

MANAGEMENT RULES

Prescribed in terms of section 10(2)(a) of the Sectional Titles Schemes Management Act
(Act No. 8 of 2011)

1. Interpretation

1 In the interpretation of these rules, unless the context indicates otherwise —

- (a) **"adjudicator"** means an adjudicator acting in terms of the Community Schemes Ombud Service Act, 2011 (Act No. 9 of 2011);
- (b) **"administrator"** means an administrator appointed in terms of section 16 of the Act;
- (c) **"auditor"** means a person accredited to perform an audit in terms of the Auditing Professions Act, 2005 (Act No. 26 of 2005);
- (d) **"Community Schemes Ombud Service"** means the service established in terms of the Community Scheme Ombud Service Act, 2011 (Act No. 9 of 2011);
- (e) **"estimated cost"**, for the purposes of rule 22, means the estimated cost to maintain, repair or replace a major capital item;
- (f) **"expected life"**, for the purposes of rule 22, means the estimated number of years before it is expected that the cost of maintenance, repair or replacement of a major capital item will be incurred;
- (g) **"executive managing agent"** means a managing agent appointed to carry out all the functions and powers of the trustees in terms of rule 28;
- (h) **"future development right"** means a right to extend the scheme in terms of section 25 of the Sectional Titles Act;
- (i) **"major capital item"**, for the purposes of rule 22, means wiring, lighting and electrical systems, plumbing, drainage and storm-water systems, heating and cooling systems, any lifts, any carpeting and furnishings, roofing, interior and exterior painting and waterproofing, communication and service supply systems, parking facilities, roadways and paved areas, security systems and facilities and any other community and recreational facilities;
- (j) **"managing agent"** means any person who provides management services to a body corporate for reward, whether monetary or otherwise, including any person who is employed to render such services;
- (k) **"member"** means a member of the body corporate;

- (l) **"past contribution"**, for the purposes of rule 22, means the funds in the reserve fund of the body corporate in respect of the estimated cost;
- (m) **"primary section"** means a section designed to be used for human occupation as a residence, office, shop, factory or for any other type of use allowed in terms of local municipal by-laws, not being a utility section;
- (n) **"registered auditor"** means a person as defined in terms of the Auditing Professions Act, 2015 (Act No. 26 of 2005)
- (o) **"registered bondholder"** means the holder of a mortgage bond of whom the body corporate has been notified in terms of section 13(1)(f) of the Act;
- (p) **"reserve funds"** means an amount set aside by the body corporate to meet the unexpected costs that may arise in future, including future cost of maintenance;
- (q) **"Sectional Titles Act"** means the Sectional Titles Act, 1986, (Act No. 95 of 1986), as amended;
- (r) **"service address"** means the service address of a member or the body corporate in terms of rule 4; and
- (s) **"the Act"** means the Sectional Titles Schemes Management Act, 2011 (Act No. 8 of 2011);
- (t) **"utility section"** means a section which, in terms of local municipality by- laws, is designed to be used as an accessory to a primary section, such as a bathroom, toilet, storeroom, workshop, shed, servant's quarters, parking garage, parking bay or other utility area, not being a primary section.

2 In the interpretation of these rules —

- (a) words and expressions to which a meaning has been assigned in the Act or its regulations, bear those meanings;
- (b) words importing—
 - (i) the singular must be interpreted to include the plural, and the plural to include the singular; and
 - (ii) any one gender must be interpreted to include all other genders; and
- (c) the headings of rules must not be taken into account.

2. Amendment and binding nature

- 1 The body corporate may substitute, amend, repeal, or add to the management rules subject to and in accordance with the provisions of section 10 of the Act.
- 2 A member must take all reasonable steps to ensure compliance with the conduct rules in force

in terms of section 10(2)(b) of the Act by any tenant or other occupant of any section or exclusive use area, including the Member's employees, tenants, guests, visitors and family members.

3. Service addresses

1 The body corporate must, from time to time, determine the address that is its *domicilium citandi et executandi* in terms of section 3(1)(o) of the Act; provided that such service address must be—

- (a) the physical address of a section in the scheme;
- (b) the physical address of a duly appointed managing agent or administrator; or
- (c) another physical address within the magisterial district in which the scheme is located.

2 The trustees may designate a fax, email or other address as an alternate body corporate service address.

3 A change of a body corporate service address is effective when written notice of that address is lodged with the Community Schemes Ombud Service in the prescribed form.

4 The trustees must, when they give the Community Schemes Ombud Service notice of a change of the body corporate service address in terms of section 3(1)(o) of the Act, simultaneously give such written notice to all members and other occupiers of sections and to all registered bondholders.

5 The service address for any legal process or delivery of any other document to a member is the address of the primary section registered in that member's name; provided that a member is entitled by written notice to the body corporate to change that address for purposes as contemplated in subsections 6(3)(c) and 6(4) of the Act to another physical, postal or fax address in the Republic of South Africa or to an email address, and that the change in the service address of the member is effective when the body corporate receives notice of such a change.

6 The service address for any legal process or delivery of any other document to an occupier of a section, who is not a member, is the physical address of that section.

PART 2 - TRUSTEES

4. Trustees

1 All the members are trustees from the establishment of the body corporate until the end of the

first general meeting.

2 Subject to rules 6(4) and 28(1), if a body corporate consists of less than 4 members who are owners of primary sections, each member or his or her representative recognised by law considered to be a trustee without election to office.

3 If a body corporate consists of more than 4 members who are owners of primary sections, they must from time to time determine the number of trustees to be elected in terms of these rules.

5. Requirements for office and disqualification

1 A trustee need not be a member or the legally recognised representative of a member who is a juristic person.

2 A person who is the managing agent or an employee of the managing agent or the body corporate may not be a trustee unless that person is a member.

