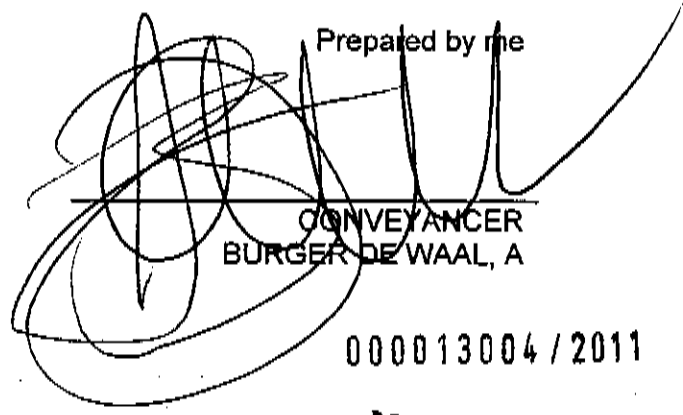




(2)B

TEL: 051 MICHAEL BURGER ATTORNEYS  
GROUND FLOOR, ATRIUM BUILDING  
60 GLENWOOD ROAD  
LYNNWOOD GLEN  
PRETORIA, SOUTH AFRICA

Prepared by me  
  
CONVEYANCER  
BURGER DE WAAL, A

000013004/2011

M LOURENS C39

**CERTIFICATE OF ESTABLISHMENT OF BODY CORPORATE  
IN TERMS OF THE PROVISIONS OF SECTION 36(1) OF  
THE SECTIONAL TITLES ACT, 1986**

I, the REGISTRAR OF DEEDS at Bloemfontein hereby certify that a Body Corporate designated as the Body Corporate of **UNILOFTS BLOEMFONTEIN** scheme, No. SS 203 | 2011 is deemed to be established with effect from 21/12/2011.

SIGNED at Bloemfontein on 2011-12-21

2011  


REGISTRAR OF DEEDS

FOR INFORMATION ONLY  
VIR INLIGTING SLEK  
SLEK

mic 26/0022

# Department of Rural Development and Land Reform

REPUBLIC OF SOUTH AFRICA

R6 P/P



Certified Copy / Gesertifiseerde Afskrif  
Issued by / Uitgereik deur

**REGISTRAR OF DEEDS  
REGISTRATEUR VAN AKTES  
BLOEMFONTEIN**

Private Bag / Privaatsak X20613 Bloemfontein 9300

Tel: 051 403 0300

Fax/Faks: 051 403 0308 - 051 447 4746



File with Main

1 (3) D

**CONVEYANCER'S CERTIFICATE in terms of Section 11(3)(e) of the SECTIONAL TITLES ACT No. 95 of 1986**

I, the undersigned, ADRIAAN DU TOIT MALAN, Conveyancer do hereby certify that the rules contained in Annexures 8 and 9 of the Sectional Titles Act 1986 apply to the sectional title scheme to be known as

**UNILOFTS BLOEMFONTEIN**

situated on

ERF 30614 BLOEMFONTEIN EXTENSION 55, DISTRICT BLOEMFONTEIN FREE STATE PROVINCE

MEASURING 8999 (EIGHT THOUSAND NINE HUNDRED AND NINETY NINE) SQUARE METRES

except for the following amendments/additions/deletions:

**MANAGEMENT RULES**

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[Section 35 (2) (a) of the Sectional Titles Act, 1986]

**PRELIMINARY**

- 1. The rules contained in this Annexure shall not be added to, amended or repealed except in accordance with section 35 (2) (a) of the Act, and subject to the provisions of section 35 (3) and (5) of the Act.

**INTERPRETATION**

- 2. In the interpretation of these rules, unless the context otherwise indicates—
  - (a) "Act" means the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time, and any regulations made and in force thereunder;
  - (b) "accounting officer" means a person who in terms of section 60 (2) of the Close Corporation Act, 1984 (Act No. 69 of 1984), is qualified to perform the duties of an accounting officer;
  - (c) "auditor" means an auditor qualified to act as such under the Public Accountant's and Auditors' Act 1951 (Act 80 of 1991);
  - (d) "registered mortgagee" means any mortgagee of whom the body corporate has been notified in writing as contemplated in section 44 (1) (f) of the Act;

- (e) "trustee" includes an alternate trustee;
- (f) words and expressions to which a meaning has been assigned in the Act, shall bear the meanings so assigned to them;
- (g) words importing—
  - (i) the singular number only shall include the plural, and the converse shall also apply;
  - (ii) the masculine gender shall include the feminine, and neuter genders and the neuter gender shall include the masculine and feminine genders;
- (h) the headings to the respective rules are provided for convenience of reference only and are not to be taken into account in the interpretation of the rules.

### **DOMICILIUM CITANDI ET EXECUTANDI**

3.

- (1) The trustees shall from time to time determine the address constituting the domicilium citandi et executandi of the body corporate as required by section 37 (1) (m) of the Act, subject to the following:
  - (a) Such address shall be situated in the magisterial district in which the scheme is situated and shall be the address of the chairman or other resident trustee duly appointed in general meeting or in the magisterial district in which the offices of any duly appointed managing agent are situated being the address of such managing agent;
  - (b) no change of such address shall be effective until written notification thereof has been received by the registrar;
  - (c) the trustees shall give notice to all owners of any change of such address.
- (2) The domicilium citandi et executandi of each owner shall be the address of the section registered in his name: Provided that such owner shall be entitled from time to time to change the said domicilium but that any new domicilium selected shall be situate in the Republic, and that the change shall only be effective on receipt of written notice thereof by the body corporate at its domicilium.

### **TRUSTEES OF THE BODY CORPORATE**

**Qualifications; appointment and election; tenure of office; remuneration; indemnity.**

4.

- (1) The number of trustees shall be determined from time to time by the members of the body corporate in general meeting, provided that there shall be not less than two trustees and not more than six (6) trustees.

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- (2) With effect from the date of the establishment of the body corporate, the nominees of the developer shall be trustees who shall hold office until the first general meeting of the members of the body corporate as contemplated in rule 50(1) whereupon they shall retire but shall be eligible for re-election.
- (3) The chairman of the trustees referred to in rule 4(2) shall be the developer concerned or his nominee, who shall hold office until the general meeting referred to in the said rule, when he shall retire as a trustee and as chairman, but shall be eligible for re-election in terms of rule 18.

### Qualifications

5. Save for the provisions of rule 4(2), a trustee or alternate trustee shall not be required to be an owner or the nominee of an owner who is a juristic person, in order to qualify for office as a trustee: Provided that—
- (a) the majority of the trustees are owners, or spouses of owners; and
  - (b) the managing agent or any of his or her employees or an employee of the body corporate may not be a trustee unless he or she is an owner.

[Para. (b) substituted by GN R1422 of 1997 and by GN 830 of 2000.]

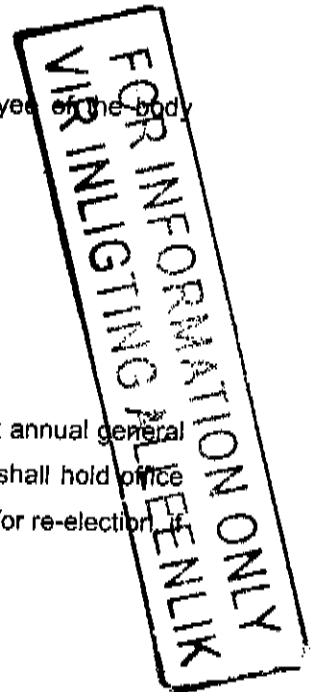
### Election of trustees

6. Save for the provisions of rule 4(2), the trustees shall be elected at the first annual general meeting and thereafter at each subsequent annual general meeting, and shall hold office until the next succeeding annual general meeting, but they shall be eligible for re-election if so nominated.

[Rule 6 substituted by GN R1422 of 1997.]

### Nominations

7. Nominations by owners for the election of trustees at any annual general meeting shall be given in writing, accompanied by the written consent of the person nominated, so as to be received at the domicilium of the body corporate not later than 48 hours before the meeting: Provided that trustees are also capable of being elected by way of nominations with the consent of the nominee given at the meeting itself should insufficient written nominations be received to comply with rule 4(1).



### Vacancy in number of trustees

8. The trustees may fill any vacancy in their number. Any trustee so appointed shall hold office until the next annual general meeting when he shall retire and be eligible for re-election as though he had been elected at the previous annual general meeting.

### Alternate trustees

- 9.
- (1) The trustees may appoint another person, whether or not he be the owner of a unit, to act as an alternate trustee during the absence or inability to act of a trustee.
  - (2) An alternate trustee shall have the powers and be subject to the duties of a trustee.
  - (3) An alternate trustee shall cease to hold office if the trustee whom he replaces, ceases to be a trustee, or if the alternate's appointment is revoked by the trustees.

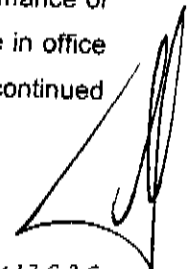
### Remuneration

- 10.
- (1) Unless otherwise determined by a special resolution of the owners, trustees who are owners shall not be entitled to any remuneration in respect of their services as such; provided that the body corporate shall reimburse to the trustees all disbursements and expenses actually and reasonably incurred by them in carrying out their duties and exercising their powers.
  - (2) The body corporate may remunerate trustees who are not owners at such rate as may be agreed upon between the body corporate and such trustees, and such trustees shall further be entitled to have refunded to them any disbursements and expenses incurred by them in the circumstances envisaged in the proviso to sub-rule (1) of this rule, provided always that an alternative trustee appointed by the trustees, who is not an owner, shall claim his remuneration, if any, from the trustee whom he replaced and not from the body corporate, unless the body corporate has been instructed in writing by such trustee to pay any portion of his remuneration to such alternate trustee.

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### Validity of acts of trustees

11. Any act performed by the trustees shall, notwithstanding that it is after the performance of the act discovered that there was some defect in the appointment or continuance in office of any trustee, be as valid as if such trustee had been duly appointed or had duly continued in office.



## Indemnity

12.

(1)

(a) Subject to the provisions of sub-rule (2), every trustee, agent or other officer or servant of the body corporate shall be indemnified by the body corporate against all costs, losses, expenses and claims which he may incur or become liable to by reason of any act done by him in the discharge of his duties, unless such costs, losses, expenses or claims are caused by the mala fide or grossly negligent act or omission of such person.

(b) It shall be the duty of the trustees to pay such indemnity out of the funds of the body corporate.

(2) The indemnity referred to in sub-rule (1) shall not apply in favour of any managing agent appointed in terms of rule 46.

## DISQUALIFICATION OF TRUSTEES

### Removal from Office

13. A trustee shall cease to hold office as such—

(a) if by notice in writing to the body corporate, he resigns his office;

(b) if he is or becomes of unsound mind;

(c) if he surrenders his estate as insolvent, or if his estate is sequestrated;

(d) if he is convicted of an offence which involves dishonesty;

(e) if by resolution of a general meeting of the body corporate, he is removed from his office, provided that the intention to vote upon the removal from office has been specified in the notice convening the meeting;

(f) if he is or becomes disqualified in terms of section 218 or 219 of the Companies Act, 1973, from being appointed or acting as a director of a company.

