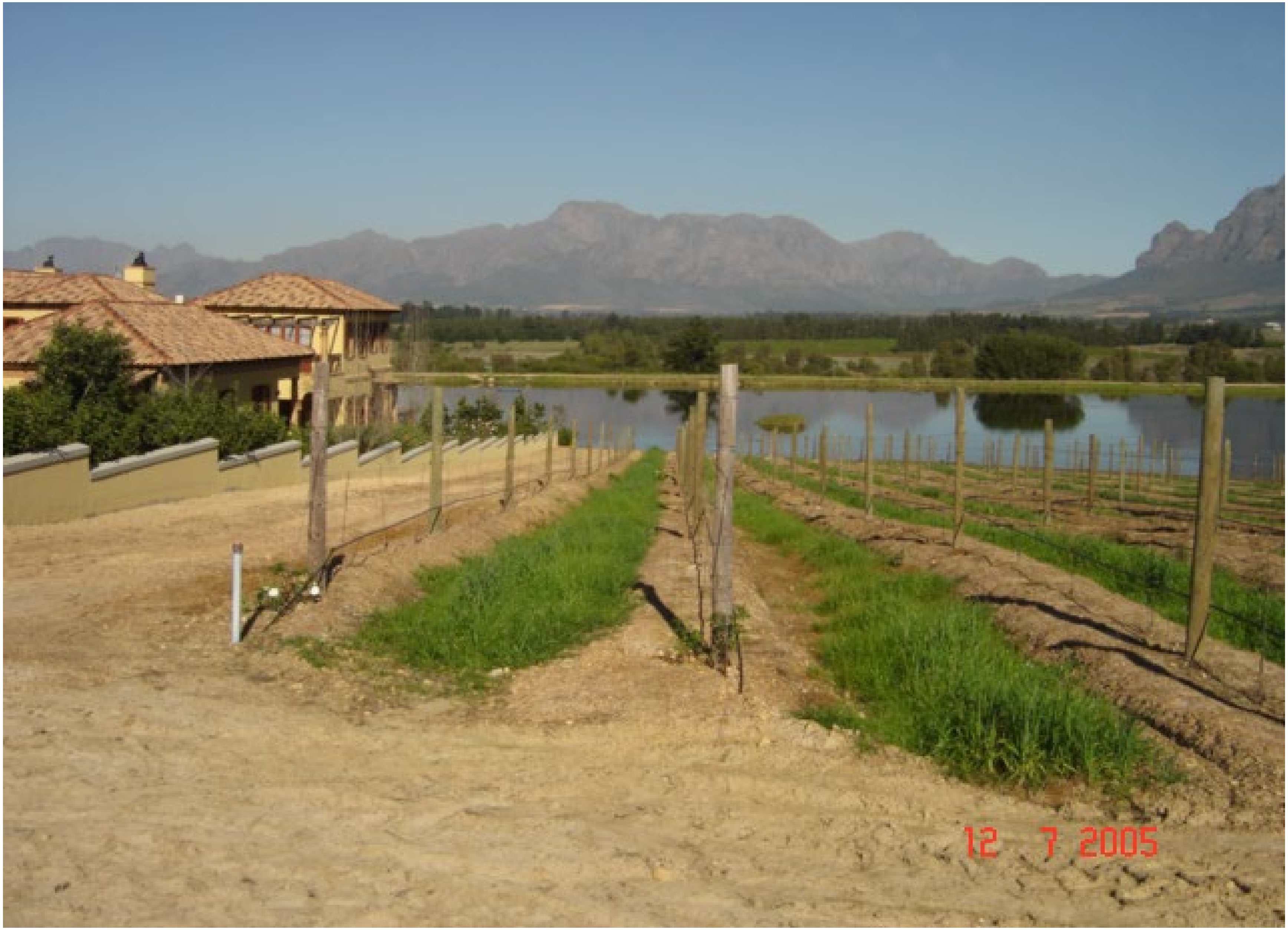
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DONKERKLOOF
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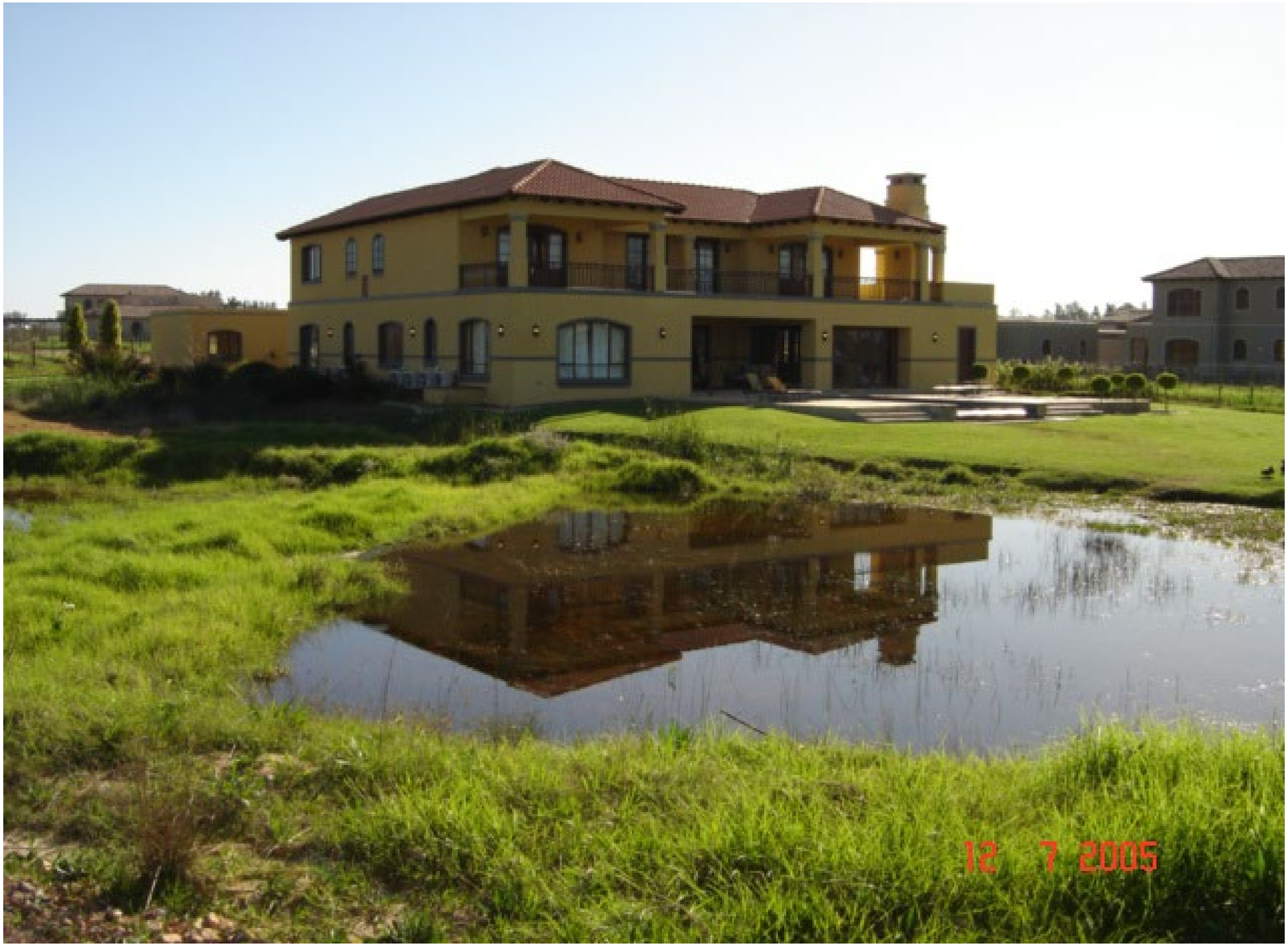
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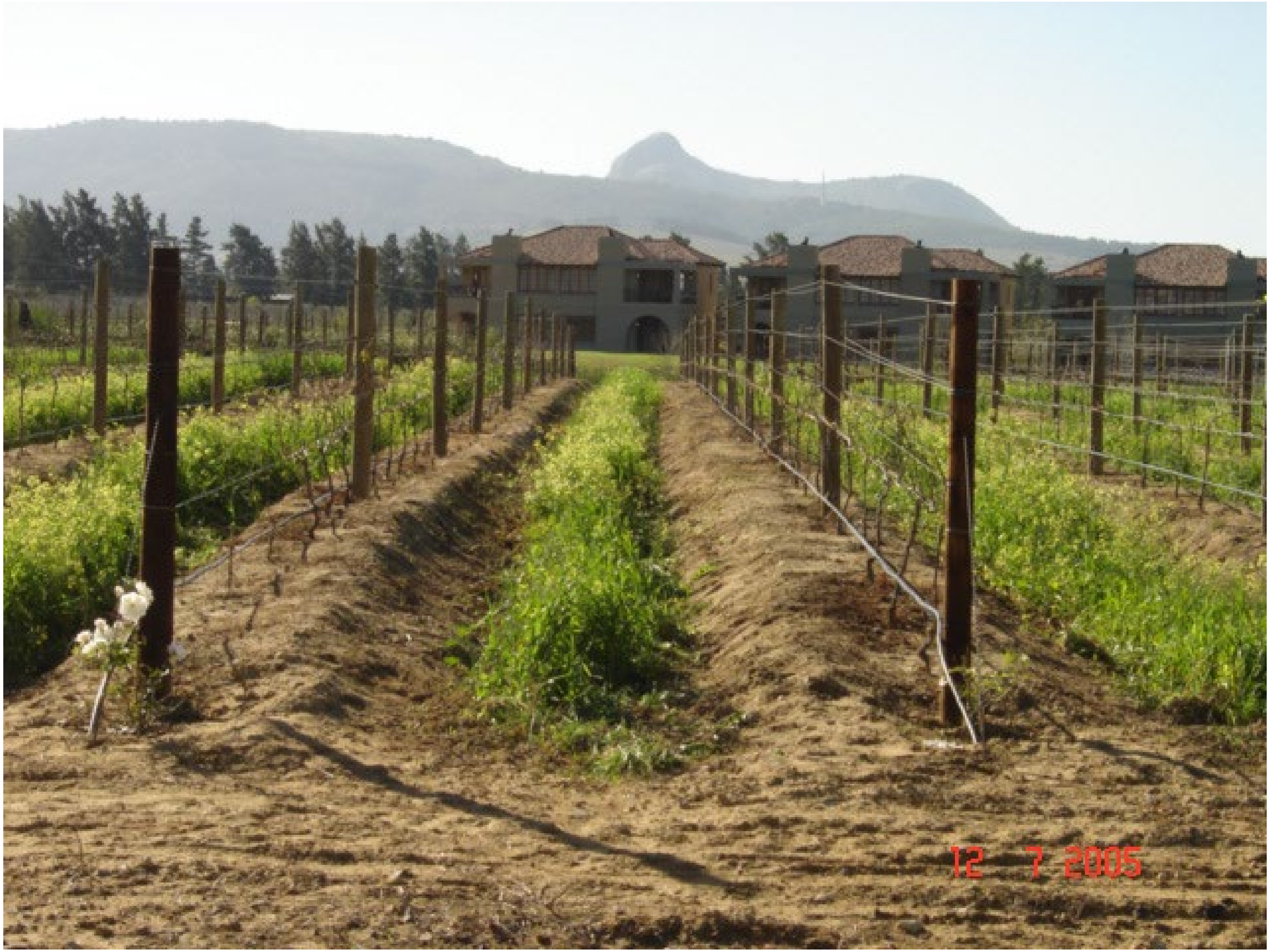