3 A trustee who has any direct or indirect personal interest in any matter to be considered by the trustees must not be present at or play any part in the consideration or decision of the matter concerned.

4 A trustee ceases to hold office if that trustee—

- (a) by written notice to the body corporate, resigns from office;
- (b) is declared by a court to be of unsound mind;
- (c) is or becomes insolvent and the insolvency results in the sequestration of that trustee's estate;
- (d) is convicted, in the Republic or elsewhere, of theft, fraud, forgery, perjury or any other offence involving dishonesty;
- (e) is sentenced to imprisonment without the option of a fine;
- (f) is removed from an office of trust on account of misconduct in respect of fraud or the misappropriation of money;
- (g) is removed from office by ordinary resolution of a general meeting; provided the intention to vote on the proposed removal was specified in the notice convening the meeting;
- (h) is or becomes disqualified to hold office as a director of a company in terms of the Companies Act, 2008 (Act No. 71 of 2008); or
- (i) fails or refuses to pay the body corporate any amount due by that trustee after a court or adjudicator has given a judgment or order for payment of that amount.

6. Nomination, election and replacement

- 1 A member may nominate any person for the office of trustee.
- 2 The nomination of a trustee must be in writing, accompanied by the written consent of the person nominated and delivered to the body corporate service address at least 48 hours before the annual general meeting is due to start.
- 3 If an insufficient number of nominations are received in terms of sub-rule (2), further nominations may be called for at the annual general meeting with the consent of the persons nominated.
- 4 Save for the provisions of rules 5(1) and (2), trustees must be elected at the first general meeting of the body corporate and then at each subsequent annual general meeting.
- 5 If a trustee ceases to hold office —
 - (a) the remaining trustees; or
 - (b) the members in general meeting, may appoint a replacement trustee.
- 6 An elected or replacement trustee holds office until the end of the next annual general meeting and is eligible for re-election, if properly nominated.
- 7 The trustees may appoint, for a specified period, a person qualified to serve as a trustee as a replacement for any trustee who is absent or otherwise unable to perform the duties of that office.

7. Payment and indemnity

- 1 The body corporate must reimburse trustees for all disbursements and expenses actually and reasonably incurred by them in carrying out their duties and exercising their powers.
- 2 Unless so determined by special resolution, trustees who are members are not entitled to any reward, whether monetary or otherwise, for their services as such.
- 3 Trustees who are not members may be rewarded for their services as such; provided that any reward, whether monetary or otherwise, must be approved by a resolution of the body corporate as part of the budget for the scheme's administrative fund.

- 4 The body corporate must indemnify a trustee who is not a managing agent against all costs, losses and expenses arising as a result of any official act that is not in breach of the trustee's fiduciary obligations to the body corporate.

PART 3 - TRUSTEE MEETINGS AND DECISIONS

8. General powers and duties

1 The trustees must—

- (a) meet to carry out the body corporate's business, adjourn and otherwise regulate their meetings as they think fit, subject to the provisions of the Act, these rules and the common law of meetings;
- (b) exercise the body corporate's powers and functions assigned and delegated to them in terms of section 7(1) of the Act in accordance with resolutions taken at general meetings and at meetings of trustees;
- (c) apply the body corporate's funds in accordance with budgets approved by members in general meeting;
- (d) appoint any agent or employee in terms of section 4(a) of the Act in terms of a duly signed written contract; and
- (e) compile minutes of each trustee and general meeting in accordance with rule 27(2) (a) and distribute these to the persons entitled to notice of the meeting concerned as soon as reasonably possible, but not later than 7 days after the date of the meeting.

9. Validity of actions

1 No document signed on behalf of the body corporate is valid and binding unless it is signed on the authority of a trustee resolution by —

- (a) two trustees or the managing agent, in the case of a clearance certificate issued by the body corporate in terms of section 15B(3)(i)(aa) of the Sectional Titles Act; and
- (b) two trustees or one trustee and the managing agent, in the case of any other document.

2 A resolution adopted or other act performed by the trustees remains valid and effective notwithstanding the later discovery of some defect in the appointment of a trustee or the disqualification of a trustee.

10. Calling and attendance at meetings

- 1 A trustee may at any time call a meeting of trustees by giving all other trustees not less than seven days written notice of the time and place of the meeting and by setting out an agenda for the meeting: Provided that —
 - (a) in cases of urgency a trustee may give such shorter notice as is reasonable in the circumstances; and
 - (b) notice need not be given to any trustee who is absent from the Republic unless the meeting is one referred to in sub-rule (5), but notice must be given to any replacement trustee appointed for that trustee.

- 2 The trustees may by written resolution set the dates of and a standard agenda for their future meetings and delivery of a copy of this resolution is considered adequate notice of all such future meetings.

- 3 Members, registered bondholders, holders of future development rights and the managing agent may attend trustee meetings and may speak on any matter on the agenda, but they are not entitled to propose any motion or to vote; provided that such persons are not entitled to attend those parts of trustee meetings that deal with —
 - (a) discussions of contraventions of the Act or rules; or
 - (b) any other matters in respect of which the trustees resolve that the presence of any such persons would unreasonably interfere with the interests of the body corporate or any person's privacy.

- 4 If a member, a registered mortgagee or the holder of a future development right in writing requests notice of trustee meetings, the trustees must deliver to that person a copy of a notice of a meeting referred to in sub-rule (1), a resolution referred to in sub-rule (2) and a notice of any adjournment of such a meeting; provided that the body corporate may recover from the person concerned the costs of delivery of such documents.

- 5 The trustees may make arrangements for attendance at a trustee meeting by telephone or any other method, if the method —
 - (a) is accessible to all trustees and other persons entitled to attend the meeting;
 - (b) permits all persons participating in the meeting to communicate with each other during the meeting; and
 - (c) permits the chairperson to confirm, with reasonable certainty, the identity of the participants.