### Replacement

14. The body corporate may at a general meeting appoint another trustee in the place of any trustee who has ceased to hold office in terms of rule 13, for the unexpired part of the term of office of the trustee so replaced.

**MEETING OF TRUSTEES****Quorum; Chairman; Voting****When to be held and notice**

15.

- (1) Subject to the provisions of sub-rule (2) and (3) hereof, the trustees may give notice convening meetings, meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. It shall not be necessary to give notice of a meeting of trustees to any trustee for the time being absent from the Republic, but notice of any such meeting shall be given to his alternate, if he has appointed one, where such an alternate is in the Republic.
- (2) A trustee may at any time convene a meeting of the trustees by giving to the other trustees and all first mortgagees in the circumstances referred to in sub-rule (3) hereof, not less than seven days' written notice of a meeting proposed by him, which notice shall specify the reason for calling such a meeting: Provided that in cases of urgency such shorter notice as is reasonable in the circumstances may be given.
- (3) Any mortgagee holding first mortgage bonds over units shall, if he so requires of the trustees in writing, be entitled to receive reasonable notice of all meetings of the trustees.
- (4) The nominee of any such first mortgagee shall be entitled to attend and speak at all meetings of the trustees but shall not, in his capacity as such, be entitled to vote thereat.
- (5) An owner shall be entitled to attend and speak at any meeting of the trustees, but shall not in his or her capacity as such, be entitled to vote thereat.

[Sub-rule 5 inserted by GN R1422 of 1997.]

**Quorum**

16.

- (1) At a meeting of the trustees, 30 per cent of the number of trustees but not less than two shall form a quorum.
- (2) If the number of trustees falls below the number necessary to form a quorum, the remaining trustee or trustees may continue to act, but only for the purpose of appointing

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or co-opting additional trustees to make up a quorum or for the purpose of convening a general meeting of owners.

17. If at any meeting of trustees a quorum is not present within thirty minutes of the appointed time of the meeting, such meeting shall stand adjourned to the next business day at the same time, and the trustees then present, who shall not be less than two, shall form a quorum.

### Chairman

18. At the commencement of the first meeting of trustees after an annual general meeting, at which trustees have been elected, the trustees shall elect a chairman from among their number, who shall hold office as such until the end of the next annual general meeting of the members of the body corporate and who shall have a casting as well as a deliberative vote, save where there are only two trustees.
19. The trustees at a trustees' meeting or the body corporate at a special meeting, in respect of either of which notice of the intended removal from office of the chairperson has been given, may remove the chairperson from his or her office.

[Rule 19 substituted by GN R1422 of 1997.]

20. If any chairman elected in terms of rule 18 vacates his office as chairman or no longer continues in office by virtue of the provisions of rule 19, the trustees shall elect another chairman who shall hold office as such for the remainder of the period of office of the first-mentioned chairman, and who shall have the same rights to voting.
21. If any chairman vacates the chair during the course of a meeting or is not present or is for any other reason unable to preside at any meeting, the trustees present at such meeting shall choose another chairman for such meeting who shall have the same rights of voting as the chairman.

### Voting

22. All matters at any meeting of the trustees shall be determined by a majority of the votes of the trustees present and voting.
23. A trustee shall be disqualified from voting in respect of any contract, or any litigation or proposed litigation, with the body corporate, by virtue of any interest he may have therein.

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24. A resolution in writing signed by all the trustees for the time being present in the Republic and being not less than are sufficient to form a quorum, shall be as valid and effective as if it had been passed at a meeting of the trustees duly convened and held.

## THE FUNCTIONS, POWERS AND DUTIES OF TRUSTEES

### General

25. The duties and powers of the body corporate shall, subject to the provisions of the Act and these rules and to any restriction imposed or direction given at a general meeting of the owners of sections, be performed or exercised by the trustees of the body corporate holding office in terms of these rules.

### Powers

- 26.
- (1) Subject to any restriction imposed or direction given at a general meeting of the body corporate, the powers of the trustees shall include the following:
- (a) To appoint for and on behalf of the body corporate such agents and employees as they deem fit in connection with—
- (i) the control, management and administration of the common property; and
  - (ii) The exercise and performance of any or all of the powers and duties of the body corporate;
- (b) to delegate to one or more of the trustees such of their powers and duties as they deem fit, and at any time to revoke such delegation.
- (2) The trustees may not make loans on behalf of the body corporate to owners of units or to themselves.

### Signing of Instruments

27. No document signed on behalf of the body corporate, shall be valid and binding unless it is signed by a trustee and the managing agent, referred to in rule 46 or by two trustees or, in the case of a certificate issued in terms of section 15B (3) (i) (aa) of the Act, by two trustees or the managing agent.

[Rule 27 substituted by GN R1422 of 1997.]

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## DUTIES OF TRUSTEES

### Statutory and general duties

28.

- (1) Without detracting from the scope of the additional duties specified in rules 29 to 45, inclusive, and subject to the provisions of such rules, the trustees shall perform the functions entrusted to them by sections 37 and 39 of the Act.
- (2) The trustees shall do all things reasonably necessary for the control, management and administration of the common property in terms of the powers conferred upon the body corporate by section 38 of the Act.
- (3) The trustees shall do all things reasonably necessary for the enforcement of the rules in force.

### Insurance

29.

(1)

- (a) At the first meeting of the trustees or soon thereafter as is possible, and annually thereafter, the trustees shall take steps to insure the buildings, and all improvements to the common property, to the full replacement value thereof, subject to negotiation of such excess, premiums and insurance rates as in the opinion of the trustees are most beneficial to the owners, against—

[Para. (a) substituted by GNR.438 of 2005.]

- (i) fire, lighting and explosion;
- (ii) riot, civil commotion, strikes, lock-outs, labour disturbances or malicious persons acting on behalf of or in connection with any political organisation;
- (iii) storm, tempest and flood;
- (iv) earthquake;
- (v) aircraft and other aerial devices or articles dropped therefrom;
- (vi) bursting or overflowing of water tanks, apparatus or pipes;
- (vii) impact with any of the said buildings or improvements by any road vehicle, horses or cattle;
- (viii) housebreaking or any attempt thereat;
- (ix) loss of occupation or loss of rent in respect of any of the above risks;

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- (x) such other perils or dangers as the trustees or any holder of first mortgage bonds over not less than 25% in number of the units in the scheme, may deem appropriate.
- (b) The trustees shall at all times ensure that in the policy of insurance referred to in paragraph (a) above—
- (i) there is specified the replacement value of each unit (excluding the owner's interest in the land)—
    - (aa) initially [but subject to the provisions of subparagraph (cc)] in accordance with the trustees' estimate of such value;
    - (bb) after the first annual general meeting [but subject to the provisions of subparagraph (cc)] in accordance with the schedule of values as approved in terms of paragraph (c); or
    - (cc) as required at any time by any owner in terms of paragraph (d);
  - (ii) any "average" clause is restricted in its effect to individual units and does not apply to the building as a whole;
  - (iii) there is included a clause in terms of which the policy is valid and enforceable by any mortgagee against the insurer notwithstanding any circumstances whatsoever which would otherwise entitle the insurer to refuse to make payment of the amount insured unless and until the insurer on not less than thirty days' notice to the mortgagee shall have terminated such insurance.
- (c) Before every annual general meeting, the trustees shall cause to be prepared schedules reflecting their estimate of—
- (i) the replacement value of the buildings and all improvements to the common property; and
  - (ii) the replacement value of each unit (excluding the owner's interest in the land), the aggregate of such values of all units being equal to the value referred to in subparagraph (i) above, and such schedules shall be laid before the annual general meeting for consideration and approval in terms of rule 56.
- (d) Any owner may at any time increase the replacement value as specified in the insurance policy in respect of his unit: provided that such owner shall be liable for payment of the additional insurance premium and shall forthwith furnish the body corporate with proof thereof from the insurer.
- (e) The trustees shall, on the written request of a mortgagee and satisfactory proof thereof, record the cession by any owner to such mortgagee of the owner's interest in the application of the proceeds of the policies of insurance effected in terms of rule 29 (1) (a).
- (2) At the first meeting of the trustees or as soon thereafter as is possible, the trustees shall take all reasonable steps

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- (a) to insure the owners and the trustees and to keep them insured against liability in respect of—
- (i) death, bodily injury or illness; and
  - (ii) loss of, or damage to, property, occurring in connection with the common property, for a sum of liability of not less than one hundred thousand rand, which sum may be increased from time to time as directed by the owners in general meeting; and
- (b) to procure to the extent, if any, as determined by the members of the body corporate in a general meeting, a fidelity guarantee in terms of which shall be refunded any loss of moneys belonging to the body corporate or for which it is responsible, sustained as a result of any act of fraud or dishonesty committed by any insured person being any person in the service of the body corporate and all trustees and persons acting in the capacity of managing agents of the body corporate; and
- (c) . . . . .

[Para. (c) deleted by GN R1422 of 1997.]

- (3) The owners may by special resolution direct the trustees to insure against such other risks as the owners may determine.
- (4) The owner of a section is responsible for any excess payment in respect of his or her section payable in terms of a contract of insurance entered into by the body corporate: provided that owners may by special resolution determine that the body corporate is responsible for excess payments in respect of specified damage.

[Sub-r. (4) inserted by r. 6 (a) of GNR.1264 of 28 November 2008.]

#### **Contributions and liability in terms of section 37 (1) and 47 of the Act**

30. It shall be the duty of the trustees to levy and collect contributions from the owners in accordance with the provisions and in the proportions set forth in rule 31.

31.

- (1) The liability of owners to make contributions, and the proportions in which the owners shall make contributions for the purposes of section 37 (1) of the Act, or may in terms of section 47 of the Act be held liable for the payment of a judgment debt of the body corporate, shall with effect from the date upon which the body corporate comes into being, be borne by the owners in accordance with a determination made in terms of section 32 (4) of the Act, or in the absence of such determination, in accordance with the participation quotas attaching to their respective sections.

(2A) Where the financial year-end and the annual general meeting of a body corporate do not coincide, the budget shall coincide with the financial year of the scheme

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(3) Within fourteen days after each annual general meeting the trustees shall advise each owner in writing of the amount payable by him or her in respect of the estimate referred to in sub rule (1), whereupon such amount shall become payable in instalments, as determined by the trustees.

[Sub-rule (3) substituted by GN R1422 of 1997.]

(4A) After the expiry of a financial year and until they become liable for contributions in respect of the ensuing financial year, owners are liable for contributions in the same amounts and payable in the same instalments as were due and payable by them during the expired financial year: provided that the trustees may, if they consider it necessary and by written notice to the owners, increase the contributions due by the owners by a maximum of 10 per cent to take account of the anticipated increased liabilities of the body corporate.

[Sub-r. (4A) inserted by r. 6 (b) of GNR.1264 of 28 November 2008.]

(5) An owner shall be liable for and pay all legal costs, including costs as between attorney and client, collection commission, expenses and charges incurred by the body corporate in obtaining the recovery of arrear levies, or any other arrear amounts due and owing by such owner to the body corporate, or in enforcing compliance with these rules, the conduct rules or the Act.

(6) The trustees shall be entitled to charge interest on arrear amounts at such rate as they may from time to time determine.