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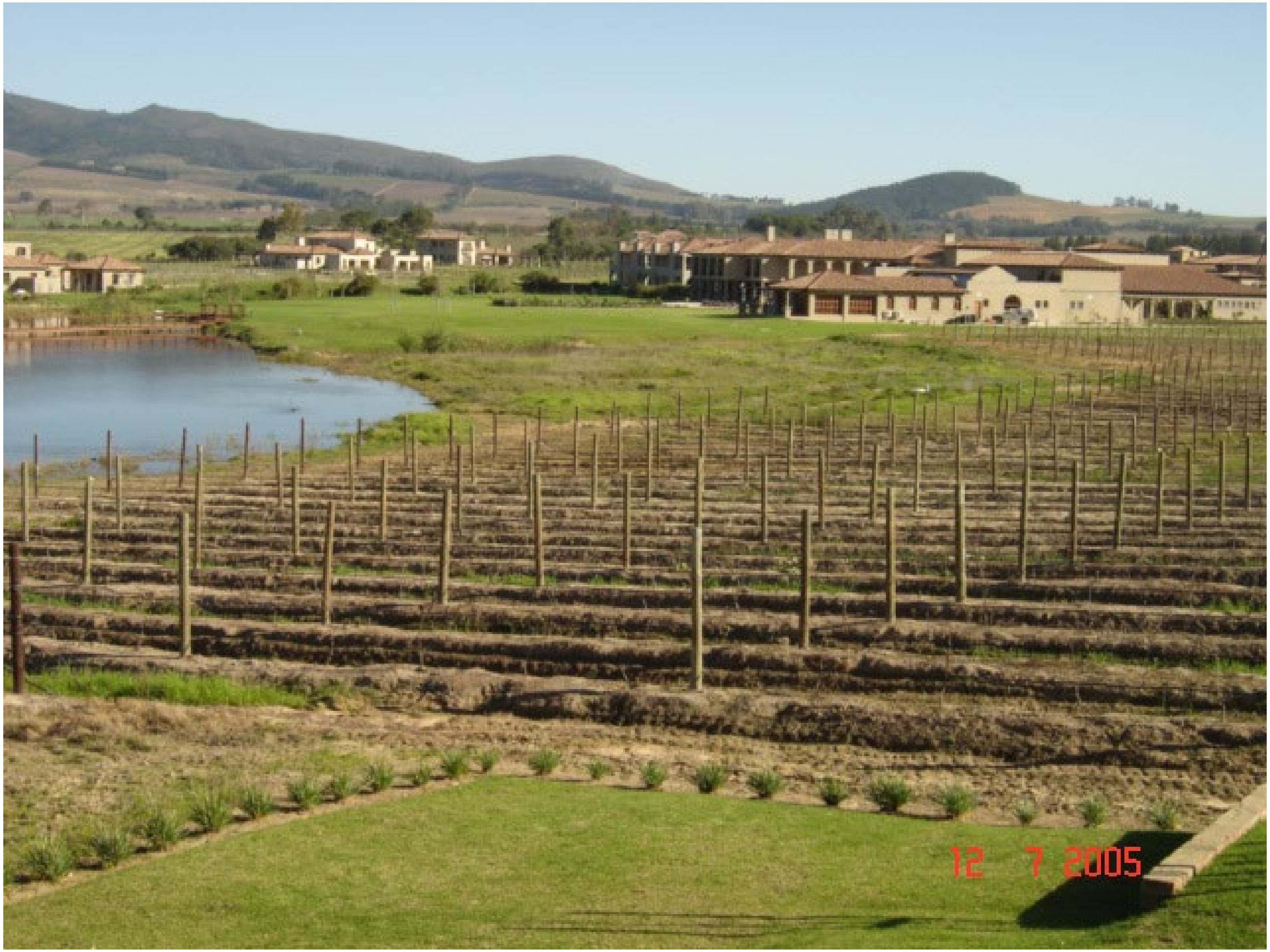
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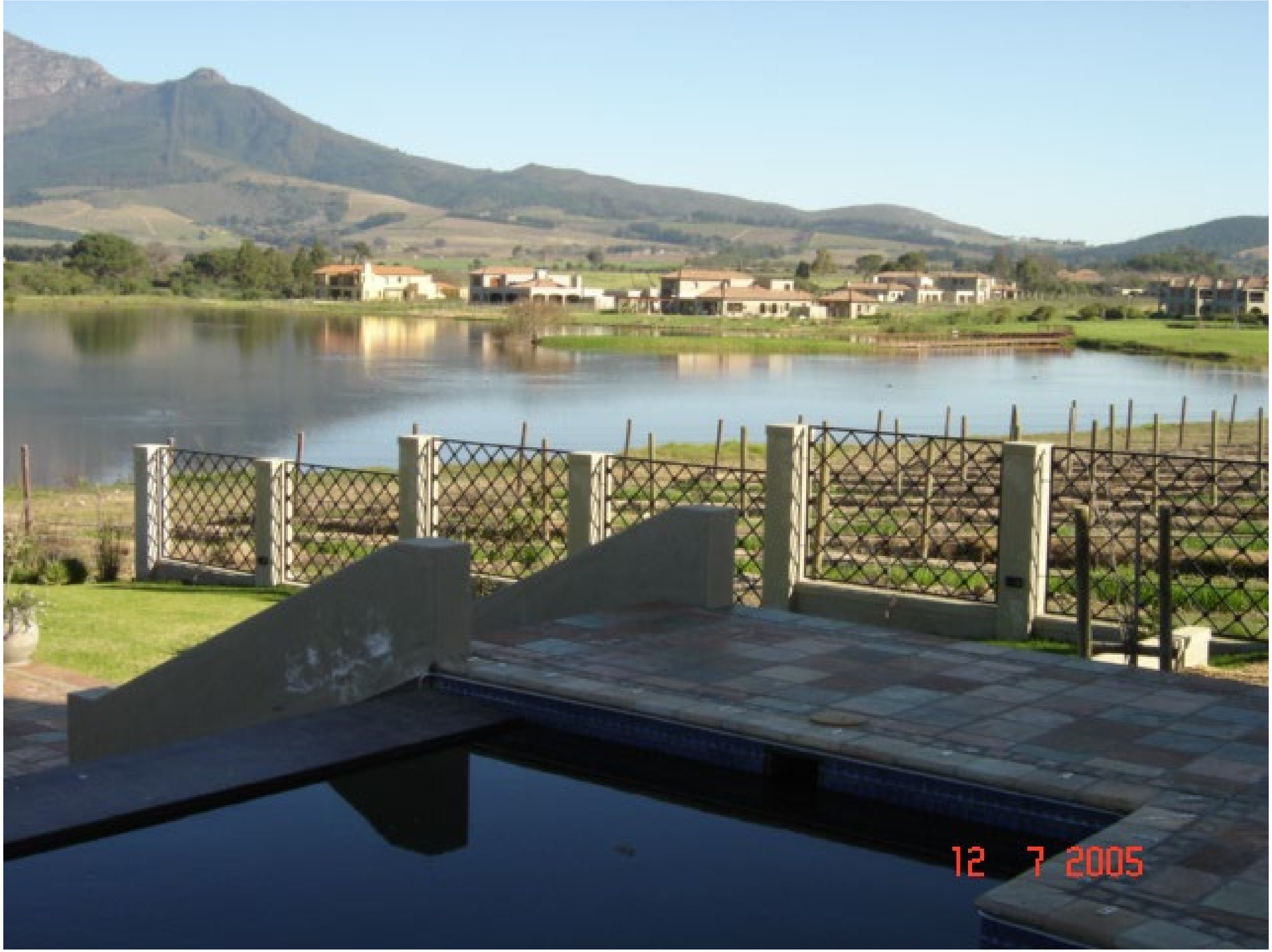
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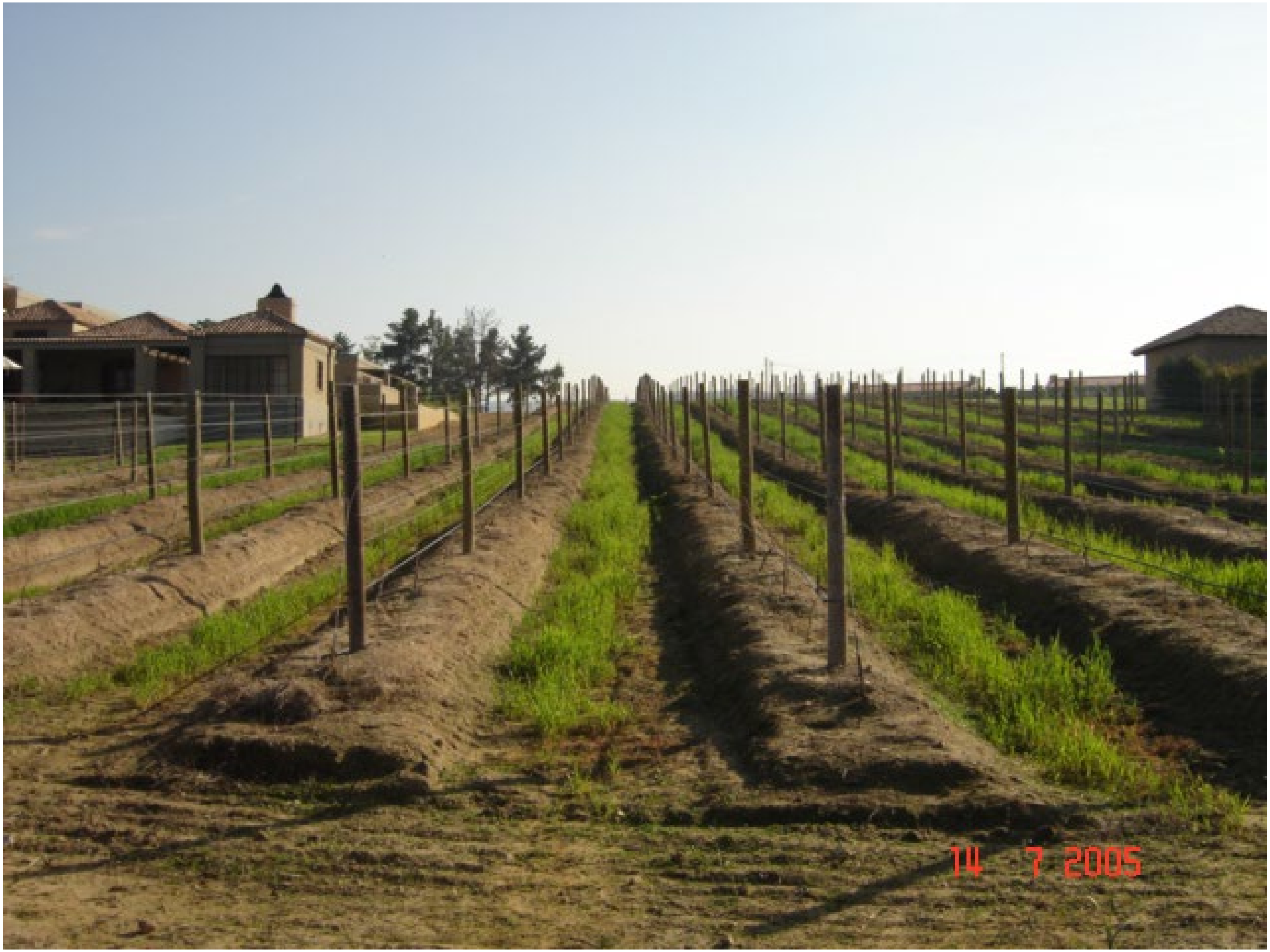