6 A person who attends a meeting as provided under sub-rule 5 is considered present in person at the meeting.

11. Chairperson

1 If a body corporate consists of only two members, the provisions in these rules in regard to the election and functions of a chairperson do not apply.

2 From the establishment of the body corporate until the end of the first general meeting, the developer or the developer's nominee is the chairperson of the trustees.

3 At the commencement of the first meeting of trustees after an annual general meeting at which trustees have been elected and whenever else necessary, the trustees must by majority vote elect a chairperson from among their number.

4 The chairperson of the trustees holds office as such until the end of the next annual general meeting.

5 The trustees at a trustees' meeting or the members at a general meeting may remove the chairperson from office if notice of the meeting contains a clear statement of the proposed removal; provided that such removal does not automatically remove the chairperson from the office of trustee.

6 If a chairperson is removed from office as such or ceases to hold office as a trustee, the remaining trustees must elect a replacement chairperson from among their number who holds office as chairperson for the remainder of the period of office of his or her predecessor and has the same voting rights.

7 If the elected chairperson vacates the chair during the course of a trustee meeting, is not present or is for any other reason unable or unwilling to preside, the trustees present must choose another chairperson from among their number and that replacement chairperson has all the powers and functions of the chairperson while acting as such.

12. Quorum

1 At a trustee meeting, 50 per cent of the trustees by number, but not less than two, 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 to -
 - (a) appoint replacement trustees to make up a quorum; or
 - (b) call a general meeting.
- 3 If at any trustee meeting a quorum is not present within 30 minutes of the appointed time for the meeting, the trustees present, but not less than two, must adopt interim resolutions in respect of each item on the agenda.
- 4 An interim resolution adopted by trustees in terms of sub- rule (3) does not take effect unless it is confirmed -
 - (a) at the next trustee meeting at which a quorum is present; or
 - (b) by written resolution signed by all the trustees.

13. Voting

- 1 A motion at a trustee meeting —
 - (a) does not have to be seconded; and
 - (b) must be determined by resolution adopted by the majority of the trustees present and voting.
- 2 Each trustee is entitled to one vote; provided that if the deliberative votes of the trustees, including that of the chairperson, are tied, the chairperson has a casting vote, unless there are only two trustees.
- 3 A trustee is disqualified from voting in respect of -
 - (a) any proposed or current contract or dispute with the body corporate to which the trustee is a party; and
 - (b) any other matter in which the trustee has any direct or indirect personal interest.
- 4 Trustees must adopt decisions by resolutions adopted by majority vote: Provided that resolutions may be put to the vote -

- (a) at trustee meetings; or
- (b) by a notice sent to each trustee which contains the text of any proposed resolutions and instructs the trustees to indicate their agreement to the resolution by their signature, which signatures must be received by the body corporate before expiry of the closing date specified in the notice.

PART 4 - OWNER MEETINGS

14. Notice

- 1 Subject to sub-rule (7), at least 14 days' written notice of a general meeting specifying the place, date and hour of the meeting must be given to -
 - (a) all members;
 - (b) all registered bondholders;
 - (c) all holders of future development rights; and
 - (d) the managing agent.
- 2 A person who has a right to be notified under this rule may waive that right by notice in writing delivered to the body corporate and may, at any time and in the same way, revoke that waiver; provided that if two or more persons are jointly entitled to exercise a vote, all of them must waive the right to notice and any of them may revoke that waiver.
- 3 The notice of a general meeting must be accompanied by at least -
 - (a) an agenda, as required in terms of these rules;
 - (b) a copy or comprehensive summary of any document that is to be considered or approved by members at the meeting; and
 - (c) a proxy appointment form in the prescribed format.
- 4 A general meeting must be held in the local municipal area where the scheme is situated unless the members have by special resolution decided otherwise.
- 5 Registered bondholders, holders of future development rights and the managing agent may attend general meetings and may speak on any matter on the agenda, but they are not, in those capacities, entitled to propose any motion or to vote; provided that such persons are not entitled to attend any part of a general meeting if the members resolve that their presence would unreasonably interfere with the interests of the body corporate or any person's privacy.

- 6 Notice of a general meeting must be delivered to -
- (a) members at their service addresses in terms of rule 4(5), and
 - (b) other persons at the most recent physical, postal, fax or email address of which they have notified the body corporate in writing.
- 7 A general meeting may be called -
- (a) on 7 days' notice if the trustees have resolved that short notice is necessary due to the urgency of the matter and set out their reasons for this resolution; provided that the trustees must not take such a resolution in regard to a meeting referred to in rule 29(2) or (4);
 - (b) on less than 14 days notice, if this is agreed to in writing by all persons entitled to attend.
- 8 Failure to give proper notice of a general meeting to a person entitled to receive notice does not invalidate a vote taken at the meeting, as long as the body corporate made a reasonable attempt to give the notice.
- 9 Voting at a general meeting may proceed despite the lack of notice as required by this rule, if all persons entitled to receive notice in writing waive their right to notice.

