

CONTRACTOR'S CONDUCT AGREEMENT

1. PARTIES

- 1.1. The parties to this **AGREEMENT** are
 - 1.1.1. the **OWNER** recorded as such in the **SCHEDULE**
 - 1.1.2. the CONTRACTOR recorded as such in the SCHEDULE
 - 1.1.3. **SPOA** as defined in clause 3.13 hereof
- 1.2. The parties agree as set out below.

2. INTERPRETATION

- 2.1. The clause headings are for convenience and shall be disregarded in construing this **AGREEMENT**.
- 2.2. Unless the context clearly indicates a contrary intention:
 - 2.2.1. words importing:
 - 2.2.1.1. the singular shall include the plural and vice versa; and
 - 2.2.1.2. a reference to any one gender shall include the other genders; and
 - 2.2.1.3. a reference to natural persons includes legal persons and vice versa;

- 2.2.2. words and expressions defined in any sub-clause shall, for the purpose of the clause to which that sub-clause forms part and in subsequent clauses, bear the meaning assigned to such words and expressions in such sub-clause;
- 2.2.3. when any number of days is prescribed in this AGREEMENT, the same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or proclaimed public holiday in the Republic of South Africa, in which event the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday;
- 2.2.4. where figures are referred to in words and in numerals, if there is any conflict between the two, the words shall prevail;
- 2.2.5. if any provision of this AGREEMENT is in conflict or inconsistent with any Law, the invalidity of any such provision shall not affect the validity of the remainder of the provisions hereof;
- 2.2.6. if any provision in a definition in this AGREEMENT is a substantive provision conferring rights or imposing obligations on any of the parties hereto then, notwithstanding that it is only in the definition clause of this AGREEMENT, effect shall be given to it as if it were a substantive provision in the body of this AGREEMENT:
- 2.2.7. the **SCHEDULE** to this **AGREEMENT** is deemed to be incorporated in and form part of this **AGREEMENT**.

3. **DEFINITIONS**

In this **AGREEMENT**, unless inconsistent with the context, the following words and expressions shall have the meanings hereby assigned to them:

- 3.1 **AGREEMENT** means this agreement with the **SCHEDULE**.
- 3.2 **CEMP** means the draft of a Construction Environmental Management Plan, which has been submitted for consideration, amendment as required, and approval by the **LOCAL AUTHORITY**, relating to top structure construction and related activities on the **PROPERTY**. Until the issuing of the final Construction Environmental Management Plan by the **LOCAL AUTHORITY** the aforesaid draft is of binding force and effect and the draft is automatically substituted by the aforesaid final Construction Environmental Management Plan which upon being issued is of binding force and effect.

The draft document, as well as the final document issued by the **LOCAL AUTHORITY**, are collectively referred to as the **CEMP**. The draft **CEMP** may be downloaded from website www.sandown.me and upon the final **CEMP** being issued it will be available to be similarly downloaded.

- 3.3 **CONTRACTOR** means the building contractor referred to in clause 1.1.2 hereof and recorded as such in the **SCHEDULE** and for purposes of any claim against the **CONTRACTOR** in terms hereof includes liability for any act or omission by any employee of the **CONTRACTOR** and/or sub-contractor and/or employee of any sub-contractor and/or any person acting upon instructions received from the **CONTRACTOR** or in connection with the work to be undertaken by the **CONTRACTOR** such as persons effecting delivery of materials.
- 3.4 **DEVELOPER** means The Milnerton Estates Limited (Registration No.1897/000196/06), a duly registered South African public company.
- 3.5 **DEVELOPMENT** means all phases of the development known as Sandown.
- 3.6 **FYNBOS CORRIDOR** means a conservation area in the **DEVELOPMENT** identified as such.
- 3.7 GUIDE means the Sandown Single Residential Architectural Controls, a copy whereof has been handed to the OWNER who has, in turn, made such copy available to the CONTRACTOR and both the OWNER and the CONTRACTOR by their signatures hereto, confirm receipt thereof and acknowledge being fully conversant with all provisions thereof.
- 3.8 **IMPROVEMENTS** means any structure of whatever nature to be erected or constructed on the **PROPERTY** and "construction" includes construction work of whatsoever nature on the **PROPERTY** without detracting from the aforegoing, including earthworks, excavation, digging of trenches, delivery of any materials or erection of any facilities and suchlike.
- 3.9 **LOCAL AUTHORITY** means the Municipality of the City of Cape Town.
- 3.10 **OWNER** means the party referred to in clause 1.1.1 hereof and recorded as such in the **SCHEDULE**.
- 3.11 **PROPERTY** means the immovable property forming the subject matter of this **AGREEMENT** as described in the **SCHEDULE**.
- 3.12 **SCHEDULE** means the annexure hereto headed "SCHEDULE".