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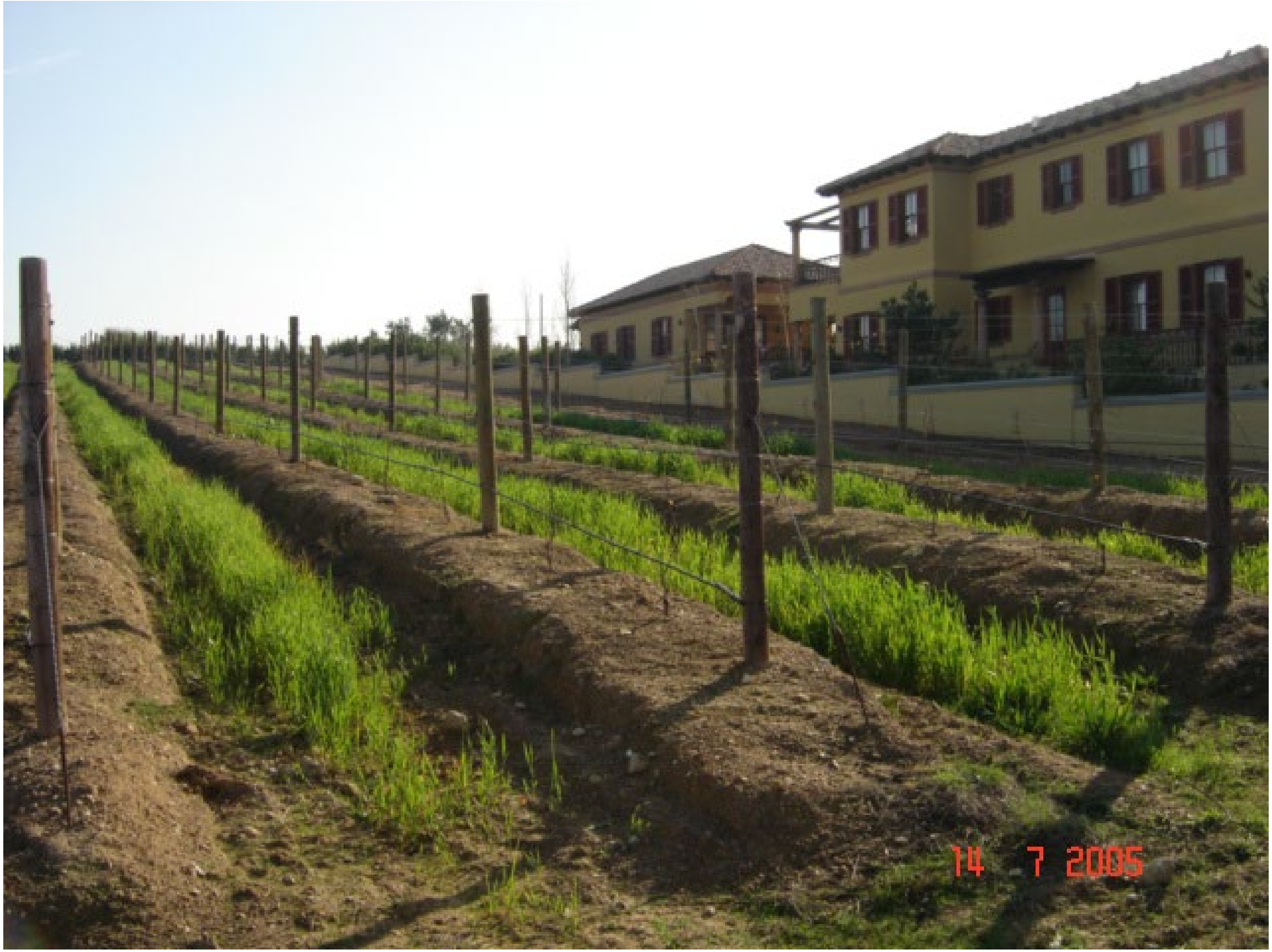
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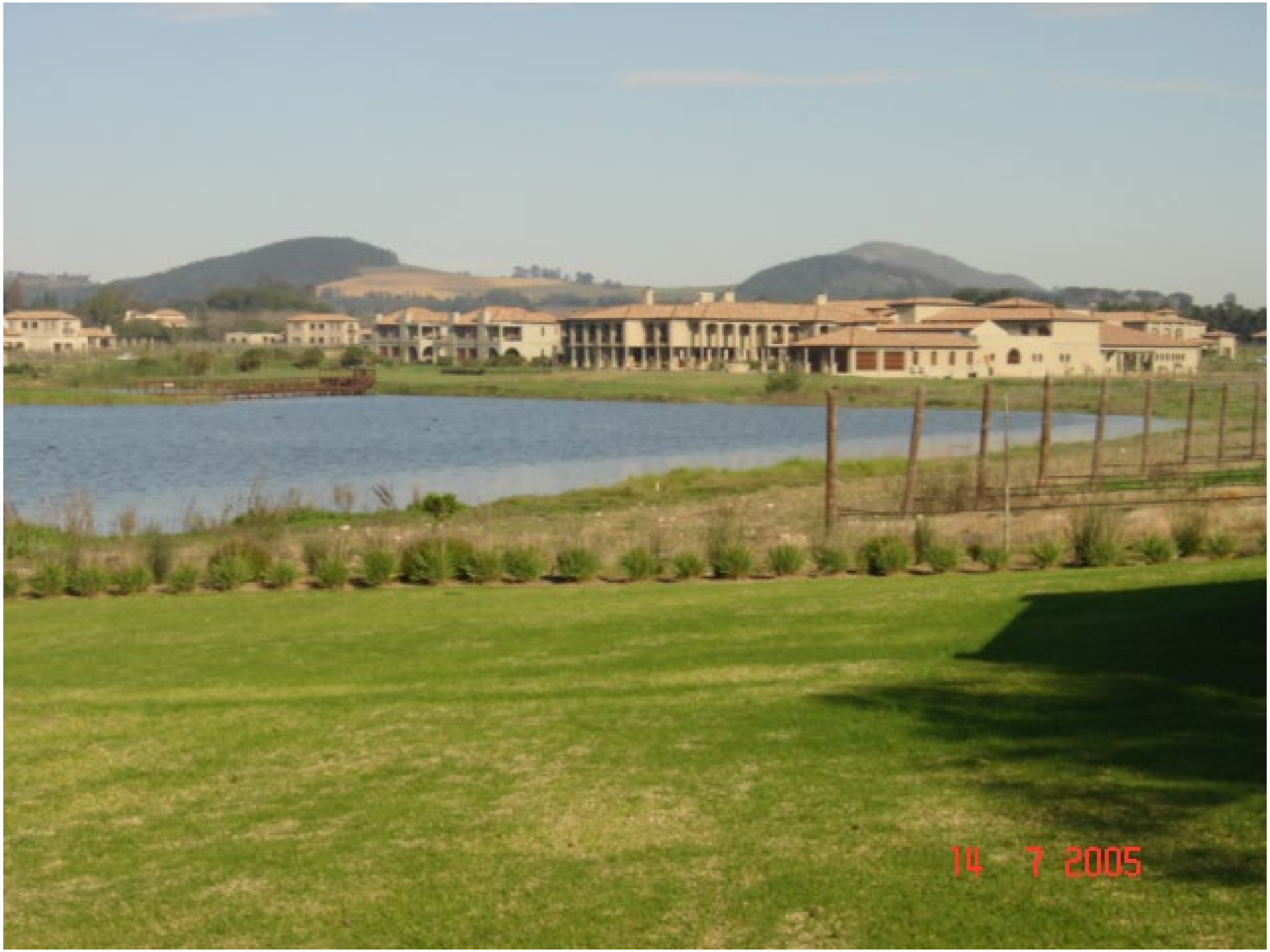
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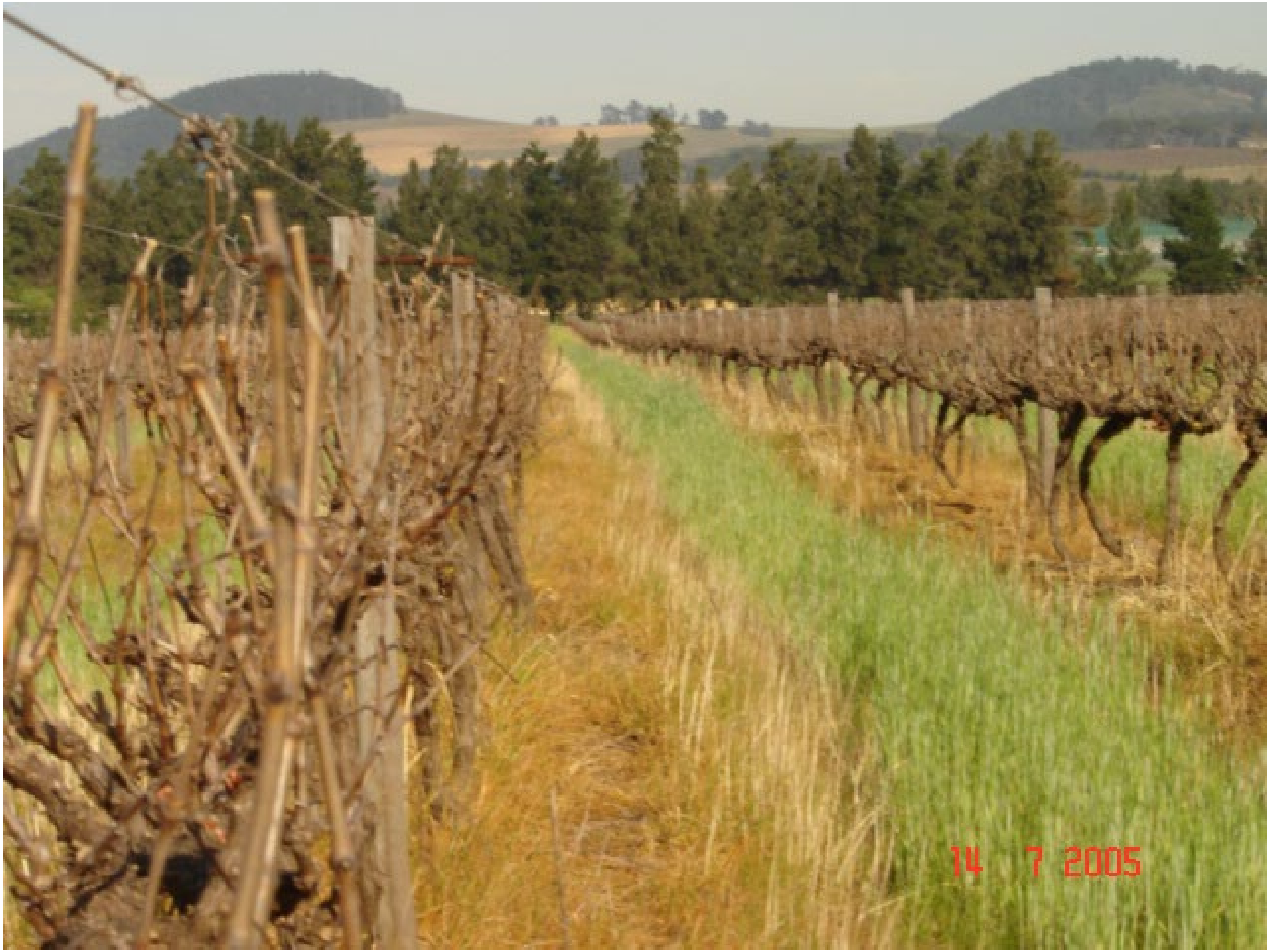