15. First general meeting

- 1 The developer must include with the notice of the first general meeting held in terms of section 2(8) of the Act —
- (a) an agenda in accordance with sub-rule (2);
 - (b) the documents referred to in sub-rule (2); and
 - (c) a comprehensive summary of the rights and obligations of the body corporate under the policies and contracts referred to in sub-rule (2)(d).
- 2 The agenda for the first general meeting of members must include at least the following —
- (a) a motion to confirm or vary the terms of the policies of insurance effected by the developer or the body corporate;
 - (b) a motion to confirm or vary an itemised estimate of the body corporate's anticipated income and expenses for its first financial year;
 - (c) a motion to approve, with or without amendment, the developer's —

- (i) evidence of revenue and expenditure concerning the management of the scheme from the date of the first occupation of any unit until the date of the establishment of the body corporate, as required in terms of section 2(8)(c)(iii) of the Act; and
- (ii) financial statements relating to the management and administration of the scheme from the date of establishment of the body corporate to the date of notice of the first general meeting referred to in sub- rule (1);
- (d) subject to section 15(2) of the Act, a motion to ratify or not to ratify the terms of any contract entered into by the developer on behalf of the body corporate;
- (e) a motion confirming that the developer has —
 - (i) furnished the meeting with copies of the documents referred to in section 2(8) of the Act and in this rule; and
 - (ii) paid over any residue referred to in section 2(9) of the Act;
- (f) a motion appointing an auditor to audit the evidence and financial statements referred to in sub-rule 2(c);
- (g) motions determining the number of trustees and electing trustees;
- (h) a motion detailing any restrictions to be imposed or directions to be given in terms of section 7(1) of the Act or confirming that there are no such restrictions or directions.

3 For the purposes of voting on the items of business referred to in sub-rule (2)(c), (d) and (e), any vote held or controlled by the developer is suspended.

4 In addition to the documents referred to in section 2(8) of the Act, the developer must at or before the first general meeting furnish the body corporate with copies of —

- (a) all building plans approved by the local municipality;
- (b) any encroachment permit or other document issued by the local municipality in regard to the improvements in the scheme;
- (c) plans showing the location of all pipes, wires, cables and ducts referred to in section (3)(1)(r) of the Act;
- (d) names and addresses of all contractors, subcontractors and any other persons whom the developer has employed to render services or supply materials relating to the development of the scheme;
- (e) all warranties, manuals, schematic drawings, operating instructions, service guides, documentation from manufacturers and other similar information in respect of the construction, installation, operation, maintenance, repair and servicing of any common property or body corporate assets, including any guarantee or warranty provided to the developer by a person referred to in (d); and

(f) all records the body corporate is required to prepare or retain in terms of rule 27.

5 If the developer fails to provide the body corporate with any document referred to in section 2(8) of the Act or in this rule, the body corporate must do all things reasonably necessary to obtain or have the specific document prepared and may recover the reasonable costs incurred in doing so from the developer.

6 If the developer fails to call the first general meeting in compliance with the requirements of section 2(8) of the Act, any member or the body corporate may do so and the body corporate must recover from the developer all costs reasonably incurred in ensuring compliance with the developer's obligations.

16. Annual and special general meetings

(a) Subject to sub-rule (2), the body corporate must hold an annual general meeting within four months of the end of each financial year.

(b) The body corporate is not obliged to hold an annual general meeting if, before or within one month of the end of a financial year, all members in writing waive the right to the meeting and consent in writing to motions that deal with all the items of business that must be transacted at the annual general meeting; provided that if two or more persons are jointly entitled to exercise a vote, all of them must waive the right to the meeting and consent to the resolutions in writing.

(c) All general meetings other than the annual general meeting are special general meetings.

(d) The trustees may by resolution call a general meeting whenever they think fit and must do so if either—

(a) members entitled to 25 per cent of the total quotas of all sections; or

(b) the holder of mortgage bonds over not less than 25 per cent in number of all the primary sections, deliver to the body corporate a written and signed request for a special general meeting; provided that if the trustees fail to call a meeting thus requested within 14 days of delivery of the request, the members or bondholder concerned are entitled to call the meeting.

(e) Members or a bondholder who request a meeting in terms of sub-rule (4) must include one or more motions or matters for discussion with their request and these motions or matters must be

included, without amendment, in the agenda for the meeting.

- (f) The order of business at general meetings is as follows:
- (a) confirm proxies, nominees and other persons representing members and issue voting cards;
 - (b) determine that there is a quorum;
 - (c) elect a person to chair the meeting, if necessary;
 - (d) present to the meeting proof of notice of the meeting or waivers of notice;
 - (e) approve the agenda;
 - (f) approve minutes from the previous general meeting, if any;
 - (g) deal with unfinished business, if any;
 - (h) deal with any business referred to in sub-rule (5);
 - (i) if the meeting is the first general meeting referred to in section 2(8) of the Act, deal with the business set out in rule 16(2);
 - (j) if the meeting is an annual general meeting —
 - (i) receive reports of the activities and decisions of trustees since the previous general meeting, including reports of committees;
 - (ii) approve the schedules of insurance replacement values referred to in rule 23(3), with or without amendment;
 - (iii) determine the extent of the insurance cover by the body corporate in terms of rules 23(6), (7) and (8);
 - (iv) approve the budgets for the administrative and reserve funds for the next financial year;
 - (v) consider the annual financial statements;
 - (vi) appoint an auditor to audit the annual financial statements, unless all the sections in the scheme are registered in the name of one person;
 - (vii) if the body corporate has more than four members who are owners of primary sections and is not managed by an executive managing agent in terms of rule 28, determine the number of trustees to be elected to serve during the next financial year; and
 - (viii) elect the trustees;
 - (k) report on the lodgment of any amendments to the scheme's rules adopted by the body corporate under section 10 of the Act and, if applicable, table a consolidated set of scheme rules;
 - (l) deal with any new or further business;
 - (m) give directions or impose restrictions referred to in section 7(1) of the Act; and

- (n) dissolve the meeting.
- (g) Subject to sub-rules (5) and (6), the trustees determine the agenda for an annual or special general meeting; provided that the agenda must contain—

 - (a) a description of the general nature of all business, and
 - (b) a description of the matters that will be voted on at the meeting, including the proposed wording of any special or unanimous resolution.
- (h) If any of the items of business that require member approval are not approved at an annual general meeting or any adjournment of the meeting; the resolution not to approve the relevant document must include the reasons for non-approval and the body corporate must have the document revised and submitted to another general meeting for approval as soon as reasonably possible, until it is approved
- (i) The body corporate does not have to hold a special general meeting to consider a resolution if all members waive the right to the meeting and consent to the resolution in writing; provided that if two or more persons are jointly entitled to exercise a vote, all of them must waive the right to the meeting and consent to the resolution in writing.
- (j) A body corporate may make arrangements for attendance at an annual or special general meeting by telephone or any other method, if the method—

 - (a) is accessible to all members and other persons entitled to attend the meeting;
 - (b) permits all persons participating in the meeting to communicate with each other during the meeting; and
 - (c) permits the chairperson to confirm, with reasonable certainty, the identity of the participants.
- (k) A person who attends a meeting as provided under sub-rule (10) is considered present in person at the meeting.