### Record of rules and their availability

32.

(1) The trustees shall keep a complete record of all rules in force from time to time and shall ensure that any amendment, substitution, addition or repeal of such rules (as contemplated in section 35 (5) of the Act) is submitted forthwith to the Registrar of Deeds for filing as contemplated in section 35 (5) (c) of the Act.

[Sub-rule (1) substituted by GNR.438 of 2005.]

(2) The trustees shall on the application of—  
 (a) an owner of a unit;  
 (b) an occupant of a unit;

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- (c) the prospective purchaser of a unit;
- (d) the holder of any registered sectional mortgage bond;
- (e) the managing agent; and
- (f) the auditor or the accounting officer, supply to any such person a copy of all rules in force, and may require them to pay a reasonable charge therefor.

## IMPROVEMENTS

### Luxurious improvements

33.

- (1) The trustees may, if the owners by unanimous resolution so decide, effect or remove improvements of a luxurious nature on the common property.

[Sub-r. (1) substituted by r. 6 (c) of GNR.1264 of 28 November 2008.]

### Non-luxurious improvements

(2)

- (a) Should the trustees wish to effect or remove any improvements to the common property, other than luxurious improvements referred to in sub rule (1), they shall first give written notice of such intention to all the owners and such notice shall—
  - (i) indicate the intention of the trustees to proceed with the improvement or removal thereof upon the expiry of a period of not less than thirty days reckoned from the date of posting such notice; and
  - (ii) provide details of the improvement or removal thereof as to —
    - (aa) the costs thereof;
    - (bb) the manner in which it is to be financed and the effect upon levies paid by owners; and
    - (cc) the need, desirability and effect thereof.

[Para. (a) substituted by r. 6 (d) of GNR.1264 of 28 November 2008.]

- (b) The trustees shall at the written request of any owner convene a special general meeting in order to discuss and to deliberate upon the proposals contained in the notice referred to in paragraph (a), at which meeting the owners may approve, with or without amendments, such proposals by way of special resolution.

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[Par. (b) substituted by GNR.2435 of 1990, corrected by GNR.2542 of 1990 and substituted by GNR.438 of 2005.]

- (c) In the event of such a special general meeting being called, the trustees shall not proceed with their proposals until the holding of such meeting, whereupon they shall be bound by any special resolution ensuing therefrom.
- (3) Notwithstanding the provisions of sub-rules (1) and (2), the trustees shall, if so required in writing by a majority of owners, procure the installation and maintenance in good working order, at the body corporate's cost, of separate meters to record the consumption of electricity, water and gas in respect of each individual section and the common property.
- (4) If and for so long as no separate meters have been installed in terms of sub-rule (3) the contribution payable by each owner in respect of electricity, water and gas shall be calculated in accordance with the provisions of rule 31.

## MINUTES

34.

- (1) The trustees shall—
- (a) keep minutes of their proceedings;
  - (b) cause minutes to be kept of all meetings of the body corporate in a minute book of the body corporate kept for the purpose;
  - (c) include in the minute book of the body corporate a record of every unanimous resolution, special resolution and any other resolution of the body corporate.
- (2) The trustees shall keep all minute books in perpetuity.
- (3) On the written application of any owner or registered mortgagee of a unit, the trustees shall make all minutes of their proceedings and the minutes of the body corporate available for inspection by such owner or mortgagee.

## BOOKS OF ACCOUNT AND RECORDS

35.

- (1) The trustees shall cause proper books of account and records to be kept so as fairly to explain the transactions and financial position of the body corporate, including—
- (a) a record of the assets and liabilities of the body corporate;

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- (b) a record of all sums of money received and expended by the body corporate and the matters in respect of which such receipt and expenditure occur;
  - (c) a register of owners and of registered mortgagees of units and of all other persons having real rights in such units (insofar as written notice shall have been given to the trustee by such owners, mortgagees or other persons) showing in each case their addresses; and
  - (d) individual ledger accounts in respect of each owner.
- (2) On the application of any owner, registered mortgagee or of the managing agent the trustees shall make all or any of the books of account and records available for inspection by such owner, mortgagee or managing agent.
- (3) The trustees shall cause all books of account and records to be retained for a period of six years after completion of the transactions, acts or operations to which they relate: Provided that minute books shall be retained for so long as the scheme remains registered.

[Sub-rule (3) substituted by GN R2345 of 1990.]

#### **Annual financial estimate, financial statement and report**

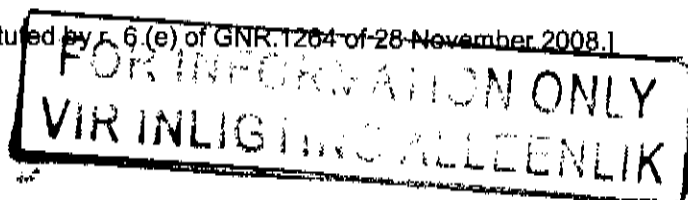
36. (1) Prior to the commencement of every financial year of the body corporate, the trustees shall cause to be prepared an itemised estimate of the anticipated income and expenses of the body corporate for the ensuing financial year, which estimate shall be laid before the annual general meeting for consideration in terms of rule 56 hereof.
- (2) The estimate of expenses referred to in sub-rule 36 shall include a reasonable provision for contingencies and the maintenance of the common property.

[Sub-rule (2) substituted by GNR.1109 of 2005.]

37.

- (1) The trustees shall cause to be prepared, and shall lay before every annual general meeting, for consideration in terms of rule 56 (a), a financial statement in conformity with generally accepted accounting practice, which statement shall fairly present the state of affairs of the body corporate and its finances and transactions as at the end of the financial year concerned.

[Sub-r. (1) substituted by F. 6 (e) of GNR.1264 of 28 November 2008.]



- (2) The financial statement shall include information and notes pertaining to the proper financial management by the body corporate, including:
- (a) an analysis of the periods of debts and the amounts due in respect of levies, special levies and other contributions;
  - (b) an analysis of the periods and the amounts due, owing by the body corporate to the creditors and in particular to any public or local authority in respect of rates, taxes and charges for consumption or services, including but not limited to, water, electricity, gas, sewerage and refuse removal;
  - (c) the expiry dates of all insurance policies.

[Rule 37 substituted by GNR.2345 of 1990 and by GNR.1109 of 2005.]

38. The trustees shall further cause to be prepared and shall lay before every annual general meeting a report signed by the chairman reviewing the affairs of the body corporate during the past year, for consideration in terms of rule 56 (a).

[R. 38 substituted by r. 6 ( f ) of GNR.1264 of 28 November 2008.]

39.

- (1) The trustees shall cause copies of the schedules, estimate, audited statement and report referred to in rules 29 (1) (c), 30, 37 and 38 to be delivered to each owner, and to any mortgagee which has advised the body corporate of its interest, at least fourteen days before the date of the annual general meeting at which they are to be considered.

(2) Delivery for purposes of sub rule (1) shall be deemed to have been effected if the documents referred to are sent to the owner at the address referred to in rule 3(2), and to any mortgagee as aforesaid at the address of such mortgagee as reflected in the records of the body corporate: Provided that delivery for purposes of sub rule (1) shall also be deemed to have been effected on the owner if *the* said documents are transmitted by facsimile or electronic mail to a facsimile number or electronic mail address specified by such owner in writing for the purposes of receiving such documentation which specification shall only be effective on receipt thereof by the body corporate at its *domicilium*.";

#### Audit

40. At the first general meeting and thereafter at every ensuing annual general meeting, the body corporate shall appoint an auditor to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting: Provided that where a scheme comprises less than 10 units, an accounting officer may be appointed for that purpose and the auditor or accounting officer, as the case may be, must sign the financial statements.

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[Rule 40 substituted by GNR.2345 of 1990 and by GNR.1109 of 2005.]

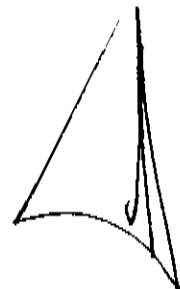
#### **Deposit and investment of funds**

41. The trustees shall cause all moneys received by the body corporate to be deposited to the credit of an account or accounts with a registered commercial bank or building society in the name of the body corporate and, subject to any direction given or restriction imposed at a general meeting of the body corporate, such moneys shall only be withdrawn for the purpose of payment of the expenses of the body corporate or investment in terms of rule 43.
42. The trustees may authorise the managing agent to administer and operate the accounts referred to in rule 41 and 43: Provided that where the managing agent is an estate agent as defined in the Estate Agents' Act (Act 112 of 1976), the trustees may authorise such managing agent to deposit moneys contemplated in rule 41 in a trust account as contemplated in section 32 (3) of the Estate Agents' Act, 1976, which moneys shall only be withdrawn for the purposes contemplated in rule 41.
43. Any funds not immediately required for disbursement, may be invested in a savings or similar account with any registered building society or bank approved by the trustees from time to time.
44. Interest on moneys invested shall be used by the body corporate for any lawful purpose.

#### **No refunds or distribution of profits or assets**

- 45.
- (1) The owners shall not be entitled to a refund of contributions lawfully levied upon them and duly paid by them.
- (2) No portion of the profits or gains of the body corporate shall be distributed to any owner or any other person except upon destruction or deemed destruction of the building, or where such profit or gain is of a capital nature.

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### The appointment, powers and duties of a managing agent

46.

(1)

(a) Notwithstanding anything to the contrary contained in rule 28, and subject to the provisions of section 39 (1) of the Act, the trustees may from time to time, and shall if required by a registered mortgagee of 25 per cent of the units or by the members of the body corporate in a general meeting, appoint in terms of a written contract a managing agent to control, manage and administer the common property and the obligations to any public or local authority by the body corporate on behalf of the unit owners, and to exercise such powers and duties as may be entrusted to the managing agent, including the power to collect levies and to appoint a supervisor or caretaker.

(b) A managing agent is appointed for an initial period of one year and thereafter such appointment shall automatically be renewed from year to year unless the body corporate notifies the managing agent to the contrary: provided that notice of termination of the contract may be given by the trustees in accordance with a resolution taken at a trustee meeting or an ordinary resolution taken at a general meeting

[Sub-r. (1) substituted by GNR.1422 of 1997 and by GNR.1109 of 2005 and by r. 6 (g) of GNR.1264 of 28 November 2008.]

(2)

(a) The trustees shall ensure that there is included in the contract of appointment of all managing agents a provision to the effect that if he is in breach of any of the provisions of his contract, or if he is guilty of conduct which at common law would justify the termination of a contract between master and servant, the trustees may, without notice, cancel such contract of appointment, and that the managing agent shall have no claim whatsoever against the body corporate or any of the owners as a result of such cancellation.

(b) Any one or more of the owners or mortgagees of sections in the buildings may, if the managing agent is in breach of the provisions of his contract or if he is guilty of any conduct which at common law would justify the termination of a contract between master and servant, require the trustees to cancel the managing agent's contract in terms of paragraph (a). The foregoing provisions shall in no way detract from the trustees' rights to cancel the managing agent's contract.