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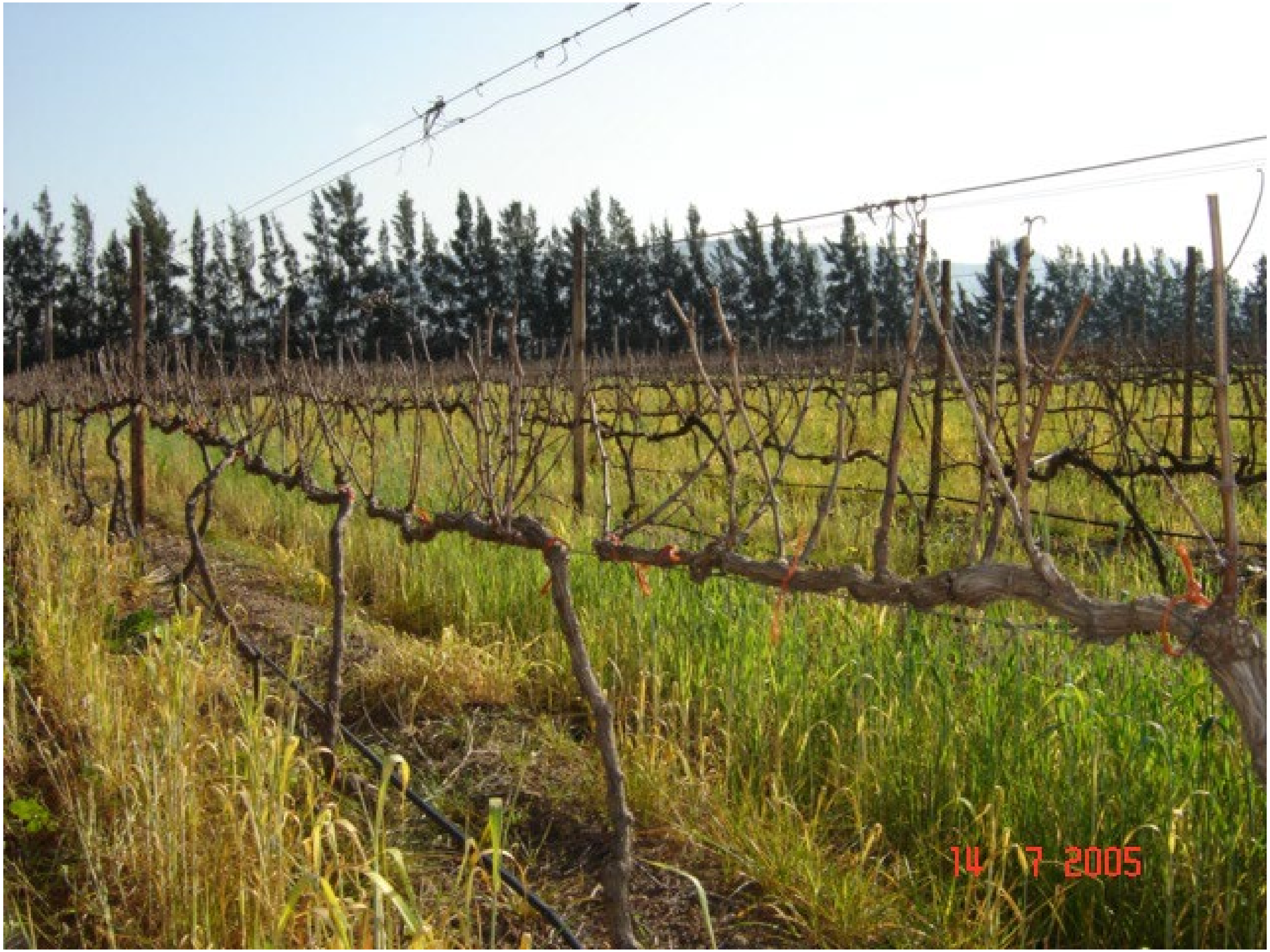
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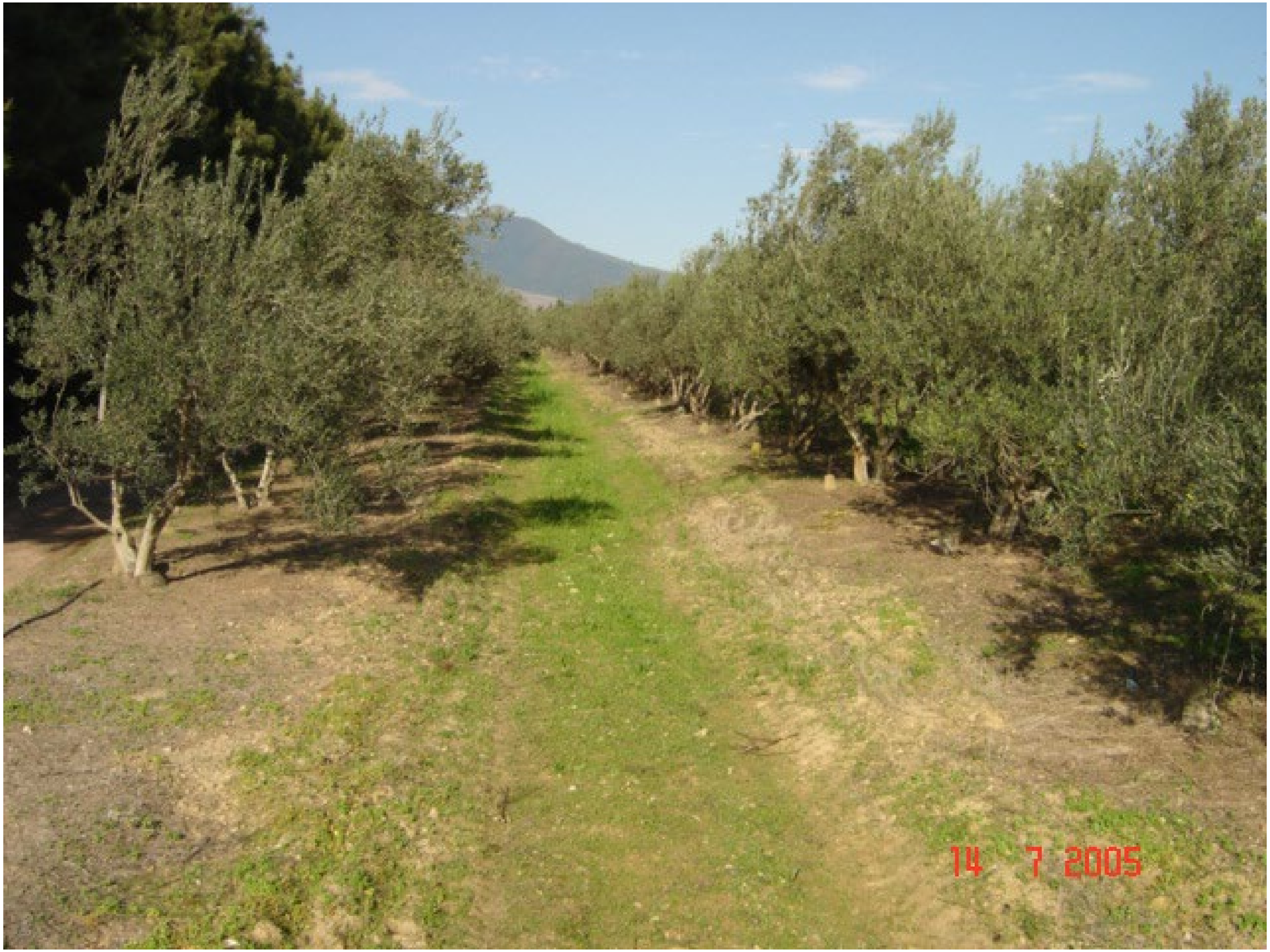
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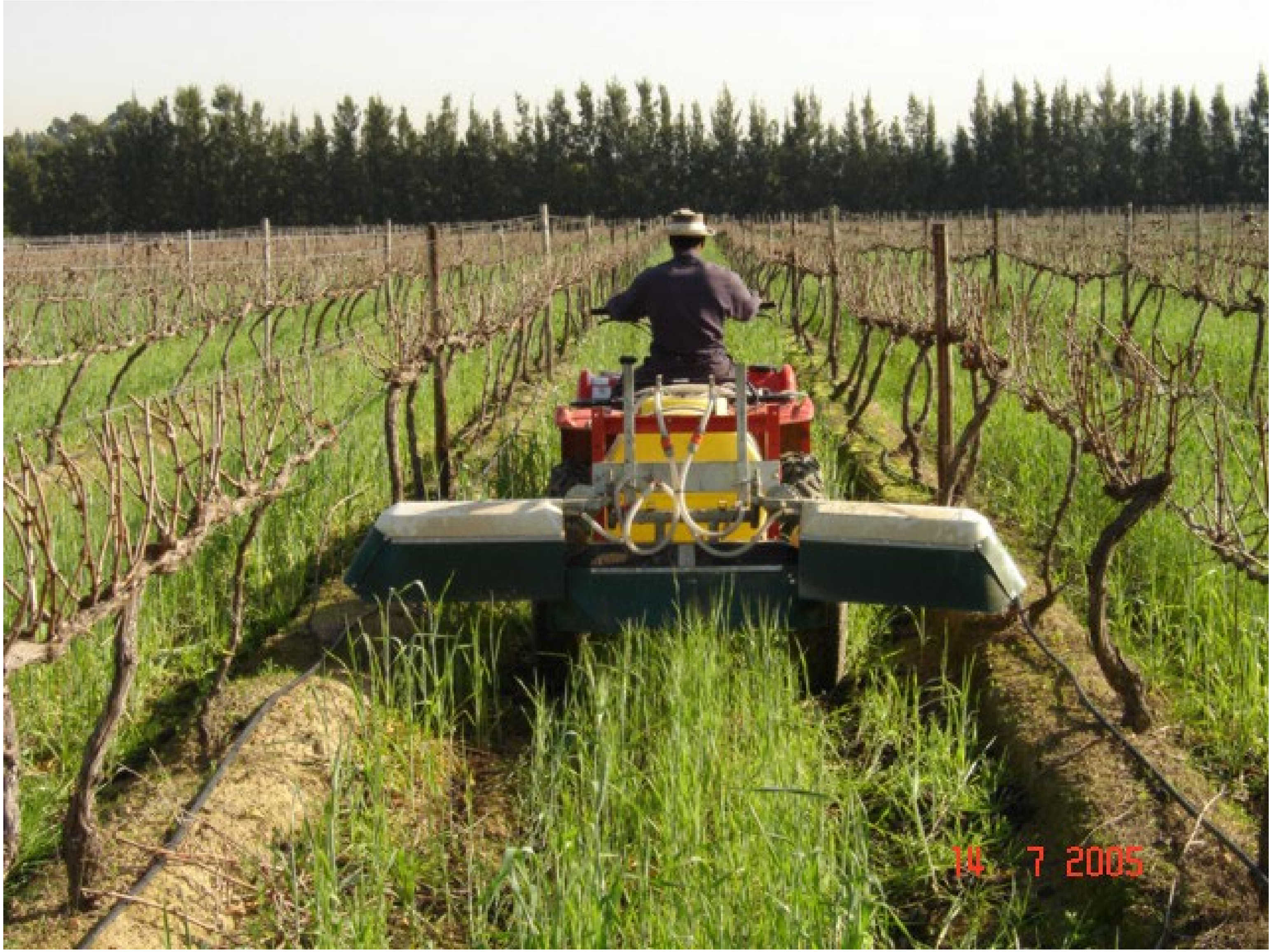