17. Chairperson

- 1 The chairperson of the trustees must preside as chairperson at every general meeting of the body corporate, unless otherwise resolved by members at the meeting.
- 2 If there is no chairperson or the chairperson of the trustees is not present within 15 minutes after the time appointed for the meeting, or is unwilling or unable to act as chairperson, the

members present must elect a chairperson for such meeting.

3 A chairperson must—

- (a) maintain order, regulate the orderly expression of views and guide the members and other participants through the business of the meeting in accordance with the common law of meetings;
- (b) ensure that all motions and amendments proposed are within the scope of the notice and powers of the meeting;
- (c) ensure that the scheme's rules, the minute books and any other documents relevant to the items of business on the agenda are available at the meeting;
- (d) act fairly, impartially and courteously to all members and others entitled to attend the meeting;
- (e) ensure that all members and other persons entitled to speak are able to express their views without unnecessary disturbance or interruption;
- (f) adjourn the meeting, when it is not able to complete or continue with its business;
- (g) make decisions on points of procedure;
- (h) settle disputes by giving rulings on points of order; and
- (i) surrender the chair to a temporary chairperson elected by the members for any period during which the chairperson wishes to engage in the debate of any item of business.

4 A chairperson at a general meeting must not—

- (a) from the chair, attempt to influence members' views on any item of business; or
- (b) disclose in advance of a vote how the chairperson intends to vote on any item of business.

18. Quorum

1 Business must not be transacted at any general meeting unless a quorum is present or represented.

2 A quorum for a general meeting is constituted—

- (a) for a scheme with less than 4 primary sections or a body corporate with less than four members, by members entitled to vote and holding two thirds of the total votes of members in value;
- (b) for any other scheme, by members entitled to vote and holding one third of the total votes of members in value, provided that at least two persons must be present unless

all the sections in the scheme are registered in the name of one person, and provided further that in calculating the value of votes required to constitute a quorum, the value of votes of the developer must not be taken into account.

3 For the purpose of establishing a quorum and for the purposes of section 6 of the Act, the value of votes of any sections registered in the name of the body corporate must not be taken into account and the body corporate must not be considered to be a member.

4 If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting stands adjourned to the same day in the next week at the same place and time; provided that if on the day to which the meeting is adjourned a quorum as described in sub-rule (2) is not present within 30 minutes from the time appointed for the meeting, the members entitled to vote and present in person or by proxy constitute a quorum.

19. Voting and representatives

1 A motion at a general meeting -

(a) does not need to be seconded; and

(b) except for a special or unanimous resolution, must be adopted by resolution of the majority of the votes, calculated in value, of the members present and voting.

2 Except for special and unanimous resolutions, a member is not entitled to vote if -

(a) a member fails or refuses to pay the body corporate any amount due by that member after a court or adjudicator has given a judgment or order for payment of that amount; or

(b) that member persists in the breach of any of the conduct rules of the scheme referred to in section 10(2)(b) of the Act after a court or an adjudicator has ordered that member to refrain from breaching such rule.

3 For the purposes of any vote, the values of votes of any sections registered in the name of the body corporate are considered abstentions.

4 Where a member is as such a trustee for a beneficiary, that member exercises voting rights to the exclusion of persons beneficially interested in the trust and such persons are not entitled to vote.

- 5 A member's appointment of a proxy in terms of section 6(5) of the Act and the proxy's acceptance of the mandate must, except in the case of an appointment in a mortgage bond, be substantially in the prescribed form and must be—
- (a) delivered to the body corporate 48 hours before the time of the meeting; or
 - (b) handed to the chairperson before or at the start of the meeting.
- 6 A proxy need not be a member, but must not be the managing agent or an employee of the managing agent or the body corporate.
- 7 When two or more persons are entitled to exercise one vote jointly, that vote may be exercised only by one person, who may or may not be one of them, jointly appointed by them as their proxy.
- 8 The outcome of each vote, including the number of votes for and against the resolution, must be announced by the chairperson and recorded in the minutes of the meeting.
- 9 If a special resolution is passed at a general meeting by members holding less than 50 per cent of the total value of all members' votes -
- (a) the body corporate must not take any action to implement that resolution for one week after the meeting, unless the trustees resolve that there are reasonable grounds to believe that immediate action is necessary to ensure safety or prevent significant loss or damage to the scheme; and
 - (b) within seven days from a resolution referred to in paragraph (a), members holding at least 25 per cent of the total votes of all members in value may, by written and signed request delivered to the body corporate, require that the body corporate hold a special general meeting to reconsider the resolution.
- 10 If a demand referred to in sub-rule (9)(b) is delivered to the body corporate, the trustees must not implement the resolution unless -
- (a) it is again passed by special resolution; or
 - (b) a quorum is not present within 30 minutes of the time set for the meeting.