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(c) Any owner or mortgagee who required the trustees to cancel the managing agent's contract in terms of paragraph (b) shall furnish the trustees with such security as they in their discretion may determine for the payment of and shall indemnify the trustees and the body corporate against—

- (i) all litigation costs reasonably incurred by the trustees in enforcing such cancellation against the managing agent; and
- (ii) all other costs and damages arising out of such cancellation, purported cancellation or litigation for which the trustees or the body corporate might be liable up to the time such owner or mortgagee formally notifies the trustees that he no longer requires them to pursue the action.

[Sub-para. (ii) substituted by GN R1422 of 1997.]

(d) The trustees shall not be required to cancel the contract of appointment of the managing agent unless and until the owner or mortgagee requiring cancellation in terms of paragraph (b) has furnished them with the security and indemnity as specified in rule 46, paragraph (2) (c).

47. The contract with the managing agent shall further provide for the appointment to be revoked, and such managing agent shall cease to hold office, if—

- (i) where the managing agent is a juristic person, an order is made for its provisional or final liquidation or, where the managing agent is a natural person, he applies for the surrender of his estate as insolvent or his estate is sequestrated either provisionally or finally or, where the managing agent is a company, it is placed under judicial management; or
- (ii) the managing agent is convicted of an offence involving an element of fraud or an element of dishonesty or, where the managing agent is a company or a close corporation, any of its directors or members is convicted of an offence involving an element of fraud or an element of dishonesty, or;

[Sub-para. (ii) substituted by GN R1422 of 1997.]

- (iii) a special resolution of the members of the body corporate is passed to that effect: Provided that in such event the managing agent so removed from office shall not be deprived of any right he may have to claim compensation or damages for breach of contract.

48. The managing agent shall keep full records of his or her administration and shall report to the body corporate and all holders of registered sectional mortgage bonds who have

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notified the body corporate of their interest in terms of rule 54 (1) (b) of all matters which in his or her opinion detrimentally affect the value or amenity of the common property and any of the sections.

49.

- (1) The trustees shall give reasonable prior notice to the managing agent of all meetings of the trustees and he may with the consent of the trustees be present thereat.
- (2) The trustees shall from time to time furnish to the managing agent copies of all minutes of the trustees and of the body corporate.

## MEETING OF OWNERS

### General Meetings

#### When to be held

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50.

- (1) The first meeting of owners shall be held within sixty days of the establishment of the body corporate, at least seven days' notice of which shall be given in writing, and which notice shall be accompanied by a copy of the agenda of such meeting and details of the items referred to in sub-rule (2).
- (2) The agenda for the meeting convened under sub-rule (1), shall comprise at least the following:
  - (i) The consideration, confirmation or variation of the insurances effected by the developer or the body corporate;
  - (ii) the consideration, confirmation or variation of an itemised estimate of the anticipated income and expenses of the body corporate for the ensuing financial year;
  - (iii) the consideration and approval, with or without amendment, of the financial statements relating to the management, control and administration of the building from date of establishment of the body corporate to the date of notice of the meeting referred to in sub rule (1);
  - (iv) subject to section 47 (2) of the Act, the taking of cession of such contracts relating to the management, control and administration of the building as may have been entered into by the developer for the continual management, control and administration of the building and the common property and in respect of which the developer shall be obliged to submit such contracts to the meeting;
  - (v) the appointment of an auditor, or, where applicable, an accounting officer;

- (vi) the election of trustees;
- (vii) any restrictions imported or directions given in terms of section 39 (1) of the Act; and
- (viii) determination of the domicilium citandi et executandi of the body corporate.

[Sub-rule (2) substituted by GN R1422 of 1997.]

51.

- (1) An annual general meeting shall be held within four months of the end of each financial year.
- (2) Unless otherwise decided at a general meeting or by the trustees, the financial year of the body corporate shall run from the first day of March of each year to the last day of February of the following year.

[Rule 51 substituted by GN R1422 of 1997.]

52. All general meetings other than the annual general meeting shall be called special general meetings.

53. The trustees may whenever they think fit and shall upon a request in writing made either by owners entitled to 25 per cent of the total of the quotas of all sections or by any mortgagee holding mortgage bonds over not less than 25 per cent in number of the units, convene a special general meeting. If the trustees fail to call a meeting so requested within fourteen days of the request, the owners or mortgagee concerned shall be entitled themselves to call the meeting.

**Notice of general meetings**

54.

- (1) Unless otherwise provided for in the Act, at least fourteen days' notice of every general meeting specifying the place, within the magisterial district where the scheme is situated, or such other place determined by special resolution of members of the body corporate, the date and the hour of the meeting and, in the case of special business, the general nature of such business, shall be given—
  - (a) to all owners;
  - (b) to all holders of registered mortgage bonds over units who have advised the body corporate of their interests; and
  - (c) to the managing agent.

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- (2) The holders of registered mortgage bonds and the managing agent referred to in sub-rule (1), shall have the right to attend the meeting herein referred to and to speak at such meetings, but shall not, in their respective capacities as such, be entitled to vote thereat.
- (3) The notice referred to in sub-rule (1) (a) shall be deemed to have been sufficiently given and delivered if delivered in accordance with rule 39 0.
- (4) The notice referred to in sub-rule (1) shall be accompanied by the documents referred to in rule 39 (1), except in the case of a meeting contemplated in rule 50 (1) or a special general meeting.
- (5) Inadvertent omission to give the notice referred to in sub rule(1 ), or failure to deliver the documentation referred to in rule 39(1 ),to any person entitled to such notice or documentation, or the non-receipt of such notice or documentation by such person shall, save in the case of the persons contemplated in sub rule(1 )(b), not invalidate any proceedings at any such meeting.
- (1) A general meeting of the body corporate may be called on shorter notice than that specified in sub-rule (1) hereof, provided it is so agreed by all persons entitled to attend.
- (2) A special general meeting for the purposes of passing a unanimous or special resolution may be convened for a date 30 days or less after notice has been given to all the members of the body corporate if, in the opinion of the trustees, it is necessary due to the urgency of a matter or due to the specific nature of a matter to convene the meeting with such shorter period of notice.

## PROCEEDINGS AT GENERAL MEETINGS

### Ordinary and special business

55. All business at any general meeting other than business referred to in rule 56 (a), (b), (c) and (d), shall be special business.

### Annual general meeting

56. The following business shall be transacted at an annual general meeting:
- (a) The consideration of the financial statement and report referred to in rules 37 and 38;
- (b) the approval with or without amendment of—

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- (i) the schedules of replacement values referred to in rule 29 (1) (c); and
- (ii) the estimate of income and expenditure referred to in rule 36 (1);
- (c) the appointment of an auditor or an accounting officer;
- (d) the election of trustees;
- (e) the determination of the number of trustees for the ensuing year;
- (f) any special business of which due notice has been given in terms of rule 54;
- (g) the giving of directions or the imposing of restrictions referred to in section 39 (1) of the Act;

[Para. (g) substituted by GNR.1422 of 1997 and by GNR.438 of 2005.]

- (h) determination of the domicilium citandi et executandi of the body corporate; and

[Para. (h) substituted by GNR.438 of 2005.]

- (i) the confirmation by the auditor or accounting officer that any amendment, substitution, addition or repeal of the rules (as contemplated in section 35 (5) of the Act) have been submitted to the Registrar of Deeds for filing as contemplated in section 35 (5) (c) of the Act.

[Para. (i) inserted by GNR.438 of 2005.]

## Quorum

57.

- (1) No business shall be transacted at any general meeting unless a quorum of persons is present in person or by proxy at the time when the meeting proceeds to business.
- (2) A quorum at a general meeting shall be—
  - (a) the number of owners holding at least 50 per cent of the votes, present in person or by proxy or by representative recognised by law and entitled to vote, in schemes where there are ten units or less;
  - (b) the number of owners holding at least 35 per cent of the votes, present in person or by proxy or by representative recognised by law and entitled to vote in the case of schemes with less than 50 but more than 10 units; and
  - (c) the number of owners holding at least 20 per cent of the votes present in person or by proxy or by representative recognised by law and entitled to vote, in the case of schemes with 50 or more units.

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58. If within half-an-hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time, and if at the adjourned meeting a quorum is not present within half-an-hour of the time appointed for the meeting, the owners present in person or by proxy and entitled to vote shall form a quorum.

### Chairman

59.

- (1) The chairman, if any, of the trustees shall preside as chairman at every general meeting of the body corporate, unless otherwise resolved by members of the body corporate at such meeting.
- (2) If there is no such chairman or if, at any meeting, the chairman of the trustees is not present within fifteen minutes after the time appointed for the holding of the meeting, or if he is unwilling or unable to act as chairman, the members present shall elect a chairman for such meeting.

[Sub-rule (2) substituted by GNR.483 of 2005.]

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### VOTING AT GENERAL MEETINGS

#### Poll

60.

- (1) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless either prior to or on the declaration by the chairman of the result of the show of hands, a poll is demanded by any person entitled to vote at such meeting.
- (2) Unless a poll be so demanded, a declaration by the chairman that a resolution has on the show of hands been carried, shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded in favour of or against such resolution.
- (3) A demand for a poll may be withdrawn.

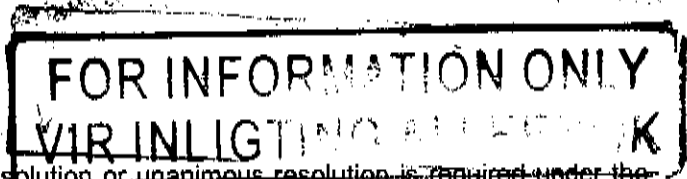
61. A poll, if demanded, shall be taken in such a manner as the chairman thinks fit, and the result of the poll shall be deemed to be the resolution of the meeting at which such poll was demanded.

**Votes**

62. On a show of hands the owner or owners of a section, or if the owner is a juristic person, its proxy, shall have one vote for each section owned: Provided that the chairman shall be entitled, in his discretion, to change the manner of voting to one by poll and not by show of hands.

[Rule 62 substituted by GNR.483 of 2005.]

63. For the purpose of a unanimous or special resolution (with or without a ballot), or on a poll the value of the vote of the owner or owners of a section shall be reckoned in accordance with a determination made in terms of section 32 (4) of the Act or, in the absence of this determination in accordance with participation quotas.

**No vote in certain circumstances**

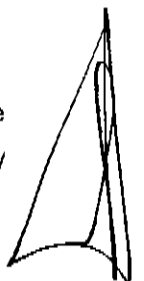
64. Except in cases where a special resolution or unanimous resolution is required under the Act, an owner shall not be entitled to vote at any general meeting if—
- (a) any contributions payable by him in respect of his section and his undivided share in the common property have not been duly paid; or
  - (b) he persisted in breach of any of the conduct rules referred to in section 35 (2) (b) of the Act, notwithstanding two written warnings by the trustees or managing agent to refrain from breaching such rule: Provided that any mortgagee shall be entitled to vote as such owner's proxy at any general meeting, even though paragraph (a) or the foregoing provisions of this paragraph may apply to such owner.

**Voting by trustee for beneficiary**

65. Where an owner of a section is as such a trustee for a beneficiary, he shall exercise the voting rights in respect of the section to the exclusions of persons beneficially interested in the trust and such persons shall not be entitled to vote.