3.13 **SPOA** means the Sandown Property Owners Association, applicable to the **DEVELOPMENT**, constituted in terms of section 29 of the Land Use Planning Ordinance (Cape Ordinance No. 15 of 1985) as amended, in accordance with the conditions imposed by the **LOCAL AUTHORITY** when granting approval of the **DEVELOPMENT**.

4. RECORDAL

- 4.1. The OWNER has selected the CONTRACTOR as his building contractor for the construction/erection of IMPROVEMENTS and they have concluded or will conclude, prior to the commencement of construction of the IMPROVEMENTS, a written construction agreement.
- 4.2. The DEVELOPER and the SPOA wish to ensure that the construction / erection of the IMPROVEMENTS is undertaken so as to cause least possible damage to the infrastructure of the DEVELOPMENT and that, where such damage occurs, provision is made for reinstatement as well as to ensure that such construction/erection is undertaken with due consideration to environmental factors and so as to in no way inconvenience the neighbours, cause damage to the FYNBOS CORRIDOR or to any Private or Public Open Space Areas, and generally to ensure that such work is undertaken in an orderly and harmonious manner, all of which the OWNER and the CONTRACTOR consider to be in the interests of the DEVELOPMENT.
- 4.3. To attain the aforesaid objectives, the **OWNER** and **CONTRACTOR** bind themselves jointly and severally for the obligations contained herein.
- 4.4. The OWNER and the CONTRACTOR acknowledge that no construction work may commence on the PROPERTY unless the OWNER has complied with all his obligations in terms of the Constitution of the SPOA with regard to plans and construction and the SPOA has received prior written notification from the OWNER and CONTRACTOR of the date for commencement of the construction works.

5. **DAMAGE DEPOSIT**

- 5.1. The **CONTRACTOR** shall, before commencing any work of whatever nature on the **PROPERTY**, pay to the Trust Account of the **SPOA** for the account of the **CONTRACTOR** an amount of R10 000,00 (TEN THOUSAND RAND) which shall constitute a security deposit for damage of whatever nature which may be caused by the **CONTRACTOR** to any portion of the **DEVELOPMENT**.
- 5.2. Any claim against the **OWNER** and/or the **CONTRACTOR** by virtue of a breach of either or both of them of any obligation/s in terms hereof is not limited to the amount of

the deposit and the **SPOA** shall be entitled to recover from the **OWNER** and/or the **CONTRACTOR**, in addition to the deposit, the amount by which the reasonable costs of reinstatement exceeds the said deposit.

- 5.3. The cost of any damage of whatsoever nature on the **DEVELOPMENT** attributable to the **CONTRACTOR** shall be quantified by civil engineers or other competent party appointed by the **SPOA** (the "Engineers") and the amount so determined, together with the charges of the Engineers, shall be final and binding on the **OWNER** and the **CONTRACTOR**.
- 5.4. If the SPOA alleges that the conduct of the CONTRACTOR, whether by way of commission or omission, is the cause of any damage to any portion of the DEVELOPMENT then the OWNER and the CONTRACTOR shall be presumed to be liable therefor unless they are able to prove to the contrary.
- 5.5. If the **OWNER / CONTRACTOR** fails to dispute any claim made in terms of the aforegoing within 10 (TEN) days of dispatch of written notice thereof, they shall be liable for payment of the cost arising therefrom as determined by the Engineers in terms of the aforegoing.
- 5.6. If the claim is disputed, the **SPOA** shall be entitled to forthwith institute proceedings against the **OWNER** and/or the **CONTRACTOR** for recovery of the claim with costs, as recorded in clause 5.9 hereof.
- 5.7. The SPOA is irrevocably authorised to pay the amount of any claim for which the OWNER / CONTRACTOR is liable in terms of the aforegoing, by way of a deduction against the said deposit whereafter the CONTRACTOR shall forthwith pay to the SPOA the amount so paid so that the deposit is maintained at the original amount. As appears from clause 5.2, the OWNER / CONTRACTOR shall remain liable to the SPOA for payment, upon demand, of the amount (if any) by which the claim exceeds the deposit.
- 5.8. Upon final completion (evidenced by the issuing of an Occupation Certificate by the LOCAL AUTHORITY) of all work by the CONTRACTOR on the PROPERTY and provided there is no claim pending against the CONTRACTOR in terms of the aforegoing, the CONTRACTOR shall be entitled to receive payment of a refund of the deposit or the balance of the deposit if any portion was appropriated for payment of a claim, less administration costs.
- 5.9. If legal proceedings are instituted against the **CONTRACTOR** and/or the **OWNER** pursuant to the provisions of this clause 5, the **SPOA** shall, in addition to the rights aforementioned, be entitled to recover from the **CONTRACTOR** and/or the **OWNER** (as