PART 5 – FINANCIAL MANAGEMENT

20. Financial year, functions and powers

- 1 The financial year of a body corporate established after the Act comes into operation must run from the first day of October of each year to the last day of September of the following year unless otherwise resolved by the body corporate in general meeting.
- 2 The body corporate must not—
 - (a) make loans from body corporate funds without the authority of a unanimous resolution;
 - (b) refund to any member a contribution lawfully levied and paid;
 - (c) distribute to a member or any other person any portion of the body corporate's profits or gains except—
 - (i) upon destruction or deemed destruction of the buildings, or
 - (ii) where such profit or gain is of a capital nature.
- 3 The body corporate may, on the authority of a written trustee resolution—
 - (a) levy members with a special contribution if additional income is required to meet a necessary expense that cannot reasonably be delayed until provided for in the budget for the next financial year;
 - (b) increase the contributions due by the members by a maximum of 10 per cent at the end of a financial year to take account of the anticipated increased liabilities of the body corporate, which increase will remain effective until members receive notice of the contributions due by them for the next financial year; provided that the trustees must give members notice of such increased contributions by notice in terms of rule 25, with such changes as are required by the context;
 - (c) charge interest on any overdue amount payable by a member to the body corporate; provided that the interest rate must not exceed the maximum rate of interest payable per annum under the Prescribed Rate of Interest Act, 1975 (No. 55 of 1975), compounded monthly in arrear;
 - (d) invest any moneys in the reserve fund referred to in sections 3(1)(b) of the Act in a secure investment with any institution referred to in the definition of "financial institution" in section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990);
 - (e) enter into written and signed contracts in respect of its powers and duties under the Act and these rules;
 - (f) join organisations and subscribe to services to further its purposes under the Act and these rules;
 - (g) delegate to one or more of the trustees, to a member, agent or an employee such of

their powers and duties as they deem fit, and at any time to revoke such delegation; provided that when they delegate any power or duty they must specify in writing—

- (i) the power or duty concerned;
 - (ii) a maximum amount of the body corporate's funds that may be spent for a particular purpose; and
 - (iii) any conditions that may be applicable; and
- (h) approach the Community Scheme Ombud Service for relief.

4 The body corporate must ensure that all money received by the body corporate is deposited to the credit of an interest-bearing bank account—

- (a) in the name of the body corporate; or
- (b) that is a trust account opened in terms of either the Estate Agency Affairs Act, 1976 (Act No. 112 of 1976), or the Attorneys Act, 1979 (Act No. 53 of 1979).

21. Maintenance, repair and replacement plan

1 A body corporate must prepare a written maintenance, repair and replacement plan for the common property, setting out—

- (a) the major capital items expected to require maintenance, repair and replacement within the next 10 years;
- (b) the present condition or state of repair of those items;
- (c) the time when those items or components of those items will need to be maintained, repaired or replaced;
- (d) the estimated cost of the maintenance, repair and replacement of those items or components;
- (e) the expected life of those items or components once maintained, repaired or replaced; and
- (f) any other information the body corporate considers relevant.

2 The annual contribution to the reserve fund for the maintenance, repair or replacement of each of the major capital items must be determined according to the following formula: [(estimated cost minus past contribution) divided by expected life].

3 A maintenance, repair and replacement plan takes effect on its approval by the members in general meeting; provided that on approval of such a plan, members may lay down conditions

for the payment of money from the reserve fund.

- 4 The trustees must report the extent to which the approved maintenance, repair and replacement plan has been implemented to each annual general meeting.

22. Insurance

- 1 The insurance policies of the body corporate in terms of sections 3(1)(h) and (i) of the Act —
- (a) must provide cover against —
 - (i) risks referred to in regulation 3;
 - (ii) risks that members resolve must be covered by insurance; and
 - (iii) risks that holders of registered first mortgage bonds over not less than 25 per cent in number of the primary sections by written notice to the body corporate may require to be covered by insurance;
 - (b) must specify a replacement value for each unit and exclusive use area, excluding the member's interest in the land included in the scheme; provided that any member may at any time by written notice to the body corporate require that the replacement value specified for that member's unit or exclusive use area be increased;
 - (c) must restrict the application of any "average" clause to individual units and exclusive use areas, so that no such clause applies to the buildings as a whole;
 - (d) must include a clause in terms of which the policy is valid and enforceable by any holder of a registered mortgage bond over a section or exclusive use area 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 terminates the insurance on at least 30 days' notice to the bondholder; and
 - (e) may include provision for "excess" amounts.
- 2 A member is responsible —
- (a) for payment of any additional premium payable on account of an increase in the replacement value referred to in sub-rule (1)(b);
 - (b) for any excess amount that relates to damage to any part of the buildings that member is obliged to repair and maintain in terms of the Act or these rules, and must furnish the body corporate with written proof from the insurer of payment of that amount within seven days of written request.

- 3 A body corporate must obtain a replacement valuation of all buildings and improvements that it must insure at least every three years and present such replacement valuation to the annual general meeting.
- 4 A body corporate must prepare for each annual general meeting schedules showing estimates of —
- (a) the replacement value of the buildings and all improvements to the common property; and
 - (b) the replacement value of each unit, excluding the member's interest in the land included in the scheme, the total of such values of all units being equal to the value referred to in paragraph sub-rule 4(a).
- 5 On written request by any registered bondholder and the furnishing of satisfactory proof, the body corporate must record the cession to that bondholder of that member's interest in any of the proceeds of the insurance policies of the body corporate.
- 6 A body corporate must take out public liability insurance to cover the risk of any liability it may incur to pay compensation in respect of—
- (a) any bodily injury to or death or illness of a person on or in connection with the common property; and
 - (b) any damage to or loss of property that is sustained as a result of an occurrence or happening in connection with the common property, for an amount determined by members in general meeting, but not less than 10 million rand or any such higher amount as may be prescribed by the Minister in any one claim and in total for any one period of insurance.
- 7 A body corporate must take out insurance for an amount determined by members in general meeting to cover the risk of loss of funds belonging to the body corporate or for which it is responsible, sustained as a result of any act of fraud or dishonesty committed by a trustee, managing agent, employee or other agent of the body corporate.
- 8 A body corporate, authorised by a special resolution of members, may insure any additional insurable interest the body corporate has —
- (a) in the land and buildings included in the scheme; and

(b) relating to the performance of its functions, for an amount determined in that resolution.