**Joint voters**

- 66.
- (1) When two or more persons are entitled to exercise one vote jointly, that vote shall be exercised only by a person (who may or may not be one of them) jointly appointed by them as their proxy.



- (2) Notwithstanding sub-rule (1), where two or more persons are entitled to exercise one vote jointly, any one of them may demand a poll.

### Proxies

67.

- (1) Votes at a general meeting may be cast either personally or by proxy, whether on a poll or on a show of hands.
- (2) A proxy shall be appointed in writing under the hand of the appointer, or his agent duly appointed in writing, and shall be handed to the Chairman prior to the commencement of the meeting: Provided that the foregoing provisions shall not apply in the case of any proxy created and contained in any registered mortgage bond, if such mortgage bond is produced at the meeting.
- (3) A proxy need not be an owner, but shall not be the managing agent or any of his or her employees, or an employee of the body corporate.

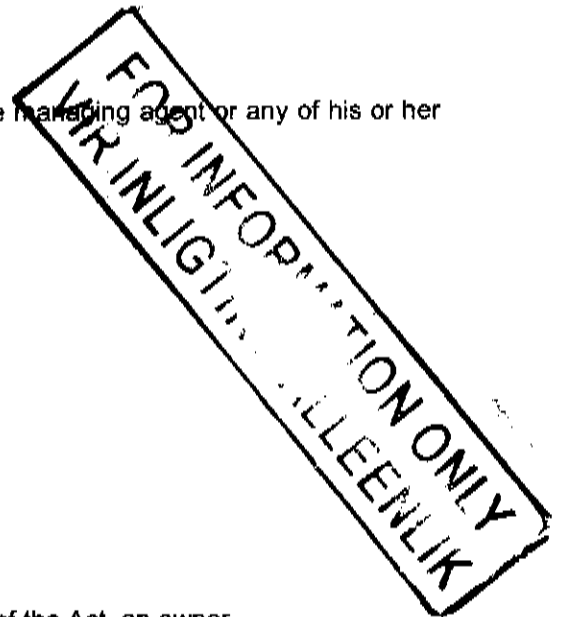
[Para. (g) substituted by GN R1422 of 1997.]

### DUTIES OF OWNERS AND OCCUPIERS OF SECTIONS

#### Statutory and general

68.

- (1) In addition to his obligations in terms of section 44 of the Act, an owner—
- (i) shall not use his section, exclusive use area or any part of the common property, or permit it to be used, in such a manner or for such purpose as shall be injurious to the reputation of the building,
  - (ii) shall not contravene, or permit the contravention, of any law, by-law, ordinance, proclamation or statutory regulation, or the conditions of any licence, relating to or affecting the occupation of the building or the common property, or the carrying on of business in the building, or so contravene or permit the contravention of the conditions of title applicable to his section or any other section or to his exclusive use area or any other exclusive use area;



- (iii) shall not make alterations which are likely to impair the stability of the building or the use and enjoyment of other sections, the common property or any exclusive use area;
- (iv) shall not do anything to his section or exclusive use area which is likely to prejudice the harmonious appearance of the building;
- (v) shall, when the purpose for which a section and exclusive use area is intended to be used,
  - (a) is shown expressly or by implication on or by a registered sectional plan,
  - (b) is shown expressly or by implication on the original approved building plan thereof
  - (c) can be inferred from the provisions of the rules, or;
  - (d) is obvious from its construction, layout and available amenities
 not used, nor permit such exclusive use area to be used, for any other purpose: Provided that with the written consent of all owners such exclusive use area may be used for another purpose;
- (vi) shall not construct or place any structure or building improvement on his or her exclusive use area, without the prior written consent of the trustees, which shall not be unreasonably withheld and that the provisions of section 24 and section 25 or other relevant provisions of the Act or the rules, will not be contravened;

[Para. (vi) substituted by GNR.438 of 2005.]

- (vii) shall maintain the hot water installation which serves his section, or, where such installation serves more than one section, the owners concerned shall maintain such installation pro-rata, notwithstanding that such appliance is situated in part of the common property and is insured in terms of the policy taken out by the body corporate.

- (2) An owner who exercises his rights in terms of section 60 (3) of the Act shall bear all costs to give effect thereto.

### Binding nature

69. The provisions of these rules and of the conduct rules, and the duties of the owner in relation to the use and occupation of sections and common property shall be binding on the owner of any section and any lessee or other occupant of any section, and it shall be the duty of the owner to ensure compliance with the rules by his lessee or occupant, including employees, guests and any member of his family, his lessee or his occupant.

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**OWNER'S FAILURE TO MAINTAIN**

70. If an owner—

- (a) fails to repair or maintain his section in a state of good repair as required by section 44 (1) (c) of the Act; or
- (b) fails to maintain adequately any area of the common property allocated for his exclusive use and enjoyment, and any such failure persists for a period of thirty days after the giving of written notice to repair or maintain given by the trustees or the managing agent on their behalf, the body corporate shall be entitled to remedy the owner's failure and to recover the reasonable cost of doing so from such owner.

**DETERMINATION OF DISPUTES BY ARBITRATION**

71.

- (1) Any dispute between the body corporate and an owner or between owners arising out of or in connection with or related to the Act, these rules or the conduct rules, save where an interdict or any form of urgent or other relief may be required or obtained from a Court having jurisdiction, shall be determined in terms of these rules.
- (2) If such a dispute or complaint arises, the aggrieved party shall notify the other affected party or parties in writing and copies of such notification shall be served on the trustees and the managing agents, if any, and should the dispute or complaint not be resolved within 14 days of such notice, either of the parties may demand that the dispute or complaint be referred to arbitration: Provided that, if an owner declares a dispute with the body corporate, it shall be sufficient notice if notification is served on the trustees and managing agents, if any, and such owner will not be required to serve notice on each of the other owners.

[Sub-rule (2) substituted by GNR.438 of 2005.]

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- (3) Having regard to the nature and complexity of the dispute or complaint and to the costs which may be involved in the adjudication thereof, the parties appoint an arbitrator who shall be an independent and suitably experienced and qualified person as may be agreed upon between the parties to the dispute
- (4) If the parties cannot agree as to the arbitrator to be appointed in terms of sub rule (3) within three days after the arbitration has been demanded, the Chief registrar of deeds for the deeds registry in which the scheme is registered or his or her nominee shall upon written application and subject to payment of the prescribed fee, in writing appoint an

arbitrator within 7 days after he or she has been required to make the appointment so that the arbitration can be held and concluded without delay.

- (5) Arbitration shall be held informally or otherwise as the arbitrator may determine. The arbitrator shall have the right to demand that the party demanding the arbitration furnish the arbitrator with security for payment of the costs of the arbitration in such amount and form as the arbitrator may determine, failing which the arbitration shall not be proceeded with. Where possible, the arbitration shall be concluded within 21 days after the matter has been referred to arbitration in terms of sub rule (2) or security for costs has been furnished.
- (6) The arbitrator shall make his or her award within 7 days from the date of the completion of the arbitration and shall, in making his or her award, have regard to the principles laid down in terms of these rules. The arbitrator may determine that the costs of the arbitration be paid by any one of the disputing parties or any of them jointly or in such shares as he or she may determine, and as he or she in his or her discretion, may deem appropriate having regard to the outcome of the arbitration.
- (7) The decision of the arbitrator shall be final and binding and may be made an order of the High Court upon application of any party to or affected by the arbitration.

[Rule 71 inserted by GN R1422 of 1997.]

- (8) Notwithstanding that the Arbitration Act, No. 42 of 1965, makes no provision for joinder of parties to an arbitration without their consent thereto, should a dispute arise between the body corporate and more than one owner or between a number of owners arising out of the same or substantially the same cause of action, or where substantially the same order would be sought against all the parties against whom the dispute has been declared, such parties shall be automatically joined in the arbitration by notice thereof in the original notice of dispute given in terms of sub-rule (2).

[Sub-rule (8) inserted by GNR.438 of 2005.]

**PAYMENT OF MONTHLY CONTRIBUTIONS**

72.

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- (1) All Members are liable to pay the levies in respect of their units, in terms of Section 27(1) of the Act, in one instalment, in advance on the first day of the financial year in which is due. However, owners will be afforded the opportunity to pay their levies in twelve equal instalments. Payment in full of levies (including additional levies), electricity and any

other charges, must be received by the managing agents by the seventh of each month to avoid penalties.

- (2) Should an owner default and fall into arrears at any given stage during the course of the financial year, the full amount in respect of levies for the ensuing financial year will become due and payable in one lump sum, with immediate effect.
- (3) In respect of other charges, interest will be charged on the full outstanding balance as at the close of business on the 7th (seventh) of every month.

### INTEREST ON OUTSTANDING AMOUNTS

73.

- (1) Owners shall be liable for interest on outstanding amounts, including capitalised interest, at a rate to be determined by the Trustees from time to time, but not exceeding the maximum annual rate permitted by law, recoverable from the 1ST day of the month for which such sum is payable to the date of payment, provided that any portion of a month will be regarded as a full calendar month for the purpose of this calculation.
- (2) Interest will continue to be charged on all outstanding amounts and should payments remain outstanding for a period of more than 14 days, legal action will be taken to recover all amounts outstanding
- (3) All legal fees and administrative costs incurred will be for the registered owner's account on the attorney and own client scale.

### LETTING OF UNITS

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74. Every owner of a unit who lets or sublets to a tenant shall provide the Board of Trustees and the managing agents with the full name of the tenant and the date of commencement and termination of the tenancy.

### BREACH AND PENALTY CLAUSE

75.

- (1) If an owner of a section, or the occupier of a section placed in possession by the owner, is alleged by the trustees to have committed (by commission or omission) a breach of any of the Management Rules or Conduct Rules and has failed to rectify the breach

within 7 days written notice, the trustees may, by written notice of not less than seven days to the owner and such occupier setting out the nature of the alleged breach and the text of the Rule alleged to have been breached, summon the owner and the occupier (if the latter is not the owner) to attend a meeting of the trustees at which the owner or the occupier, as the case may be, shall be given an opportunity to deny or explain or justify the alleged breach.

- (2) Thereafter, if the trustees, by majority vote of trustees present at the same or a subsequently meeting of the trustees, decide that the breach did occur, the trustees may impose on the owner a penalty of up to R500.00 in the case of the first breach of the relevant Rule by the owner or occupier, as the case may be, or up to R1 000.00 in the case of a second or subsequent such breach. In the case of a breach that is of a contributing nature, the trustees may impose a penalty of up to R500.00 for each day that the breach continues.
- (3) If any such penalty is not paid with fourteen days of a written notice to the owner calling for payment, the amount of the penalty shall be added to the amount of the next contribution payable by the owner in terms of section 37 (1) of the Act.
- (4) The trustees shall be entitled to amend this Rule from time to time by the increase of the aforementioned amounts of R500.00 and R1 000.00 any such increase only to take effect after written notice to all owners, and shall not apply in the case of any alleged breach in respect of which a written notice in terms of Rule 75 has already been given.
- (5) When such written notice is sent to all owners, it shall be accompanied by a document setting out this Rule in the amended form, and thereupon, this Rule shall be deemed to have been duly amended to correspond to such amended form.

#### EXCLUSIVE USE AREAS

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76.