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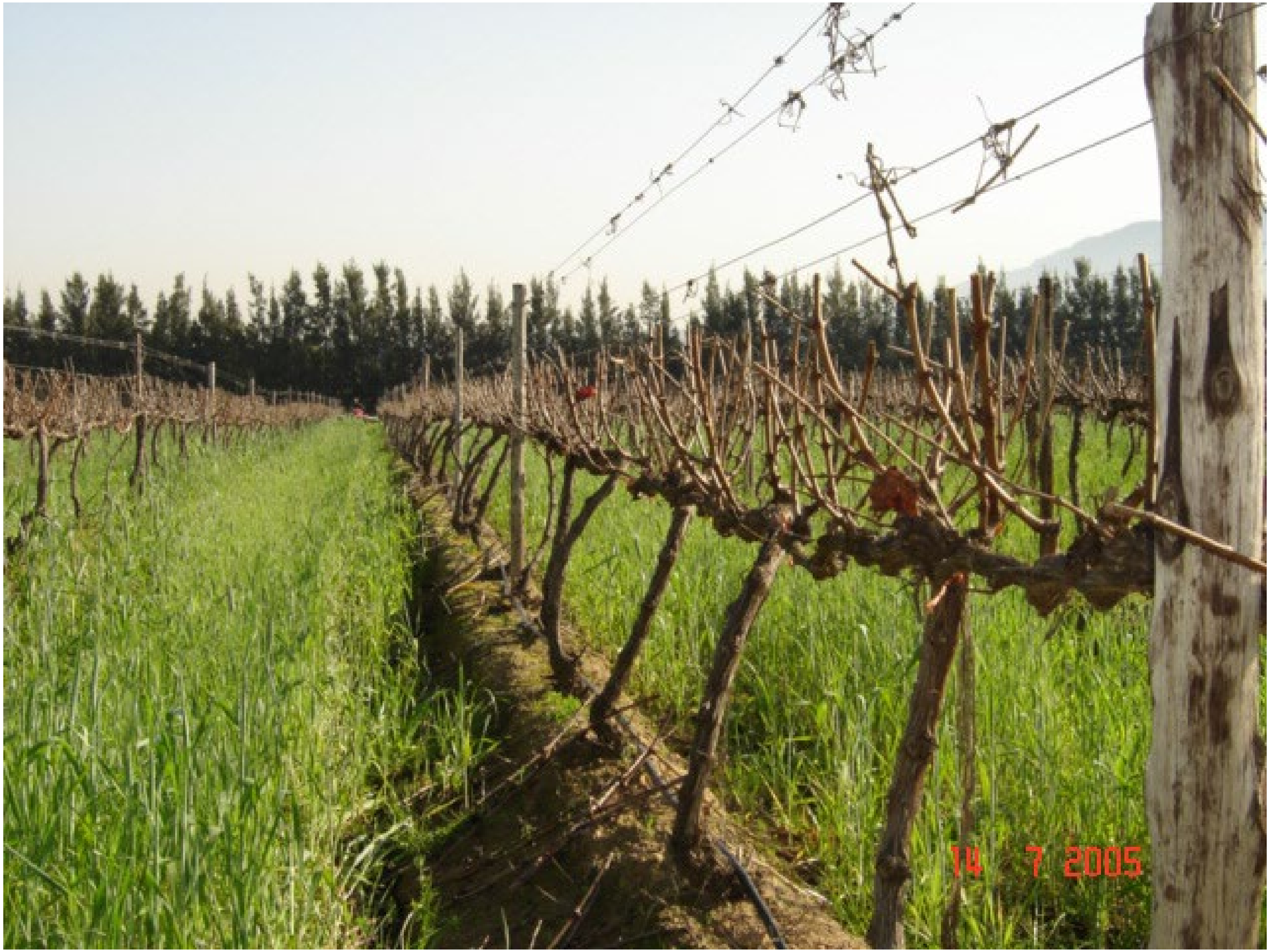
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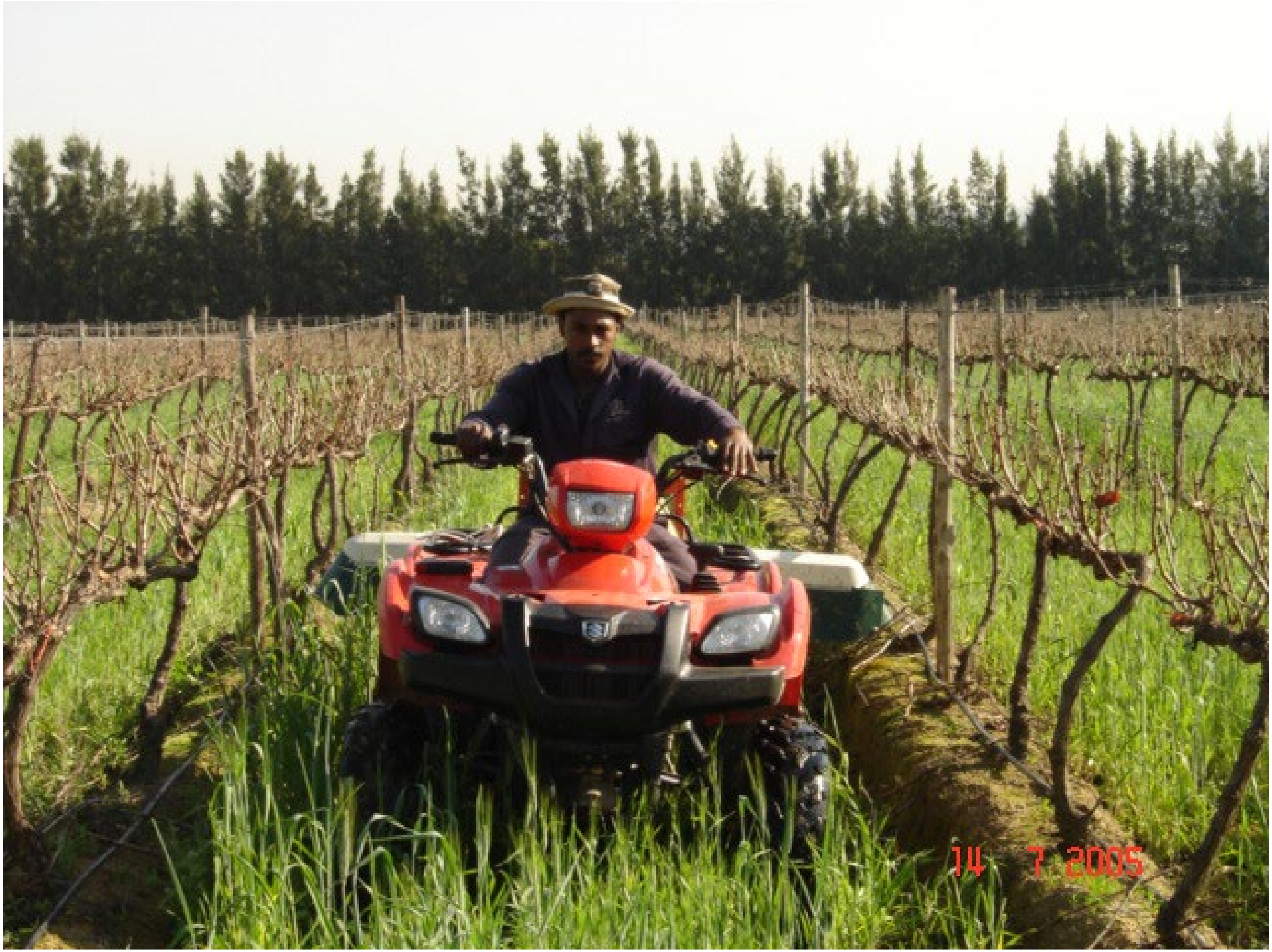
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Cost Recovery
Turn Around Trading