applicable) who shall be liable to the **SPOA** for payment of all the **SPOA**'s legal costs incurred on the scale as between attorney and own client.

6. GUIDE / CEMP

The **CONTRACTOR** undertakes that throughout the construction / erection of the **IMPROVEMENTS** he will comply with and not knowingly deviate from:

- 6.1. the provisions of the **GUIDE** or any further controls or instructions which may be introduced by the **DEVELOPER** or the **SPOA**. (Wheresoever the provisions of the **GUIDE** and/or this **AGREEMENT** are contradictory and/or in conflict with the building contract concluded or to be concluded between the **OWNER** and the **CONTRACTOR** for the construction/erection of the **IMPROVEMENTS**, then the provisions of the **GUIDE** and/or this **AGREEMENT**, as the case may be, shall prevail);
- 6.2. the provisions of the **CEMP**, and by his signature hereto the **CONTRACTOR** acknowledges that he is conversant with and knows and understands the contents of the **CEMP**.

7. NO VARIATION

The **OWNER** and the **CONTRACTOR** acknowledge that the **DEVELOPER** and/or the **SPOA** will, from time to time and at all times relevant, be entitled to enforce compliance with the **GUIDE** and any other instructions/regulations issued in terms thereof or in terms of the written Constitution of the **SPOA** with regard to the construction/erection of the **IMPROVEMENTS**. The **CONTRACTOR** shall, in respect of the **IMPROVEMENTS**, at all times work strictly in accordance with the provisions of the approved plans or approved variations thereof as submitted and approved in terms of the **GUIDE** and by the **LOCAL AUTHORITY** and the **CONTRACTOR** shall in no way deviate therefrom.

8. **AVAILABILITY OF PLANS**

Prior to and during construction/erection of the **IMPROVEMENTS** the **CONTRACTOR** shall ensure that a copy of the working drawings and plans in respect of the **IMPROVEMENTS** as approved in terms of the **GUIDE** is on site and available at all times to the **CONTRACTOR**'s employees, as well as being available for inspection by the **DEVELOPER**, the **SPOA**, its employees, agents and advisors, during all working hours.

9. SIGNAGE

The **CONTRACTOR** shall not erect signage other than on the **PROPERTY**. The **CONTRACTOR** is obliged, at the expense of the **CONTRACTOR**, to erect a sign board on the

PROPERTY not exceeding 60cm in width and 100cm in height with the Sandown logo thereon, recording the erf number of the **PROPERTY**, the name of the **OWNER**, as well as the name of the **CONTRACTOR** with the **CONTRACTOR**'s mobile telephone number in accordance with signage examples available from the website www.sandown.me

Under no circumstances will any additional signage be permitted relative to suppliers or subcontractors.

The **OWNER** and the **CONTRACTOR** acknowledge that the **SPOA** will be the sole arbiter of any dispute relative to the entire question of signage, the dimensions thereof, the information displayed thereon and material to be used in regard thereto.