- (1) A registered owner of a section in the scheme, to whom an Exclusive Use Area has been allocated in terms of these Rules shall be entitled to the exclusive use and enjoyment to the exclusion of other owners and all other person of such area, as delineated in the Exclusive Use diagrams and Schedules applicable to the scheme.
- (2) The right to the exclusive use and enjoyment (referred to as the "exclusive use right") of each exclusive use area is conferred in accordance with the provisions of Section 27A of the Act.

- (3) The Body Corporate shall take all necessary steps necessary in its power to ensure that the exclusive use areas are reserved for the exercise of the exclusive use rights by the first owners and their successors-in-title in accordance with the provisions of this rule 77.
- (4) The owner of a Section who has the right to an exclusive use area shall be entitled to cede such right to an owner of a unit in the scheme, provided that written notification of such cession has been given to the Trustees and Managing Agents. The Trustees and Managing Agents shall maintain an updated schedule of the exclusive use areas to which respective owners are entitled, and the schedule maintained by the Managing Agents shall serve as prima facie proof of such rights.
- (5) The holder for the time being of the exclusive use right to an exclusive use area is liable and responsible for the full repair and maintenance, to the satisfaction of the Trustees, who shall not act unreasonably in that regard, of the exclusive use area linked to his section so that the exclusive use area is at all times maintained in a state of good order and repair and, in particular, the weather-proof so that no leakage occurs from the exclusive use area and, without detracting from the foregoing, such area shall at all times be kept in a clean, hygienic, neat and attractive condition.
- (6) No alterations or additions to an exclusive use area shall be commenced by the holder for the time being of the exclusive use right to such exclusive use area (including his agents, contractors or representatives)
- (a) until the written consent of the Trustees is obtained; and
  - (b) until the written approval of such alterations/additions have been obtained from the Local Authority in whose jurisdiction the scheme is situated together with such other authorities as may be required by law, and
  - (c) the proposed alterations/additions comply in all respects with the Local Authority of and the regulations to the National Building Regulations and Building Standards Act 103 of 1977, as amended or replaced or substituted from time to time; and
  - (d) shall be completed strictly in accordance with the provisions of such approvals
- (7) Save as expressly recorded in this rule 76 (7) and in accordance with the provisions contained herein, the holder of an exclusive use right to an exclusive use area shall not be entitled to erect any structure of a permanent or temporary nature to an exclusive use area without first obtaining the written consent of the Trustees who shall be entitled to require the said holder to submit architectural plans and specifications of the proposed structure to assist in determining whether or not the consent should be granted. The Trustees may require that the whole or portion of the work be undertaken by a specific contractor using specified materials under the supervision of an architect nominated by the Trustees, all at the cost of the said holder.

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- (8) The holder for the time being of the exclusive use right to an exclusive use area shall be solely liable for any damage arising from any work undertaken on the exclusive use area and the Trustees assume no liability arising from any consent given.
- (9) The holder for the time being of the exclusive use right to an exclusive use area shall not use his area or allow his area to be used in such a manner or for such purposes as are likely to impair the safety, appearance or amenity of the other sections or part of the common property. In this regard, the decision of the trustees is absolute and binding
- (10) The holder for the time being of the exclusive use right to an exclusive use area shall allow the Trustees or their duly authorised representative/s access to and across the area for any purpose reasonably required for the repair and maintenance of the common property.

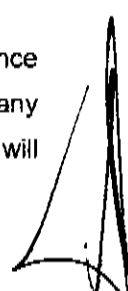
#### **LEVIES: EXCLUSIVE USE AREAS**

77. The liability of owners to make contributions and the proportions in which such owners shall make contributions for the purpose of Section 37 (1) of the Act shall, with effect from the date upon which the Body Corporate comes into being, be: -
- (1) In respect of exclusive use areas denoted as stores an initial amount must be determined by the developer.
- (2) In respect of exclusive use areas denoted as parking bays an initial amount must be determined by the developer.
- (3) In respect of exclusive use areas denoted as roof terraces an initial amount must be determined by the developer.
- (4) In respect of exclusive use areas denoted as vertical exclusive use areas an initial amount of R 0.00 per month per sq/m will be used as the basis of the calculation; which contributions shall increase in the same proportional percentage as the levies payable increase from time to time as in the case in respect of sections.

#### **INSURANCE EXCESS**

- 78.
- (1) Notwithstanding the provisions of Management Rule 29, in the event of an Insurance claim resulting from an insured event within the section or exclusive use area, any insurance excess payable to the insurers will be the responsibility of the Owner and will

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be payable immediately on demand. The Body Corporate must pay the excess for any damage caused on the common property.

- (2) The Body Corporate shall have no responsibility whatsoever for the insurance of the contents of any particular section, which shall at all times, be the sole responsibility of the Owner/Occupier in question.
- (3) An Owner/Occupier shall not do or permit to be done in his section or on the common property anything which will or may increase the rate of premium payable by the body corporate on any insurance policy or which may tend to vitiate any such insurance policy nor bring onto the premises or building any hazardous substances and/or any form of machinery whatsoever.
- (4) An Owner/Occupier shall not store or harbour upon the common property or any part thereof or in his section any goods which may vitiate any fire insurance policy held by the body corporate or increase the premium payable in respect of such policy.

#### **UNMETERED ELECTRICITY**

79. Where electricity consumption is not separately metered in respect of any section and/or exclusive use areas to which electricity is supplied and such electricity is metered through one or more common meters, the amount payable by the owner of such section and/or exclusive use area in respect of electricity consumption for such section and/or exclusive use area shall be reckoned on the same percentage basis which the floor area of such section bears to the aggregate of the floor areas of all similarly affected sections and/or which floor area of such exclusive use area bears to the aggregate of the floor areas of all similarly affected exclusive use areas.

#### **PROTEA METERING**

80. With effect from the date of registration of the sectional title scheme all owners and tenants shall use the services of Protea Metering (Proprietary) Limited for electricity metering services until the service agreement expire.

#### **URBAN FIBRE**

81. With effect from the date of registration of the sectional title scheme, Urban fibre is appointed as the sole service provider for internet until the service agreement expire.

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**BUILDING MANAGERS / MANAGING AGENT**

82. With effect from the date of registration of the sectional title scheme all owners and tenants shall use the services of Legprop (Pty) Ltd until the service agreement expires.

**CONSTRUCTION, MAINTENANCE AND REPAIRS**

83. In the event that any owner or tenant carries out any construction, maintenance or repairs to any structure or tenant installation; the construction, maintenance or repairs, may only be carried out by a service provider which has been approved by the Body Corporate. The Body Corporate will issue a list to every owner of approved service providers.

**SMOKING**

84. Any area, unless the area is demarcated by the trustees, in writing, that the area may be used as a smoking area, shall be deemed a "no smoking area". The trustees may, as stipulated in rule 75 of the management rules, impose a penalty on an owner, tenant or guests which transgresses.

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## CONDUCT RULES

[Section 35 (2) (b) of the Sectional Titles Act, 1986.]

### PRELIMINARY

84. The rules contained in this schedule shall not be substituted, added to, amended or repealed except by special resolution of the members of the Body Corporate in accordance with the Act.

### INTERPRETATION

85. In these amended conduct rules, unless it appears to the contrary either expressly or by necessary implication: -

- (a) "Act" means the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time, and any regulations made and in force there under;
- (b) "Auditor" means an auditor qualified to act as such under the Public Accountant's and Auditors' Act 1951 (Act 51 of 1951);
- (c) "Body Corporate" means the appointed body corporate of the development;
- (d) "Building" means any building, simplex, duplex, shop, office and usual out buildings erected on any lot;
- (e) "Chairman" means the duly elected Chairman of the Trustees of the Body Corporate;
- (f) "Owner" shall be deemed to include tenant/occupier from time to time.
- (g) "Section" means any sectional title unit forming part of a sectional title Scheme established within the development.
- (h) "Trustee" includes an alternative trustee;
- (i) The words used shall bear the meaning assigned to them in the Act.
- (j) The singular shall include the plural and vice versa.
- (k) A reference to any one gender shall include the other genders.
- (l) A reference to natural persons shall include legal persons and vice versa.
- (m) The headings to these rules are for convenience and shall be disregarded in construing these rules.

### MEMBERSHIP

86. (1) Any person reflected in the records of the Deeds Office concerned as the registered owner of a unit in the development shall be deemed to be the registered owner of such unit and as such a member of the Body Corporate.

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- (2) The registered owner of a unit may not resign as a member.
- (3) The rights and obligations of a member are not capable of transfer or cession.
- (4) Every member shall observe all conduct rules made by the Body Corporate.

## CONSENT

- 87. Notwithstanding anything contained in these rules, any consent to be obtained from the Body Corporate must be given by it in writing and signed by a duly appointed official or employee of the Body Corporate delegated with the necessary authority to sign such consent
- 88. On payment of the Body Corporate's prescribed fee, a member shall be entitled to obtain a photocopy of these Rules.

## LEVIES

- 89. The contribution to levies will be determined on the participation quota. The owners will be responsible for all costs of whatsoever nature in respect of the cleaning, service, maintenance, repair and or replacement of any part or whole mechanism within their sections.
- 90. The amount levied upon each member shall be paid by such member to the Body Corporate monthly in advance, on the first day of each and every month, for the duration of the member's ownership of his/its property, subject to the terms and conditions of the Sectional Titles Act.
- 91. All other amounts payable to the Body Corporate are to be paid as soon as the account is rendered.
- 92. Any amount due by any member, which remains unpaid after the same has fallen due, shall bear interest as from the due date of payment to the actual date payment is received, at a rate to be determined by the Body.
- 93. All levies or other amounts due and payable, which remain unpaid after 14 days, may be recovered by instituting any action in any court of competent jurisdiction against the members liable for the payments of such amounts.
- 94. In the event of the Body Corporate instructing an attorney to take any steps against a member as a result of such member failing to pay any amount owing by him, or failing to comply with

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the obligations in terms of the Sectional Titles Act, then such member shall be liable to pay all legal costs and administration costs incurred thereby.

## TRUSTEES

95. In the event that the majority of commercial trustees are unable to agree upon the matter to be voted upon, a referee may be appointed to resolve the situation. The referee is a person appointed by the trustees and should be one of the following: -

- (1) a practising chartered accountant, where the dispute is of an accounting nature;
- (2) a practising attorney where the dispute is of a legal nature or of a nature not particularly categorized as accounting or legal.

## BUILDING MANAGER

96. (1) The Body Corporate may delegate any of its own powers in terms of these rules to a Building Manager upon such terms and conditions as it may deem fit.
- (2) The Building Manager, within the limits of his job description, may delegate any of the powers so delegated to him to any person nominated by him for the purpose and upon such terms and conditions as he may deem fit.
- (3) The powers delegated to any Building manager, may, at any time be withdrawn or amended by the Body Corporate.

## STAFF

97. The trustees of the Body Corporate are specifically authorised to employ cleaners, maintenance and security staff to keep all portions of the common property in a proper state of cleanliness, repair and reasonably secured and the costs of such employment shall be an administrative expense chargeable to the fund established by the Body Corporate. However, nothing contained herein or elsewhere shall be construed as obliging the trustees of the body corporate to maintain the interior of any section in a proper state of cleanliness, such maintenance of the interior of the section being the sole responsibility of each individual sectional owner, who undertakes to keep the interior of his section in such proper state of cleanliness and in a hygienic condition. No owner may, in any circumstances, interfere with the schedule of times of service of the complex and any complaints concerning this work shall be made to the chairman of the trustees of the Body Corporate in writing.