TEL: 021-8755190
FAX: 021-8755197

LBV WINE ESTATE PROPERTY
OWNERS ASSOCIATION
c/o JOHANN MEYER
PO BOX 1578
SOUTHERN PAARL
7624

LEVY INVOICE

Date	03/11/2004
Page	1
Document No	LI0311

TURN AROUND TRADING (PTY) LTD
c/o CRAIG YOUNG
PO BOX 1239
STELLENBOSCH
7599

Deliver to

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	Cost Code	
002		N				Exclusive

Code	Description	Quantity	Unit	Unit Price	Disc%	Tax	Nett Price
3200010	Sec cost recovery - Mrt04					0.00%	2 817.87
3200010	Sec cost recovery - Apr04					0.00%	5 842.50
3200010	Sec cost recovery - May04					0.00%	6 376.88
3200035	Sec cost recovery - Jun04					0.00%	4 883.83
3200010	Sec cost recovery - Jul04					0.00%	4 883.83
3200010	Sec cost recovery - Aug04					0.00%	4 883.83
3200035	Sec cost recovery - Sep04					0.00%	4 883.83

PLEASE USE YOUR ACCOUNT NUMBER AS A REFERENCE WHEN PAYMENT IS MADE

Sub Total	34,572.57
Discount @ 0.00%	0.00
Amount Excl Tax	34,572.57
Tax	0.00
Total	34,572.57

Cost Recovery Fidentia

TEL: 021-8755190
FAX: 021-8755197

LBV WINE ESTATE PROPERTY
OWNERS ASSOCIATION
c/o JOHANN MEYER
PO BOX 1578
SOUTHERN PAARL
7624

LEVY INVOICE

Date	27/10/2004
Page	1
Document No	L10309

FUNDEV PROPERTY INVESTMENTS (PTY) LTD
c/o Fidentia Holdings (Pty)Ltd
PO BOX 1130
SEA POINT
8060

Deliver to

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	Cost Code	
001		N				Exclusive

Code	Description	Quantity	Unit	Unit Price	Disc%	Tax	Nett Price
3400060	Road signage					0.00%	13,024.56
3700000	Road signage					0.00%	4,560.00
6100000	As-built plans					0.00%	32,492.00

PLEASE USE YOUR ACCOUNT NUMBER AS A REFERENCE WHEN PAYMENT IS MADE

Sub Total		50,076.56
Discount @	0.00%	0.00
Amount Excl Tax		50,076.56
Tax		0.00
Total		50,076.56

Due diligence to Fidentia

LA BELLA VITA
WINE ESTATE PROPERTY OWNERS ASSOCIATION

P. O. Box 381
KLAPMUTS
7625

Tel nr. 021 – 875 5150
Fax nr. 021 – 875 5197

26 October 2004

TO: **FIDENTIA HOLDINGS**
COPY: **FUNDEV PROPERTY INVESTMENTS (PTY) LTD**

Dear Sir

Notification of outstanding development issues, monies owing and outstanding contractual agreements as discussed with the current owners of Fundev Property Investments (Pty) Ltd on 26 October 2004 at 14h00.

1. **Outstanding development issues** (Please refer to Annexure A)

   We request an itemized action plan with timelines to address each of the attached development issues. Please note that all plans need to be presented at a La Bella Vita Wine Property Owners Association meeting prior to development.

2. **Outstanding invoices** (Please refer to Annexure B)

   Attached please find copies of invoices that were paid by the La Bella Vita Wine Property Owners Association, but that were for the account of Fundev Property Investments (Pty) Ltd.

   This needs to be paid within seven days of receipt of invoice.

3. **Contractual Rental Pool Agreements**

   Please note that an urgent meeting needs to be held to resolve the rental pool agreements. There has been total misrepresentation by Fundeals Sixteen CC and Fundev Property Investments (Pty) Ltd with regards to this matter and there is at least one litigation case pending.

4. **Incomplete corporate units – Refer to contract documents with Fundev Property Investments (Pty) Ltd**

   Please note that Fundev is liable to complete the corporate units with whom they have legal agreements. Currently there are at least two corporate units who are in dispute with Fundev Property Investments (Pty) Ltd due to the incompletion of these units.

We request an urgent resolve to this matter and suggest that an independent architect be appointed to compile a final assessment. We also request an appointed project manager to resolve the outstanding matters on all corporate villas.

Please note that the La Bella Vita Wine Property Owners Association requires the following items for each built unit:

a) receipt of letter of satisfaction from client
b) receipt of an electrical certificate for each unit.

For the incomplete corporate villas a clearance certificate from the independent architect is required.

We look forward to a mutually rewarding relationship but also very importantly to resolving the outstanding matters as listed above.

Sincerely Yours,

Lise – Ann Liebenberg
(Chairperson)

La Bella Vita Wine Property Owners Association

Annexure A

Outstanding development issues:

1. Sewerage plant: The estate was to have a state of the art water treatment plant and currently due to the incompletion of this plant contamination levels are at an unacceptable level. The drying pan section of this plant needs to be finalized as well as a container or wendy house where the log books, chemical and daily testing can take place.

   We also have an illegal sewerage operation due to the fact that a flow meter has not been installed and this has to be installed with immediate effect.

2. Drainage: Open trenches have been dug but asbestos pipes and drainage covering has to be completed. Primary drainage needs serious attention, parts of secondary drainage are incomplete and vineyard drainage is incomplete – Also the drainage system in front of Eugene Neser's permanent residence has not been completed.

   At the moment the water pipes that have been installed are of an insufficient standard. An independent assessment of this will need to be done to determine the extent of the valves and pipes that need replacement. This matter is of utter urgency as the estate water system often has to be entirely shut down for days to resolve repairs. Valves need to be installed to ensure that the entire system is not affected when repairs have to occur.

3. Dam wall needs to be completed. In contracts we have "walking trails", jogging trails etc specified.

4. Tennis Courts. See legal contracts and brochures

5. Stables. As specified in contracts: "State of the art stabling" "Mini equestrian centre". Lunging arenas", " 5 horse stabling and tack room", "qualified personnel and grooms" "completed by 31 August 2002"

6. Tar road from R45. To be completed by 31 Dec 2002 - refer to schedule from developers

7. Special area on island

8. Wine Cellar Completion date August 2004 – refer to schedule from developer

9. Green netting beside internal road and where stabling and wine cellar would be

10. Traffic circle in front of Villa 11

11. Upgrade of internal roads after construction phase (also see attached documentation)

12. Main gate motor must be a commercial motor and not domestic motor

13. Landscaping to common area - also open areas between vineyards and dams

14. Main waterline through corner of Khoury's dam and through Young residence. If this were to provide problems it will cause havoc to HOA funds

15. Proper "as builts" required regarding services. Not "proposed builts" as we currently have

16. Access control to estate e.g. security gate and card control

17. Approximately 35 covers for manholes required - This could cause serious legal liability

18. Farming "start up" done incorrectly e.g. large sections of dead vineyards, not all poles have wires, trelliclips, drainage

19. We need to deal with proposed shared services and would current infrastructure at Sante be sufficient for any shared services

20. Any law suits with developer cannot be passed on to HOA

Annexure B

Attached:

LBV Wine Estate Property Owners Association
Invoice LI0309 – Road signage & as-build plans

LBV Farming Association
Invoice LI0143 – Farming labour cost recovery

(All back-up documentation in Annexure C)

TEL 021-8755190
FAX 021-8755197

LEVY INVOICE

Date	27/10/2004
Page	1
Document No	LI0309

LBV WINE ESTATE PROPERTY
OWNERS ASSOCIATION
c/o JOHANN MEYER
PO BOX 381
KLAPMUTS
7625

FUNDEV PROPERTY INVESTMENTS (PTY) LTD
c/o CRAIG YOUNG
PO BOX 1239
STELLENBOSCH
7599

Deliver to

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	Cost Code	
1		N				Exclusive

Code	Description	Quantity	Unit	Unit Price	Disc%	Tax	Nett Price
2500000	Road signage					0.00%	17,584.56
2500000	As-build plans					0.00%	32,492.00

PLEASE USE YOUR ACCOUNT NUMBER AS A REFERENCE WHEN PAYMENT IS MADE

Sub Total		50,076.56
Discount @	0.00%	0.00
Amount Excl Tax		50,076.56
Tax		0.00
Total		50,076.56

TEL: 021-8755190
FAX: 021-8755197

LA BELLA VITA FARMING
ASSOCIATION
c/o J MEYER
PO BOX 381
KLAPMUTS
7625

LEVY INVOICE

Date	27/10/2004
Page	1
Document No	LI0143

FUNDEV PROPERTY INVESTMENTS (PTY) LTD
c/o CRAIG YOUNG
PO BOX 1239
STELLENBOSCH
7599

Deliver to

Account	Your Reference	Tax Exempt	Tax Reference	Sales Code	Cost Code	
2		N				Exclusive

Code	Description	Quantity	Unit	Unit Price	Disc%	Tax	Nett Price
1881000	Labour cost recovery					0.00%	60 480.00

PLEASE USE YOUR ACCOUNT NUMBER AS A REFERENCE WHEN PAYMENT IS MADE

Sub Total		60,480.00
Discount @	0.00%	0.00
Amount Excl Tax		60 480.00
Tax		0.00
Total		60 480.00

Annexure C

Attached back-up documentation Invoice LI0309 & LI0143

Patrick Holden

DRAKENSTEIN
MUNISIPALITEIT • MUNICIPALITY • U MASIPALA WASE

Departement Planning & Economic Development / Departement Beplanning & Ekonomiese Ontwikkeling
(Rural / Landelik)

Ref.: 15/3/6/1
Enquiry: P Kriel (8731121 X 2807)

2004-02-12

Winelands Estate Hotel & Wellness
PO Box 1239
STELLENBOSCH
7599

Attention: Mr A Marais

FARMS 791/43 - 791/57, WINELANDS ESTATE, PAARL DIVISION

A previous notice dated 10 October 2003 (copy attached), refers.

To date of this notice the additional building plans and building application fees as requested, are still outstanding.

You are herewith requested to furnish Council with the outstanding plans and fees within a period of ***thirty (30) days*** from date of this notice.

Your co-operation is appreciated.

Yours faithfully

HEAD: PLANNING AND ECONOMIC DEVELOPMENT

Departement Planning & Economic Development / Departement Beplanning & Ekonomiese Ontwikkeling
(Rural / Landelik)

Ref.: 15/3/6/1
Enquiry: P Kriel (8731121 X 2807)

Winelands Estate Hotel & Wellness
PO Box 1239
STELLENBOSCH
7599

2003-10-10

Attention: Mr A Marais

FARMS 791/43 - 791/57, WINELANDS ESTATE, PAARL

The as-build plans received for the corporate villas on the abovementioned properties, refer.

Building application fees are calculated based on the estimate cost of the building. Since all the villas was build larger than the original approved plans, additional fees are payable to the Council.

The additional fee for each property is as follows:

791/43	-	R 1 003-00	791/51	-	R 2 316-00
791/44	-	R 5 234-00	791/52	-	R 924-00
791/46	-	R 881-00	791/53	-	R 5 437-00
791/47	-	R 881-00	791/54	-	R 899-00
791/48	-	R 957-00	791/55	-	R 2 188-00
791/49	-	R 4 123-00	791/56	-	R 1 181-00
791/50	-	R 1 624-00	791/57	-	R 4 844-00

Please note that an additional set of as-build plans for each villa is also required.

The outstanding fees and plans must be submitted to Council as soon as possible.

Your cooperation is appreciated.

Yours faithfully

HEAD: PLANNING & ECONOMIC DEVELOPMENT

TAX INVOICE / BELASTINGFAKTUUR 23

From / Van: W. J. Sandblasting
De Kock St 9
Gordon's Bay
7140

Date / Datum: 29-04-04

To / Aan: L. B. V. Home owners Assoc. Box 381 Klapmuts.