10. FYNBOS CORRIDOR / ACCESS / ACCESS CONTROL

The work undertaken by the **CONTRACTOR** shall in no way cause damage to any portion of the **FYNBOS CORRIDOR**. Without detracting from the generality of the aforegoing, the **CONTRACTOR** shall ensure that where the **PROPERTY** borders the **FYNBOS CORRIDOOR** no vehicles will transgress onto such corridor.

11. BUILDING HOURS

- 11.1. No building activity shall be undertaken
 - on Sundays or public holidays without the prior written consent of the SPOA, as well as the owners of the immovable properties adjoining the PROPERTY;
 - 11.1.2. between 24 December and 02 January (both days inclusive) and over the Easter weekend.
- 11.2. Building activity on the **PROPERTY** shall be confined to
 - 11.2.1. Weekdays 07h00 -18h00
 - 11.2.2. Saturdays 07h00 13h00

12. <u>DELIVERIES / STORAGE / SPEED LIMIT</u>

- 12.1. All delivery vehicles shall leave the **DEVELOPMENT** once the delivery is complete.
- 12.2. Deliveries shall be effected only during the hours recorded in clause 11.2.

- 12.3. All building material shall be off-loaded and stored within the boundaries of the PROPERTY and the storage of any material outside the PROPERTY is strictly forbidden. Without detracting from the generality of the aforegoing no material shall be off-loaded or stored on any sidewalk or roadway within the DEVELOPMENT.
- 12.4. Delivery vehicles may not be parked unattended upon any paved roadway, sidewalk or parking bays in the **DEVELOPMENT**. Any diesel or oil spillage caused by any construction or delivery vehicle on any paved roadway or sidewalk shall immediately be cleaned by the **CONTRACTOR**.
- 12.5. The mixing of building materials must occur within the confines of the PROPERTY. If any spillage of building material occurs on any paved roadway or sidewalk in the DEVELOPMENT the CONTRACTOR is responsible for ensuring that such spillage is immediately cleaned.
- 12.6. Storage container/s and/or construction hut/s are permitted only if located upon the **PROPERTY**.

13. CONTROL OF LABOUR

- 13.1 Throughout the construction/erection of the **IMPROVEMENTS**, the **CONTRACTOR** is responsible for the discipline and control of his employees and/or sub-contractors and is responsible for any damage caused to any part of the **DEVELOPMENT** by any supplier of materials or any other person instructed by or employed by the **CONTRACTOR** and/or sub-contractors in respect of the work undertaken on the **PROPERTY**.
- 13.2 If, when the construction/erection of the **IMPROVEMENTS** occurs, there are existing dwellings on adjacent immovable properties the **CONTRACTOR** shall make every endeavour to respect the privacy of the residents of such dwellings and generally to cause least inconvenience to such persons.

13.3 Only 1 (ONE) night watchman will be allowed on the **PROPERTY** at any time during the construction/erection of the **IMPROVEMENTS** and no other person shall be permitted on the **PROPERTY** outside the permitted building activity hours detailed in clause 11.2. The **CONTRACTOR** shall be responsible for the behaviour and conduct of the night watchman. If, in the opinion of the **SPOA** the night watchman has behaved in an

unacceptable manner, the **CONTRACTOR** shall, upon notice from the **SPOA**, forthwith permanently remove the night watchman from the **DEVELOPMENT**.

14. SERVICES

14.1 WATER

The **CONTRACTOR** will obtain water for the work to be undertaken on the **PROPERTY** from the water connection on the **PROPERTY**. The **OWNER** acknowledges that he is liable for payment to the **DEVELOPER**, upon request, of the cost of a water meter and the installation thereof on the **PROPERTY**.

14.2 SEWERS

- 14.2.1 A sewer boundary connection will be provided for the **PROPERTY** into which the **CONTRACTOR** is required to connect the sewer system for the **IMPROVEMENTS**.
- 14.2.2 The **CONTRACTOR** may not dispose of any building material, contaminated water or rubbish into the sewage system.

14.3 STORM WATER

The **CONTRACTOR** may not dispose of any building material, contaminated water or rubbish into the storm water system nor may the **CONTRACTOR** wash paint or cement based products into the storm water system or onto landscaped and paved areas.