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98. No owner or occupier of a section may request personal duties to be performed by any member of staff employed by the Body Corporate.

#### LETTING OF UNITS

99. All tenants of units and other persons granted rights of occupancy by any owner of the relevant unit are obliged to comply with these conduct rules, notwithstanding any provision to the contrary contained in any lease or any grant of rights of occupancy.
100. No member shall let or otherwise part with occupation of his property, whether temporarily or otherwise, unless he has agreed with the prospective tenant or occupier as a stipulation alteri in favour of the Body Corporate, that such tenant or occupier shall in all ways be bound by the terms and conditions of these Rules, any amendments thereto and of the management Rules where applicable.

#### USAGE

101. (1) An owner or occupier of a section shall not place or do anything on any part of the common property including balconies, patios, balcony encroachments, steeps and gardens which, in the discretion of the trustees, is aesthetically displeasing or undesirable when viewed from the outside of the section.
- (2) All owners and occupants (and their respective guests and servants) of sections shall ensure that their respective activities in and uses of the common property and of the section or any part thereof with all services, facilities and amenities available on the common property shall at all times be conducted and carried out with reasonable and diligent care and with due and proper consideration for the remaining owners and occupants of the Building and in accordance with any rules made in terms of these rules, and of the provisions of the Act. This rule shall likewise apply to guests and servants of owners and/or occupants of sections while they are in the buildings and/or the common property.
- (3) An owner and occupier shall not cause or permit any disorderly conduct of whatsoever nature upon the section or any part of the common property or do or permit any act, matter or thing in or about same which shall constitute or cause a nuisance or disturbance or any inconvenience to any other owner or occupant of the Buildings or member of the body corporate, in the quiet enjoyment of their own premises or which is likely to or in any way tend to affect detrimentally the benefit, enjoyment, rights of occupation or the interests of any other owner or occupant of the Buildings or member of the body corporate.

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- (4) The use of radio, television sets, sound equipment, recording equipment and the like or the playing of musical instruments to the extent that others are disturbed is prohibited.
- (5) An owner and occupier shall at all times maintain his section in good, clean and habitable order and conditions, and shall be responsible for all interior painting, maintenance, inclusive of blockage of sewers and sanitary equipment and connections, and repairs of whatever nature including repairs, maintenance and replacement to doors and windows.
- (6) No balcony may be enclosed in any manner whatsoever, nor shall any awning, exterior blind or the like be installed in any section (inclusive of balconies), without the written consent of the Trustees.
- (7) An owner or occupier of a section shall ensure that any broken window pane is replaced within 3 (three) days of breaking from whatsoever cause
- (8) An owner or occupier shall not keep or do anything on the common property after notice in writing in that regard from the trustees.
- (9) An owner or occupier shall not store, or leave or allow any article to be stored, or leave any article or thing in any part of the common property except with the written consent of the trustees first having been obtained.
- (10) An owner or occupier shall not erect any tent or other structure or alter or remove any shrub, tree or plant on or in the common property without the written consent of the trustees first having been had and obtained.
- (11) The Body Corporate may enter into an agreement on such terms and conditions as it may deem fit with a member granting that member the exclusive use and occupation of a specific area within the development and no person shall in any manner whatsoever disturb or interfere with such member in the enjoyment of such rights of exclusive use and occupation.
- (12) No person and/or entity shall within the area of the development discharge any fireworks or firearm as defined in the Arms and Ammunitions Act, No 75 of 1969, or any dangerous weapon as defined in terms of the Dangerous weapons Act. No 71 of 1988.
- (13) Subject to the provisions of Management Rule 78, no owner of an exclusive use area shall use such area for any purpose other than for the purpose indicated on the relevant

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Sectional Title Plan and the use thereof shall be subject to the same rights and restrictions as set forth in Conduct Rule 17 above.

- (14) No fixed improvements of a permanent nature shall be made to any Section, nor shall the floor of any part of a section be re-tiled, without the prior written consent of the Body Corporate which, in granting such consent, may impose such conditions relating to the approval of the contractor who is to carry out the work, and/or the supervision of such work at the cost of the owner by a suitable expert, as the Body Corporate may deem appropriate.
- (15) No owner shall bring into or construct in his section anything which is excessively heavy and which might exceed the floor loading capacity of the section or otherwise jeopardize the insurance in respect of the section or the structural integrity of the Building or the water proofing thereof.

#### **ANIMALS, REPTILES AND BIRDS**

102. (1) An owner or occupier of a section shall not, without the consent in writing of the trustees, which approval may not be unreasonably withheld, keep any animal, reptile or bird in a section or on the common property
- (2) When granting such approval, the trustees may prescribe any reasonable condition.
- (3) The trustees may withdraw such approval in the event of any breach of any condition prescribed in terms of sub-rule (2).
103. Animals shall not be permitted in any of the public portions of the Building or any other part of the common property unless controlled on a leash.
104. In the event of any owner or occupant in accordance with the provisions hereof keeping or harbouring any animal or other pet on the premises, such person shall not allow such animal or other pet to foul the corridors, entrance or any other part of the common property or otherwise cause a nuisance.

#### **VEHICLES**

- (1) The trustees may cause to be removed or towed away, at the risk and expense of the owner of the vehicle, any vehicle parked, standing or abandoned on the common property without the trustees' consent

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- (2) Owners and occupiers of sections shall ensure that their vehicles, and the vehicles of their visitors and guests, do not drip oil or brake fluid on to the common property or in any other way deface the common property. If dripping occurs, its removal will be for the account of the owner or occupier concerned.
- (3) No owner or occupier shall be permitted to dismantle or effect major repairs to any vehicle on any portion of the common property, an exclusive use area or in a section. Any minor repairs to and reconditioning of vehicles on the common property are not permitted. In addition, washing of vehicles is not permitted on common property or exclusive use areas.
- (4) Hooters shall not be sounded within the sectional title scheme other than in emergencies.
- (5) No person shall operate any vehicle at any place within the development unless he is the holder of a valid current driver's license issued under the Provisions of the Road Traffic Act No 29 of 1989 (as amended).
- (6) No vehicle having a gross weight in excess of 3500 kg shall be permitted to enter the development, except with the prior written approval of the Body Corporate, who may grant approval on such conditions as it may see fit.
- (7) No person shall store, park or leave unattended any vehicle at any place in the development except:
  - (a) in an area designated for use as a parking area;
  - (b) in any area designated for such purpose by the Body Corporate by means of an appropriate sign.
- (8) No trucks, caravans trailers, boats or other heavy vehicles may be parked within the scheme without the prior written consent of the trustees.
- (9) Vehicles parked or entering the scheme are subject to the express condition that it is parked at the owner's risk and responsibility and that no liability shall attach to the body corporate or its agents or any of their employees for any loss or damage of whatever nature which owner, or any person claiming through or under him, may suffer in consequence of his vehicle having been parked on the common property.
- (10) Motor vehicles of visitors may only be parked on such areas as are specifically demarcated for that purpose. When parking areas are demarcated for visitors, such areas may only be used for visitors parking and under no circumstances may any owner

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or any member of their families park their vehicles in such areas. A breach of this rule will entitle the trustees to have any offending vehicle towed away from the building at the risk and the expense of the owner of the vehicle or alternatively the owner of the section.

- (11) Owners shall ensure that their visitors park in the correct place and do not cause any obstruction either in relation to garages or otherwise.
- (12) Under no circumstances will parking in front of the fire hydrants be permitted. A breach of this rule will entitle the trustees to have any offending vehicle towed away from the building at the risk and the expense of the owner of the vehicle or alternatively the owner of the section.

## REFUSE DISPOSAL

105. (1) An owner or occupier of a section shall—
- (a) be responsible for the removal of all refuse and debris from his section;
  - (b) maintain in an hygienic and dry condition, a receptacle for refuse within his section, his exclusive use area or on such part of the common property as may be authorised by the trustees in writing;
  - (c) ensure that before refuse is placed in such receptacle it is securely wrapped, or in the case of tins or other containers, completely drained;
  - (d) for the purpose of having the refuse collected, place such receptacle within the area and at the times designated by the trustees;
  - (e) when the refuse has been collected, promptly return such receptacle to his section or other area referred to in paragraph (b).
- (2) The removal of refuse shall be under the control of the Body Corporate who may, in exercising their functions in this regard from time to time by notice in writing to all persons and/or entities concerned:
- (a) lay down the type and size of refuse containers to be used;
  - (b) give directions in regard to the placing of such refuse for collection;
  - (c) requires the payment of a reasonable charge for the provision of such containers;
  - (d) it shall be the duty of every owner or occupier of a unit to ensure that such directions given by the Body Corporate are fully observed and implemented;
  - (e) no person and/or entity shall keep any refuse within or outside his unit except in the containers aforesaid;
  - (f) containers shall not be kept in any place outside any unit or where it may be seen from outside except in such places as may be specifically set aside therefore or as may be approved by the Body Corporate from time to time;

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- (g) where in the opinion of the Body Corporate any item of refuse is of such a size or nature that it cannot be conveniently removed by the Refuse Removal Services provided or arranged by the Body Corporate, the Body Corporate may give the person and/or entity wishing to dispose of such litter such directions for its disposal as it may deem fit.

#### **LITTERING**

106. An owner or occupier of a section shall not deposit, throw, or permit, or allow to be deposited or thrown on the common property, any rubbish, including dirt, cigarette butts, food scraps or any other litter whatsoever.

#### **LAUNDRY**

107. An owner or occupier of a section shall not, without the consent in writing of the trustees, erect his own washing lines, nor hang any washing or laundry or any other items on any part of the building or the common property so as to be visible from outside the buildings or from any other sections.

#### **ERADICATION OF PESTS**

108. An owner shall keep his section free of white ants, borer and other wood destroying insects and to this end shall permit the trustees, the managing agent, and their duly authorised agents or employees, to enter upon his section from time to time for the purpose of inspecting the section and taking such action as may be reasonably necessary to eradicate any such pests. The costs of the inspection, eradicating any such pests as may be found within the section, replacement of any woodwork or other material forming part of such section which may be damaged by any such pests shall be borne by the owner of the section concerned.

#### **CLEANING SERVICES & DOMESTIC EMPLOYEES**

109. Any owner /occupier wishing to employ cleaning services must ensure their compliance with any statutory laws and conduct rules pertaining to the development. Any member employing cleaning services shall be liable to the Body Corporate for such conduct and behaviour within the development.

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110. An owner shall :

- (i) be responsible for the activities and conduct of his domestic employees and shall ensure that his domestic employees understand and that they do not breach any rules, legislation or by-laws which may affect the sectional title scheme;
- (ii) ensure that his domestic servants do not loiter on the common property or apply to other owners or occupiers of sections for work or donations without the consent of such other owner or occupiers.

111. Any owner or occupier of a section whose domestic employee consistently fails to abide by these conduct rules may be required to remove such domestic employee from the property if so instructed by the trustees.