23. Administrative and reserve funds

1 The administrative fund referred to in section 3(1)(a) of the Act must be used to fund the operating expenses of the body corporate for a particular financial year.

2 The reserve fund maintained in terms of section 3(1)(b) of the Act must be used for the implementation of the maintenance, repair and replacement plan of the body corporate referred to in rule 22.

3 The following amounts must be paid into the reserve fund —

- (a) any part of the annual levies designated as being for the purpose of reserves or the maintenance, repair and replacement plan;
- (b) any amounts received under an insurance policy in respect of damage or destruction of property for which the body corporate is responsible;
- (c) any interest earned on the investment of the money in the reserve fund;
- (d) any other amounts determined by the body corporate, and all other body corporate income must be paid into the administrative fund.

4 Money may be paid out of the administrative fund in accordance with trustee resolutions and the approved budget for the administrative fund.

5 Money may be paid out of the reserve fund -

- (a) at any time in accordance with trustee resolutions and the approved maintenance, repair and replacement plan; or
- (b) if the trustees resolve that such a payment is necessary for the purpose of an urgent maintenance, repair or replacement expense, which purpose includes, without limitation
 - (i) to comply with an order of a court or an adjudicator;
 - (ii) to repair, maintain or replace any property for which the body corporate is responsible where there are reasonable grounds to believe that an immediate expenditure is necessary to ensure safety or prevent significant loss or damage to persons or property;
 - (iii) to repair any property for which the body corporate is responsible where the need for the repairs could not have been reasonably foreseen in preparing the maintenance, repair and replacement plan; or

- (iv) to enable the body corporate to obtain adequate insurance for property that the body corporate is required to insure; provided that the trustees must report to the members on any such expenditure as soon as possible after it is made.

6 Expenditure under sub-rule (5)(b) —

- (a) must not exceed—
 - (i) the amount necessary for the purpose for which it is expended; or
 - (ii) any limitation imposed by the body corporate on expenditure; and
- (b) must comply with any restrictions imposed or directions given by members.

24. Contributions and charges

1 The body corporate must, as soon as possible but not later than 14 days after the approval of the budgets referred to in rule 17(6)(j)(iv) by a general meeting, give each member written notice of the contributions and charges due and payable by that member to the body corporate, which notice must—

- (a) state that the member has an obligation to pay the specified contributions and charges; and
- (b) specify the due date for each payment; and
- (c) if applicable, state that interest at a rate specified in the notice will be payable on any overdue contributions and charges; and
- (d) include details of the dispute resolution process that applies in respect of disputed contributions and charges.

2 If money owing is not paid on the dates specified in the notice referred to in sub-rule (1), the body corporate must send a final notice to the member, which notice must state—

- (a) that the member has an obligation to pay the overdue contributions and charges and any applicable interest immediately; and
- (b) if applicable—
 - (i) the interest that is payable in respect of the overdue contributions and charges at the date of the final notice; and
 - (ii) the amount of interest that will accrue daily until the payment of the overdue contributions and charges; and
- (c) that the body corporate intends to take action to recover the amount due if the overdue contributions and charges and interest owing are not paid within 14 days after the date

the final notice is given.

- 3 Subject to rules 21(3) (a) and (b), after the expiry of a financial year and until they become liable for contributions in respect of the next financial year, members are liable for contributions in the same amounts and payable in the same installments as were due and payable by them during the past financial year.
- 4 A member is liable for and must pay to the body corporate all reasonable legal costs and disbursements, as taxed or agreed by the member, incurred by the body corporate in the collection of arrear contributions or any other arrear amounts due and owing by such member to the body corporate, or in enforcing compliance with these rules, the conduct rules or the Act.
- 5 The body corporate must not debit a member's account with any amount that is not a contribution or a charge levied in terms of the Act or these rules without the member's consent or the authority of a judgment or order by a judge, adjudicator or arbitrator.
- 6 The body corporate must in its annual financial statements account for all contributions and any other charges debited to members' accounts.
- 7 On request in writing by a member the body corporate must make available a full and detailed account of all amounts debited and credited to the member's account with the body corporate.

25. Financial records, budgets, reports and audit

- 1 A body corporate must—
 - (a) keep proper books of accounts that—
 - (i) record all its income, expenditure, assets and liabilities;
 - (ii) disclose all amounts recovered from members by the body corporate or any managing agent or other service provider acting on its behalf;
 - (iii) include individual accounts for each member; and
 - (iv) contain all other information necessary to allow members to assess the body corporate's financial situation and their financial situation in regard to the body corporate.
 - (b) keep separate books of account and bank accounts for its administrative and reserve funds referred to in sections 3(1)(a) and (b) of the Act;
 - (c) prepare annual financial statements for presentation at the annual general meeting, which statements must include analyses of the —

- (i) amounts due to the body corporate in respect of contributions, special contributions and other charges, classified by member and the periods for which such amounts were owed;
 - (ii) amounts due by the body corporate to its creditors generally and prominently disclosing amounts due to any public authority, local municipality or other entity for services including, without limitation, water, electricity, gas, sewerage and refuse removal, classified by creditor and the periods for which such amounts were owed;
 - (iii) amounts advanced to the body corporate by way of levy finance, a loan, in terms of a guarantee insurance policy or otherwise, setting out the actual or contingent liability of the body corporate and the amounts paid by the body corporate and by any member in terms of such arrangement;
 - (iv) amounts in the reserve fund showing the amount available for maintenance, repair and replacement of each major capital item as a percentage of the accrued estimated cost and the rand value of any shortfall; and
 - (v) premiums and other amounts paid and payments received by the body corporate and any member in terms of the insurance policies of the body corporate and the expiry date of each policy;
- (d) prepare a maintenance, repair and replacement plan in accordance with rule 22 for presentation at the annual general meeting;
- (e) prepare budgets for the administrative and reserve funds comprising itemised estimates of the anticipated income and expenses during the next financial year for presentation at the annual general meeting; provided that such budgets may include discounts not exceeding 10 per cent of a members' annual contributions applicable if all those contributions are paid on or before the due dates;
- (f) prepare a report adopted by the trustees reviewing the affairs of the body corporate during the financial year for presentation at the annual general meeting.