15 EXCAVATION / REFUSE / RUBBLE / LITTER

- 15.1 Excavation for foundations and/or walls adjoining paved roadways and/or sidewalks must be undertaken with caution and, in particular, the paved roadway/sidewalk must be protected and supported during excavations. Any damage caused to the paved roadway/sidewalk must be made good by the **CONTRACTOR** immediately the damage becomes evident.
- 15.2 All refuse must be collected daily and placed in bags and removed from the **DEVELOPMENT** regularly or placed in waste bins (where applicable) supplied by the **CONTRACTOR** at the **CONTRACTOR**'s cost and such waste bins must have covers on when not in use and must be regularly emptied. Without detracting from the generality of the aforegoing, the **CONTRACTOR** specifically acknowledges that all empty cement bags, tins, bottles, plastic and other loose material must be suitably stored on the

- **PROPERTY** and removed from the **DEVELOPMENT** so as not to contaminate the **FYNBOS CORRIDOR** and Public/Private Open Spaces.
- 15.3 The **CONTRACTOR** shall ensure that all building rubble is removed on a weekly basis or as otherwise required by the **DEVELOPER / SPOA**.
- 15.4 The **CONTRACTOR** shall generally ensure that the **PROPERTY** is at all times kept neat and free of litter or other unsightly waste.
- 15.5 If the CONTRACTOR fails to keep the PROPERTY in an acceptably tidy state or to have the rubble removed then the DEVELOPER and/or the SPOA shall, without prejudice to its/their further rights, have the right at the cost of the CONTRACTOR to clean the site and/or remove the rubble which shall be deductions from the deposit made in terms of clause 5 hereof.
- 15.6 Under no circumstances will the dumping of any building material or rubble be permitted on any portion of the **DEVELOPMENT**, the **FYNBOS CORRIDOR**, Public Open Spaces or Private Open Spaces, and the **CONTRACTOR** is required to make his own arrangements for disposing of materials at a spoil site off the **DEVELOPMENT**.
- 15.7 Throughout the construction/erection of the **IMPROVEMENTS** effective dust control measures must be implemented.

16 LATRINE FACILITIES

- 16.1 Prior to commencement of the construction/erection of the **IMPROVEMENTS** and throughout the duration of the work, the **CONTRACTOR** shall provide a suitable and properly operational water borne or chemical toilet on the **PROPERTY** and shall ensure that such facility is at all times maintained in a clean, hygienic and neat condition.
- Any worker (employee of the **CONTRACTOR**/sub-contractor/s or invitee) found relieving himself in any area other than the supplied toilet will, upon request by the **DEVELOPER** and/or the **SPOA** be removed from the **DEVELOPMENT** by the **CONTRACTOR** and shall be barred from returning to the **DEVELOPMENT**.

17 TREES / VEGETATION

The **CONTRACTOR** shall ensure that the construction/erection of the **IMPROVEMENTS** in no way causes damage to trees, vegetation or landscaping on the **DEVELOPMENT** and he shall take steps to protect such trees and vegetation, where necessary.

18 CO-OPERATION

The **OWNER** and the **CONTRACTOR** undertake to co-operate fully with the **SPOA** and the **DEVELOPER** to ensure that the spirit and intent of this **AGREEMENT** are complied with. The **OWNER** acknowledges that he has employed the **CONTRACTOR** and is responsible to ensure compliance with this **AGREEMENT** as well as the **GUIDE** and any rules made in terms thereof from time to time.

19 SERVICE ADDRESS / NOTICES

19.1 The parties choose as their respective service addresses for all purposes under this **AGREEMENT**, whether in respect of Court process, notices or other documents or communications of whatsoever nature, at:

19.1.1 **OWNER**: the address, e-mail address and telefax number

recorded in the SCHEDULE

19.1.2 **CONTRACTOR**: the address, e-mail address and telefax number

recorded in the SCHEDULE

19.1.3 **SPOA**: 39 Mentz Crescent, Panorama, Parow, 7500

Telefax: 0866121139

E-mail: karenk@cra-cpt.co.za

19.1.4 **DEVELOPER**: 3rd floor, 9 Church Square, Cape Town, 8001

Telefax: 021 461 7492

E-mail: andrew@me-group.co.za

- 19.2 Any notice or communication required or permitted to be given in terms of this **AGREEMENT** shall be valid and effective only if in writing but it shall be competent to give such notice or communication by telefax or by electronic mail (e-mail) and such notices shall be deemed to have been delivered/received
 - 19.2.1 if delivered by hand to a responsible person during ordinary business hours on the date of signed receipt of delivery; or
 - 19.2.2 on the 4th (fourth) day after the date of posting if sent by prepaid registered post in a correctly addressed envelope to the address aforesaid, unless proved to the contrary; or
 - 19.2.3 if successfully transmitted by telefax or e-mail, be deemed to have been received by the addressee on the 1st (first) working day after the day of transmission.