#### **GARDEN**

112. No plant or flower may be picked from nor any damage caused to the planters or gardens on the common property.

#### **FURNITURE REMOVAL**

113. Moving of furniture or any heavy or bulky articles through the foyer must be done by prior arrangement with the trustees or supervisor who can monitor that no damage is done to the foyer doors.

#### **FIRE HYDRANTS**

114. Fire hydrants may not be removed, damaged or tampered with. Offenders will be held liable for cost of repair and/or replacement if necessary

#### **M-NET & DSTV INSTALLATION**

115. If an M-Net or DSTV system or alike or similar television receiving system is installed all owners will be liable for the monthly subscription costs charged as an additional amount to the levies charged on sections and exclusive use areas.

116. No Dishes may be installed. All occupants must connect their system to the communal satellite system.

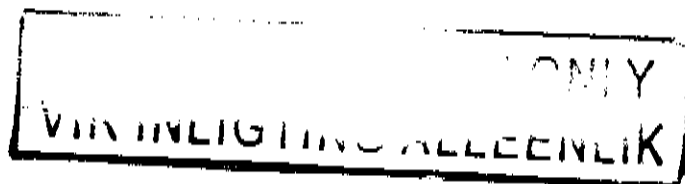
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## FACILITIES

117. The rules and directives for use of the facilities within the development, including but not limited to the following, lifts, garden areas and any additional facilities, shall be determined by the Body Corporate from time to time.
118. The Body Corporate under the Sectional Titles Act, and in terms of this clause, disclaims generally any responsibility for any injury to any person, damage, loss or theft of any property belonging to any person, which occurs or arises within the development, as a result of use of the facilities, or otherwise, irrespective of the cause thereof.
119. No member, family, guests, invitees, employees or any other person who has entered the Building, either with or without the permission or consent of the Body Corporate, may make any claim or institute any action of whatsoever nature against the Body Corporate for payment of damages, loss or otherwise.
120. Persons using any other facilities provided within the building do so entirely at their own risk and the Body Corporate shall not be liable for any loss or damage of whatsoever nature arising out of the use by any person of any of the aforesaid facilities.
121. Any person entering any facility area does so entirely at his own risk and shall have no right to claim any damages of whatsoever nature from any person who, whilst using such facility unintentionally inflicts an injury to such person, provided further that such injured person shall have no right to claim of any damages of whatsoever nature from the Body Corporate arising out of suffering any injury whilst being within such sporting facility area.
122. All other facilities provided within the Building shall at all times be under the control of the Body Corporate and any duly appointed employee or official authorized by it, may order any person using such a facility to cease use thereof and leave/vacate such facility, if in the opinion of the duly appointed employee or official whose decision shall be final, that such person is guilty of generally behaving in an unacceptable manner according to the normal standards of behaviour that the body corporate requires and insists upon from all members.

## MAINTENANCE

123. All owners will be responsible for the upkeep and maintenance of their exclusive use areas



124. All owners will be responsible for their own air conditioning maintenance and repair.
125. Every member who is the owner of a section shall be obliged to keep and maintain his property in a good state of repair, due regard being had to the concept of the development being an up-market development.
126. A member who contravenes the provisions of this Rule and who after due written notice has been given to him by the Body Corporate to remedy such fault or omission fails to rectify, repair or remedy the same, shall be liable to pay any costs incurred by the Body Corporate in rectifying, repairing or remedying such fault or omission. In giving effect to this Rule the member may not refuse the Body Corporate or its duly appointed agent or employees entry into his/its property for the purposes of carrying out the provisions hereof.
127. In the case of all balconies and notwithstanding that they are included in the sections, the body corporate shall be responsible for the maintenance and repair of such balconies, but to the extent only that such maintenance and/or repair:

- (1) is occasioned by exposure to the elements, including without limitation, the ingress of rainwater and the like and / or problems encountered with waterproofing; and/or
- (2) involves the repairing of the exterior of the building or any part thereof (inclusive of all balcony walls, even if they might otherwise be regarded as being internal to the balcony itself);

in which event the costs incurred in so doing shall be recovered from the owners of all sections in accordance with the participation quotas, provided that this shall not apply where the need for the relevant maintenance and/or repair work is occasioned by an act or omission of a particular owner which amounts to a failure on his part to comply with his obligations in terms of the other provisions of the Act and/or the Management and/or Conduct Rules, or which would not fall within what would normally be regarded as fair wear and tear, in any of which events the relevant costs shall be recoverable from the owner concerned. No owner shall carry out any such maintenance and/or repair work himself, nor shall he repaint any part of the balcony included in his section.

#### ATTACHMENTS TO THE BUILDING

128. No owners shall place or allow to be placed in a section or any part thereof (or any part of the common property which he is entitled to occupy) any air conditioning equipment, or apparatus, or television aerial or equipment which requires attachment to the structure of the building, except with the prior written consent of the trustees, who in giving such consent may

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impose such conditions as to the method of installation, type, specification, position, colour and removal thereof as they in their absolute discretion shall deem fit.

#### **DAMAGE, ALTERATIONS OR ADDITIONS TO THE COMMON PROPERTY**

129. (1) No duty shall be placed upon any owners in regard to the provision of any improvement on or to the common property unless a proposal to make such improvement has been approved by a special resolution at a general meeting of owners of sections or unless the relevant portion of the common property has in terms of any agreement with the body corporate or of any provision of the rules been reserved for or allocated to the private use of an owner.
- (2) An owner or occupier of a section shall not mark, paint, drive nails or screws or the like into, or otherwise damage, or alter, any part of the common property without first obtaining the written consent of the trustees.
- (3) Notwithstanding sub-rule (1), an owner or person authorised by him, may install—
- (a) any locking devise, safety gate, burglar bars or other safety device for the protection of his section; or
  - (b) any screen or other device to prevent the entry of animals or insects:

Provided that the trustees have first approved in writing the nature and design of the device, and the manner of its installation.

#### **APPEARANCE FROM OUTSIDE**

130. The owner or occupier of a section shall not place or do anything on any part of the common property, including balconies, patios, stoeps, passage ways and gardens which, in the discretion of the trustees, is aesthetically displeasing or undesirable when viewed from the outside of the section.

#### **SIGNS AND NOTICES**

131. No owner or occupier of a section, shall place any sign, notice, billboard or advertisement of any kind whatsoever on any part of the common property or of a section, so as to be visible from outside the section, without the written consent of the trustees first having being obtained.
132. All external signage shall be subject to the approval of the Trustees of the Body Corporate or its duly appointed representative, whose approval in writing must first be

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obtained prior to erection of any such sign. Neon or back-lit signs, if permitted, must be connected to the owners power supply and must comply with Local Authority requirements.

133. The developer will be entitled to erect and display advertising sign/s on the property until such time as all units in the development have been sold or let.

#### **STORAGE OF INFLAMMATORY MATERIAL AND OTHER DANGEROUS ACTS**

134. An owner or occupier shall not store any material, or do or permit or allow to be done, any other dangerous act in the building or on the common property which will or may increase the rate of the premium payable by the body corporate on any insurance policy.
135. No person shall keep anywhere in the development any inflammable substance provided however that this rule shall not apply to the keeping of such substances and in such quantities as may be required for the reasonable use of said substance regarding cleaning purposes.

#### **INSURANCE**

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136. The Body Corporate shall have no responsibility whatsoever for the insurance of the contents of any particular section, which shall at all times be the sole responsibility of the owner in question.-
137. An owner shall not do or permit to be done in his section or on the common property anything which will or may increase the rate of premium payable by the body corporate on any insurance policy or which may tend to vitiate any such insurance policy.
138. An owner shall not store or harbour upon the common property or any part thereof or in his section any goods which may invalidate any fire insurance policy held by the body corporate or increase the premium payable in respect of such policy.
139. The cost of any excess amount due following a claim on a specific section, will be borne by the owner of that section. Excess amounts on the common property will be borne by the Body Corporate.

#### **HAZARDS**

140. An owner shall take all such precautions as are possible, having regard to the plumbing system of the building, to avoid damage to other sections or any other part of the common property by the penetration of water through the walls or floors of their sections.

**SECURITY**

141. Unauthorised traders, hawkers or others found causing a nuisance on the premises should be reported to one of the trustees of the Body Corporate.
142. Access is not granted to unknown persons. Owners must ensure that they have sufficient keys or access tags in order not to disturb neighbours when letting visitors in.
143. Owners must be vigilant and report any suspicious persons/behaviour to the Trustees or armed response.
144. The body corporate may suspend any access cards / discs ext. issued to an owner, occupier, guest, contractor or unit should there be any breach of management or conduct rules.

**BREACH OF RULES**

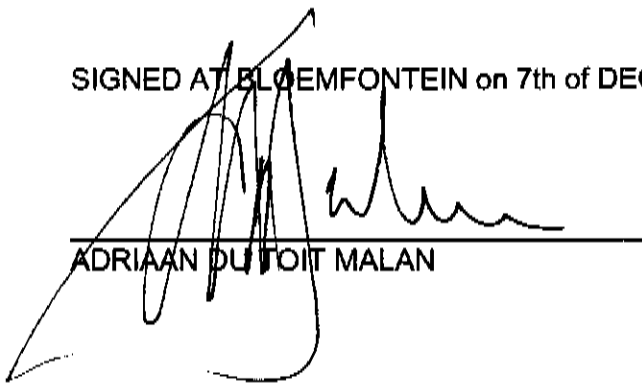
145. In the event of any breach of these rules by the members of any members household, his guests, lessees and/or employees such breach shall be deemed to have been committed by the member himself/itself.
146. Notice of breach of rules will be deemed to have been duly given if such breach notice is sent to the member's address, by either affixing such notice to a prominent fixture on the property or by placing the notice in the members appointed post/letter box or by means of a registered address sent to the address. The onus shall rest on the member to inform the managing agents of any change in his postal address or domicilium.
147. In the event of any member disputing the fact that he has committed a breach of these rules, a Committee consisting of the Chairman together with two other members appointed by the Body Corporate from time to time, shall adjudicate upon the issue at such time and in such manner and according to such procedure (provided that natural justice shall be observed) as the Chairman may direct.
148. Any person who contravenes or fails to comply with any provision of these Rules, or any condition or direction given in terms thereof, shall be deemed to have breached these Rules and will be liable to a penalty not exceeding R5 000.00 (FIVE THOUDSAND RAND AND NIL CENT) which penalty shall be decided upon by a fining committee.
149. In the event of the Body Corporate instituting any legal action or proceedings against an owner as a result of any breach of the management, conduct and/or house rules, or in

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terms thereof, such owner shall be liable to pay, in addition to party and party costs, all attorney and client fees and disbursements on the scale as between Attorney and own client, including collection commission, on a scale as determined by the Law Society from time to time.

150. Owners shall be liable for interest on outstanding amounts, including capitalized interest, at a rate determined by the Trustees from time to time, but not exceeding the maximum annual rate permitted by law. Interest calculated at the determined rate is recoverable from the date on which the amount is due and payable to the date of payment, provided that any portion of a month will be regarded as a full calendar month for the purposes of this calculation.

SIGNED AT BLOEMFONTEIN on 7th of DECEMBER 2011



ADRIAAN DUTOIT MALAN

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