V.A.T. Regd. No. / B.T.W. Gereg. Nr.: 4410150783

Quantity Hoev.	Description Beskrywing	Unit Price Eenheidsprys	Amount Bedrag
	Afsit van Grondstekens. Voorsiening van Galv. Pale + Brackets.		4000-00

ROXLEY

Sub Total Subtotaal	4000-00
V.A.T. / B.T.W. @ 14 % / Inclusive Ingesluit	560-00
TOTAL TOTAAL	4560-00

TERMS TERME

Delete and complete as applicable. Skrap en voltooi waar van toepassing.

TAX INVOICE / BELASTINGFAKTUUR 3

From / Van: W. J. Sandblasting
De Kockstr. 9
Strand

Date / Datum: 11/3/2004

To / Aan: Zerelda Cape Construction
P.O Box 1239
Stellenbosch.

V.A.T. Regd. No. / B.T.W. Gereg. Nr.: 4410150783

Quantity Hoev.	Description Beskrywing	Unit Price Eenheidsprys	Amount Bedrag
	Aankoop van Borde		11 600 -

34 borde

ROXLEY

Sub Total Subtotaal	
V.A.T. / B.T.W. @ 14 % / Inclusive Ingesluit	1424 56
TOTAL TOTAAL	13024 56

TERMS TERME

Delete and complete as applicable. Skrap en voltooi waar van toepassing.

Kunnenburg Incorporation

MALLINICKS

Direct Line +27 21 410 [illegible]
Telephone +27 21 410 2200
Fax +27 21 [illegible]
E-Mail [illegible]
Internet: [illegible]
Docex 34 Cape Town

[illegible]
[illegible] Road, V&A Waterfront
Cape Town [illegible]
PO Box [illegible] Cape Town [illegible]

31 May 2005

OUR REF CdeV/cd/145190
YOUR REF

TURNAROUND TRADING

ATTENTION: MR E C H DU PLESSIS (FAX NO: 847 1988)
MR A MARAIS (FAX NO: 863 0030)
MR J KIESER (FAX NO: 761 3291)

Dear Sirs

LA BELLA VITA WINE ESTATE / KUNNENBERG

We refer to previous correspondence and discussions herein and outline the basis upon which our client, La Bella Vita Wine Estate Property Owners Association (LBV) is prepared to proceed in respect of the issues pertaining to the Kunnenberg Estate. Our client has instructed us to record the following:

1. A meeting was held, at your request, on 17 May 2005, between yourselves (as the developer of the estate commonly referred to as Kunnenberg) and our client, being the Home Owners Association in respect of the adjacent La Bella Vita Wine Estate ("the LBV Estate"), which was developed by entities associated with yourselves.

2. You have advised our client that the Drakenstein Municipality has halted the transfer of any further subdivided erven within Kunnenberg to end-purchasers within the development, due to certain of the services infrastructure not having been completed as contemplated in the conditions of approval for the subdivision of the Kunnenberg development ("the Kunnenberg conditions").

3. Accordingly, you requested the meeting of 17 May 2005 to discuss the linking of sewage and potable water services between Kunnenberg and the LBV Estate, as well as a lease agreement to be concluded in respect of the sewage plant currently serving the LBV Estate, which is situated on land owned by a third party (the sewage plant).

4. Our client is of the firm view that the Kunnenberg conditions are fundamentally flawed to the extent that the conditions are premised on Kunnenberg being an *"extension of the existing Serenite neighbouring estate"* (the LBV Estate). The trustees of the LBV, and individual end-purchasers within the LBV Estate, at no stage consented to such an extension of the LBV Estate, and were not made aware of any such plans by the developer of the LBV Estate and/or the developers of Kunnenberg. Accordingly, it fully reserves its rights in respect of the legality of all the Kunnenberg conditions which are premised on such an extension.

5. In that regard, our client has had meetings with various homeowners within the Kunnenberg development, who have indicated their firm intention to form a home owners association, membership of which will be limited to owners of subdivided erven in the Kunnenberg development. To date, such owners have also not participated as members of the LBV. Your Mr Kieser indicated at the meeting that a representative of the Drakenstein Municipality, a Mr Delaney, had indicated that proposals could be submitted to the Drakenstein Municipality in respect of the formation of a Kunnenberg Home Owners Association and, if necessary, related associations as well as the inter-relationship between associations formed in respect of Kunnenberg and the associations governing the adjoining LBV Estate and/or portions which were subdivided off portion 27/791 (which includes the LBV Estate) ("Akenena").

6. Although our client is opposed to any common "governance" structures between it and Kunnenberg, it is prepared to consider the sharing of essential services between the two developments on a case-by-case basis, based on a commercial rationale and other relevant considerations from time to time, such as unnecessary duplication of infrastructure.

7. Accordingly, it is prepared to agree to Kunnenberg linking/integrating its sewage infrastructure with that of the LBV Estate, subject to a number of conditions as set out more fully below.

8. <u>Sewage</u>

LBV consents to Turnaround Trading (Pty) Ltd ("TAT") linking its sewage pipeline infrastructure on the LBV Estate, provided that:

8.1 TAT obtains the prior written consent of the relevant property owner on whose property the pipelines will be linked;

8.2 the prior written approval of the LBV is obtained to the proposed build plans for the linkage of the two respective sewage systems, provided that such approval shall be furnished by LBV within 5 (five) business days of receipt by LBV of the build plans for its approval, failing which it shall be deemed to have been approved by LBV;

8.3 an appropriate measuring device be installed at the riser station at Kunnenberg by no later than the date upon which the linkage of the two sewage systems becomes operational;

8.4 TAT undertakes the necessary upgrade to the sewage plant, which will be required to accommodate the increased usage of the sewage system as a result of the linkage of the two respective sewage systems ("the additional usage") as follows:

8.4.1 it will implement the proposal from Wetteck, including repairs to the intake boxes at the existing sewage plant, provided that TAT will appoint an independent engineer to approve the Wetteck proposed upgrade and, in the event that such independent engineer suggests any further additions to the upgrade, TAT will also implement such further additions. The cost of the repairs to the intake boxes will be in the sum of R25,590.00 (twenty five thousand five hundred and ninety rand), (excl. VAT). The cost of this aforesaid amount shall be borne equally between TAT and LBV;

8.4.2 such upgrade shall include the development and implementation by TAT of a landscape management plan in respect of the grounds surrounding the sewage plant, which landscape management plan shall be subject to the prior written approval of LBV and the owner of the land upon which the sewage plant is situated, provided that such approval shall be furnished within 5 (five) business days of receipt of the plan by LBV, failing which it shall be deemed to have been approved by LBV;

8.4.3 TAT shall provide LBV with a bank guarantee or financial security to LBV's satisfaction for the costs of the upgrade;

8.5 TAT shall obtain written confirmation from the independent engineers that the existing riser station (intermediate pumping station) situate at the hotel on the

LBV Estate has the capacity for the additional usage, failing which TAT shall be liable for any additional such infrastructure required;

8.6 a lease agreement shall be concluded between LBV and the relevant landowner in respect of the sewage plant. It is the intention that the amount to be charged by the LBV to the Kunnenberg HOA in respect of provision of sewage services (as set out below) will include a contribution by Kunnenberg to the rental to be paid by LBV to Duwgro. TAT will bear the cost of the rental from the commencement of the lease, until the next annual general meeting of the LBV which shall be held by no later than the end of September 2005, at which approval will be sought for the increased cost to be borne by its members arising from the proposed lease;

8.7 TAT shall appoint qualified engineers to ascertain the operational and maintenance costs of the sewage system on the LBV Estate, taking into account capital maintenance infrastructure, and to propose an equitable cost apportionment between the LBV Estate and Kunnenberg;

8.8 such cost apportionment shall take effect once the sewage system on the LBV Estate is operational in respect of Kunnenberg. TAT shall be liable for the Kunnenberg portion of the costs until such date as the Kunnenberg HOA has accepted liability for such costs;

8.9 once the Kunnenberg HOA has been formally constituted, a shared services agreement will be concluded between the Kunnenberg HOA and LBV and, to the extent that the TAT has unfulfilled obligations in respect of any aspect of the sewage system, also with TAT.

9 Transfer of Common Areas and Registration of servitudes

9.1 TAT shall procure that the registered owner(s) of the common areas (being its associated companies) of the LBV Estate and Akarana, at TAT's cost, transfer the relevant common areas to the LBV and the Akarana Master Home Owners Association respectively. Such costs shall not include the capital cost of the LBV acquiring any immovable property constituting common areas and servitudes from the owner of the immovable property in question.

9.2 It is recorded that Dewgro has never objected to, or in any manner delayed, the transfer of the said common areas.

9.3 TAT shall procure, at its cost, through Faure & Faure Attorneys in Paarl, that all the necessary servitudes in respect of the LBV Estate and Akarana are registered, including but not limited to in respect of sewage and potable water, provided that the prior written approval of the LBV and, in respect of servitudes over Akarana, the relevant landowner(s), is obtained for any documentation submitted to relevant authorities in respect of the aforesaid servitudes (such as notarial deeds of servitudes, diagrams and the like). Such approval shall be furnished within 5 (five) business days of receipt of the relevant documentation by the party from whom approval is sought, failing which it shall be deemed to have been granted.

10 Potable Water

10.1 TAT has tapped into the LBV Estate potable ring main, which as far as LBV is aware, is in contravention of the Drakenstein Municipality's requirements. LBV accepts no legal liability in respect thereof and TAT indemnifies LBV against any loss, claim, costs and damages associated with, or arising in respect of, Kunnenberg's linkage to the LBV Estate potable water system.

10.2 TAT shall furnish LBV with a letter from the Drakenstein Municipality confirming that the Kunnenberg linking into the LBV Estates' bulk water pressure system has been approved by the Drakenstein Municipality.

10.3 The provisions of clauses 8.7 and 8.8 shall also apply to the potable water system.

11 Associations

11.1 TAT undertakes to procure the consent of all end-purchasers within the Kunnenberg development that they will not be members of any of the associations governing the LBV Estate and/or Akarana within 5 (five) business days of the date of this letter, failing which all aspects of the proposal in this letter shall lapse.

11.2 TAT shall use its best endeavours to obtain the approval of the Drakenstein Municipality to 11.1, which shall include a meeting to be held between the LBV, TAT and the Kunnenberg HOA.

12. TAT will furnish LBV with all the necessary documentation to give effect to all of the above conditions by no later than the end of June 2005.

13. Save as specifically provided to the contrary in this letter, TAT shall bear all the costs in respect of implementation of the above conditions including but not limited to, legal, technical and consulting costs, provided that:

13.1 it shall be liable for a maximum amount of R35,000.00 (thirty five thousand rand), (excl. VAT), in respect of the adoption and implementation of the landscape management plant;

13.2 it is specifically recorded that the LBV has incurred legal costs in the sum of approximately R30,000.00 (excl. VAT) in connection with the various issues pertaining to the Kunnenberg Estate. TAT shall be liable to reimburse the LBV for all such legal costs, as well as the legal costs of the lease agreement referred to in clause 6.8.

Kindly confirm your acceptance of the terms of this letter by an authorised representative of TAT appending his signature below and returning the duly signed copy to our offices.