- 19.3 Notwithstanding anything to the contrary herein contained, a written notice or communication actually received by a party shall be an adequate written notice or communication to such party notwithstanding that it was not sent to or delivered at his address aforesaid.
- 19.4 Any of the parties referred to in clause 19.1 may, from time to time, in writing notify the other parties, of change of his/its service address as set out above to another service address in the Republic of South Africa provided such other address may not be a post office box or post restante and provided that such alteration shall not be effective until 10 (TEN) days after it has been received.

20 BREACH

- 20.1 In the event of the **OWNER / CONTRACTOR** breaching any of the provisions of this **AGREEMENT** and persisting in such failure for a period of 5 (FIVE) days after dispatch of written notification calling upon them or either of them to remedy the same, the **DEVELOPER** and/or the **SPOA** shall be entitled to all or any of the following relief:
 - 20.1.1 to suspend all construction work on the PROPERTY. Should the CONTRACTOR so require, the SPOA or the DEVELOPER (as the case may be) will, upon reasonable notice, meet with the CONTRACTOR in an effort to obtain the CONTRACTOR's undertakings to abide by the terms and conditions of this AGREEMENT. The SPOA or the DEVELOPER (as applicable) shall be entitled, in its absolute discretion, to uplift the suspension to enable the CONTRACTOR to continue with the work on the PROPERTY subject to such further conditions as the DEVELOPER or the SPOA may impose, including payment by the OWNER and/or the CONTRACTOR of a fine/s to the SPOA);
 - 20.1.2 to hold the **OWNER** and/or the **CONTRACTOR** liable and to claim from them the cost of reinstatement of any damage caused by them within the **DEVELOPMENT**, as determined in terms hereof;
 - 20.1.3 should the **DEVELOPER** and/or the **SPOA** take steps against the **OWNER** and/or the **CONTRACTOR** pursuant to a breach of this **AGREEMENT**, the **DEVELOPER** or the **SPOA** (as the case may be) shall, in addition to the rights aforementioned, be entitled to recover from the **OWNER / CONTRACTOR** who shall be liable to the **DEVELOPER** or the **SPOA** (as applicable) for payment of all the **DEVELOPER**'s or **SPOA**'s (as applicable) legal costs incurred on the scale as between attorney and own client.

20.2 If construction work is suspended as above, neither the CONTRACTOR nor the OWNER shall have any claim of whatever nature against the DEVELOPER and/or the SPOA arising therefrom.

21 <u>INDULGENCES</u>

AS WITNESSES:

No extension of time or indulgence granted by the **DEVELOPER** and/or the **SPOA** (as applicable) to the **CONTRACTOR** and/or the **OWNER** shall be deemed in any way to affect, prejudice or derogate from the rights of the **DEVELOPER** or the **SPOA** (as applicable) in any respect under this **AGREEMENT**, nor shall it in any way be regarded as a waiver of any rights hereunder or a novation of this **AGREEMENT**.

THUS DONE AND SIGNED by the parties upon the dates and at the places specified below.

1.	Per
2.	OWNER : who by his signature hereto warrants his authority to act herein
	Date/Place
AS WITNESSES:	
1.	Per
2.	CONTRACTOR : who by his signature hereto warrants his authority to act herein
	Date/Place
AS WITNESSES:	SANDOWN PROPERTY OWNERS ASSOCIATION
1.	Per
2.	Who by his signature hereto warrants his authority to act herein

	DatePlace
AS WITNESSES:	THE MILNERTON ESTATES LIMITED
1.	Per
2.	DEVELOPER: which by signature hereto by its duly authorised representative accepts all benefits conferred upon it in this AGREEMENT
	Date/Place