Yours faithfully
MALLINICKS INC

Per:
C DE VILLIERS

Signed by: ....
who warrants that he is duly authorised

J.P. Kriezer
For: TAT 16 (Pty) Ltd.

Fax Pad Ref 138	PAGE OF
TO Martin Van Zijl	FROM
CC	CO Mallinicks
DATE	PHONE NO:
FAX NO 375 5197	FAX NO:

TURN AROUND TRADING 16 (PTY) LTD

Registration No 2003/005897/07

1 June 2005

Attention: Mrs C. de Villiers
Mallinicks

BY FACSIMILE: (021) 410 9000

Dear Coriann

LA BELLA VITA WINE ESTATE/KUNNENBERG

Herewith the agreement, returned as requested, signed by the writer in acceptance, on behalf of Turn Around Trading 16 (Pty) Ltd.

Firstly, I would like to thank you for your mediation and arranging the response. May we formally request, as stipulated in clause 8.6 and 8.9, that Mallinicks proceed urgently with the drafting of the agreement between LBV and Dewgro and the drafting of the shared service agreement, as called for under these clauses. I would be happy to meet with you or the relevant representative from Mallinicks in order to discuss the draft agreements.

We will be arranging an urgent meeting with Martin Van Zijl in order to submit the necessary documentation as called for in the agreement. Could you please assist by urgently advising your client our acceptance of the agreement.

Once again my sincerest thanks.

Kind regards

Joe Kieser
DIRECTOR TURN AROUND TRADING 16 (PTY) LTD

cc. **Mr E C H Du Plessis (Fax no: 847 1968)**
Mr A Marais (Fax no: 863 0838)

Surveys of plots

Man hole covers

TAX INVOICE INVOICE NO: 3894

GERT MANS VERVAARDIGERS BK T/A:

M&M ENGINEERING

CK 93/05358/23

OLD PAARL RD., P.O. BOX 248, KLAPMUTS 7625
TEL: 021-875 5458 FAX: 021-875 5383

VAT REG NO.: 4440175349

DATE 10/03/2005

DELIVERED TO: Santé Winelands
PO Box 381, Klapmuts, 7625
Vat: 4600207270

Description of goods	Quantity	Amount	TOTAL
Manufacture			
of manhole covers	26		19877,19

CHEQUES PAYABLE TO:
GERT MANS VERVAARDIGERS CC.

TOTAL EXCLUDING VAT		19877-19
VAT	14%	2782-81
TOTAL		22660-00

COD

Roses

TAX INVOICE

Date 6-4-2005

From Mark Roux
Box 1239
Stellenbosch

2

To La Bella Vita Home Own Ass.
Box 381
Klapmuts

V.A.T.Reg.No.

Quantity	Description	Unit Price	Amount	
	50% Deposito van kwotasie van R13 365.00 vir plant van rose by pale in wingerd		6682	50
	Approved Martin van Zijl			
	Order No: 076			
	PNA20107			

Sub Total		
Terms .... Delete as applicable .... % V.A.T.Inclusive		
TOTAL	6682	50

Premier

ID - 53

TAX INVOICE

Date 22-4-2005

From M. Roux
Bus 1239
Stellenbosch
7599

8

To La Bella Vita Home Own Ass
Bus 381
Klapmuts

V.A.T.Reg.No.

Quantity	Description	Unit Price	Amount	
	Balans uitstaande van kwotasie van R13 365-00 vir plant van rose teen wingerd pale op Winelands Estate		6682	50
	Order no: 076			
	PNA20108			

Sub Total		
Terms .... Delete as applicable .... % V.A.T.Inclusive		
TOTAL	6682	50

Premier

Portion 39
Common Area
Landscaping

PROJECTS FOR 2005

Bulk water facilities

Upgrade to Sewage plant

Wettech SA

Accredited Agents and representatives for
NEUHOLD Ges.m.b.H. Gleisdorf, Austria
Specialists in Environmental Technology; and
AQUACONSULT Ges.m.b.H. Baden, Austria
Fine Air Bubble Diffuser Systems

Suite 7092
P/Bag X3041
Paarl
7620
Phone: 021-872-0322
Fax: 021-872-2565
Cell: 083-454-2429
E-mail: finuk@mweb.co.za

Paarl, 24th of June 2005

Turn Around Trading (Pty) Ltd
E-mail: a marais@santewellness.co.za

Att.: Allan Marais
Re: Budget Quote for Modifications Sewage Works

Dear Mr. Marais,

Please find below a budget quote for modifications to the existing sewage works, as discussed on 23rd of February 2005.

The quote contains a standard 10 % contingency and 15 % engineering fee. Should the real cost deviate from this quote due to unforeseen circumstances, you shall be notified immediately.

The scope of the work includes:

- Install ball valves in pipes between reactors 1, and 2 and 3, respectively;
- Remove existing filter boxes in reactor 2 and 3;
- Install brickwork in both settling tanks in order to increase the slope to 60 °;
- Remove lids of both settling tanks;
- Supply and fit three new scum barriers in both settling tanks plus phosphate tank;
- Construct chamber for flow meter;
- Supply and install controller, sensor, mounting bracket plus cabling, stainless steel plates and cabling for flow meter;
- Construct an operational building (2 m x 3 m) to house the blowers, electrics and electronics, as well as a small laboratory for performing on-site tests;
- Construct a 2 sludge beds (2 x 8m x 6 m);
- Change the existing coarse air bubble aeration to a fine air bubble aeration system;
- Automate the process by means of a PLC, including automatic re-setting of the system after a power failure;

The budget price for all the above is

	R176.000,00
Add: 14 % VAT	**R 24.640,00**
TOTAL	**R200.640,00**

This amount becomes payable as follows:

Deposit on Acceptance	**R 67.716,00**
On Material on Site	**R 62.700,00**
On Completion of Construction	**R 50.160,00**
On Completion of Project	**R 20.064,00**
TOTAL	**R200.640,00**

We trust that you find the above in order and are awaiting your instructions.

Yours faithfully,

Erich Schmollgruber

Walking Trails

Survey of dam

Survey of running of water

Lease agreement with Dew Gro

Security

FARMING WITHDRAWAL

LA BELLA VITA
WINE ESTATE PROPERTY OWNERS ASSOCIATION

P. O. Box 381
KLAPMUTS
7625

Tel nr. 021 – 875 5190
Fax nr. 021 – 875 5197

Date: 15 June 2005

Acting Municipal Manager
Drakenstein Town Council
Paarl
7646

Attention: Mr.K. Mrali

Re: La Bella Vita Property Owners Association (LBV-HOA)

Dear Mr. Mrali

We as the LBV-HOA respectfully request your assistance in establishing the legal ground with regards to farming of agricultural land on the Winelands Estate. In a letter dated 4 February1998 from the National Department of Agriculture approval for subdivision was given for the subdivision of the Farm Akarana 791/27 into seven portions. Further application by the developer was submitted for the subdivision of portion 791/39 one of the seven portions into 15 portions each with rights to build one dwelling on.

Farming of the six larger portions and the 15 subdivided portions of 791/39 have been managed by a Farming association for the last two years. All portions on the original farm 791/27 were required to become members of the LBV-HOA as part of the sub divisional approvals. The principal members of two of the six larger portions (not part of 791/36) has requested to withdraw there farming land from the Farming Association and has indicated that they would manage there own farming activities.

Can you please assist us to establish the following criteria to enable us to adhere to all subdivision requirements.

1. Should the farming activities be managed by the Masters Home Owners Association, Homeowners Association or a Farming Association?

2. Should the above be the Farming Association to which of the two other associations would it report?
3. Were approvals given that only the fifteen portions of 791/39 would be farmed as a collective body or did these approvals require all seven portions of 791/27 to be farmed collectively under one association to which membership was compulsory?
4. What are the specific responsibilities in terms of services for the Masters Home Owners Association and the Home Owners Association?

I would like to thank you for your assistance with this matter.

Kind regards
Martin van Zijl
Estate Manager

DRAKENSTEIN
MUNISIPALITEIT • MUNICIPALITY • U MASIPALA WASE

Doc no: **2052/05**
Enquiries: **Mr H Strijdom**

YVDB/ja
15/4/1 (F791/39)P

21 July 2005

The Estate Manager
La Bella Vita Wine Estate
Property Owners Association
P O Box 381
KLAPMUTS
7625

Sir

REQUEST FOR INFORMATION/ASSISTANCE REGARDING SUBDIVISION OF PORTIONS 27 AND 39 OF FARM 791, PAARL DIVISION: LA BELLA VITA WINE ESTATE PROPERTY OWNERS ASSOCIATION

Your letter dated 15 June 2005 in the above regard refers.

Herewith comments/information regarding the questions raised in your letter:-

1. In terms of Conditions 12 and 13 of the rezoning approval for Farm 791/39, Paarl Division, issued by the Western Cape: Provincial Department of Planning, Local Government and Housing and dated 24 October 2000, a Home Owner's Association should be established, to the satisfaction of Council, with compulsory membership for all owners involved in the entire development, being the 15 individual Resort Zone II units, the Guest House, as well as Farms 791/36 to 42.

   In terms of Condition 14 of the above-mentioned letter of approval, it is further stated that the Constitution of the Home Owner's Association is to address the operation of the agricultural section in conjunction with the Guest House and individual units to the satisfaction of Council. The establishment of a separate entity for the management of the farming operations was therefore not prescribed in the said conditions of approval, although the developer apparently opted for such an entity.

   In terms of the above-mentioned conditions of approval, the Home Owner's Association for the entire development (Master Home Owner's Association) would therefore be ultimately responsible for the farming operations, but via the Farming Association on a delegated basis.

2. As indicated in paragraph 1 above, the Farming Association should report to the Home Owner's Association for the entire development (Master Home Owner's Association).

2/...

3. As stated in paragraph 1 above, the 15 individual Resort Zone II units, the Guest House, as well as Farms 791/36 to 42 should be members of the Farming Association, for the purpose of collectively farming the said entities.

   In the event of a member wishing to withdraw from the communal farming activities, it would be necessary to lodge an application for the Amendment of the laid down Rezoning Conditions tot he Provincial Government and an application for the Amendment of the Constitutions to Council. All effected parties will be granted the opportunity to object to such applications.

4. As stated in paragraph 1 above, a Home Owner's Association for the management of the entire development had to be established. The establishment of a separate entity for the management of the 15 individual Resort Zone II units was therefore not prescribed in the said conditions of approval, although the developer apparently opted or such an entity. The Home Owner's Association for the 15 individual Resort Zone II would therefore contain certain delegated functions and responsibilities, which could only be determined via a detailed investigation into the Constitution of the said Association.

Trusting that you find the above in order.

Yours faithfully

ACTING HEAD: CORPORATE SERVICES

CONSTITUTIONS/ RULES OF CONDUCT

ELECTION OF NEW TRUSTEES

2004/2005
BUDGET REVIEW
OF HOA & FA

DISCUSSION OF HAUMANN RODGER REPORT

CAPITAL ACCOUNT DEFICIENCIES

2005/2006
PROPOSED BUDGET

GENERAL