2 On the application of any member, registered bondholder or of the managing agent, the body corporate must make all or any of the books of account and records available for inspection and copying.

3 The body corporate must ensure that all the body corporate's books of account and financial records are retained for a period of six years after completion of the transactions, acts or operations to which they relate.

4 Unless all the sections in the scheme are registered in the name of one person, the body corporate must present audited financial statements to a general meeting for consideration as

soon as possible after the end of the financial year.

5 The audit of a body corporate's annual financial statements—

- (a) must be carried out by an independent auditor who has not participated in the preparation of the annual financial statements or advised on any aspect of the accounts of the body corporate during the period being reported on;
- (b) need not be carried out in accordance with any recognised framework of guidelines for financial accounting;
- (c) must include opinions as to whether or not—
 - (i) the annual financial statements accurately reflect the financial position of the body corporate for the financial year under review, with such qualifications and reservations as the auditor considers necessary;
 - (ii) the body corporate has complied with the accounting requirements set out in rules 21, 24 and this section, with a specific description of any failure to comply with such requirements;
 - (iii) the books of account of the body corporate have been kept and its funds have been managed so as to provide a reasonable level of protection against theft or fraud; and
 - (iv) the financial affairs of the body corporate appear to be effectively managed;
- (d) must be completed within four months of the end of the body corporate's financial year.

PART 6 - ADMINISTRATIVE MANAGEMENT

26. Governance documents and records

1 The body corporate must—

- (a) lodge a notification of an amendment to the scheme's rules referred to in section 10(5) of the Act as soon as reasonably possible, but not later than 10 days after the date of the relevant resolution of the body corporate; and
- (b) compile and keep a complete set of all management and conduct rules including —
 - (i) an index; and
 - (ii) a prominent reference to any rules that confer exclusive use rights, vary the effects of the participation quotas in regard to the value of votes or the liability for contributions, or impose either a financial or a maintenance obligation on members;
- (c) prepare a consolidated set of rules whenever they are amended.

2 The body corporate must prepare and update the following records —

- (a) minutes of general and trustee meetings, including the following information—
 - (i) the date, time and place of the meeting;
 - (ii) the names and role of the persons present, including details of the authorisation of proxies or other representative;
 - (iii) the text of all resolutions; and
 - (iv) the results of the voting on all motions;
- (b) lists of trustees, members and tenants with their—
 - (i) full names;
 - (ii) identity numbers or, in the case of non-South African citizens, their passport numbers; and
 - (iii) section addresses and mailing addresses, if different;
 - (iv) telephone numbers; and
 - (v) email or other electronic addresses, if any;
- (c) lists of—
 - (i) sections shown on the sectional plan, indicating in each case whether it is a primary or a utility section, its participation quota and the name of the member in whose name it is registered;
 - (ii) exclusive use areas with descriptions of purposes and numbers, if any, indicating whether the rights to each area are conferred in terms of section 27 of the Sectional Titles Act or in terms of a rule, and a reference to the relevant rule where applicable; and
 - (iii) registered bondholders with their names and addresses;
- (d) details of all future development rights including —
 - (i) names and addresses of all registered holders of such rights; and
 - (ii) copies of all documentation prepared in terms of section 25(2) of the Sectional Titles Act for any such right; and
- (e) any other records required by the regulations.

3 The body corporate must obtain and keep copies of all of the following:

- (a) The registered sectional plan and any registered amending sectional plan;
- (b) the Act and the regulations;
- (c) resolutions that deal with changes to the common property, including the conferring of exclusive use rights on members;

- (d) consents and approvals given by the body corporate to members;
- (e) waivers and consents given by members;
- (f) written contracts to which the body corporate is a party;
- (g) any decision of an adjudicator, arbitrator, magistrate or judge in a proceeding in which the body corporate is a party, and any legal opinions obtained by the body corporate;
- (h) the budget and financial statement for the current year and previous years;
- (i) income tax returns;
- (j) insurance policies, endorsement and claim forms;
- (k) correspondence sent or received by the body corporate and trustees; and
- (l) any other records required by the regulations.

4 On receiving a written request, the body corporate must make the records and documents referred to in this rule available for inspection by, and provide copies of them to —

- (a) a member;
- (b) a registered bondholder; or
- (c) a person authorised in writing by a member or registered bondholder.

5 The body corporate must comply with a request for inspection or copying under this rule within 10 days unless the request is in respect of the rules, in which case the body corporate must comply with the request within five days.

6 The body corporate may charge a fee for a copy of a record or document other than the rules, provided that the fee is not more than the reasonable cost associated with the process of making the copy, and the body corporate may refuse to supply the copy until the fee is paid.

7 If the body corporate terminates its contract with an employee or a managing agent, that person must within 10 days deliver to the body corporate all records referred to in this rule that are in the person's possession or under the person's control.

8 The records referred to in this rule must be in writing or in a form that can be easily converted to writing.

27. Executive Managing Agent and Managing Agents

1 The body corporate may, by special resolution, appoint an executive managing agent to perform the functions and exercise the powers that would otherwise be performed and exercised by the trustees.

- 2 Members entitled to 25 per cent of the total quotas of all sections may apply to the Community Scheme Ombud Service for the appointment of an executive managing agent.
- 3 An executive managing agent —
- (a) is subject to all the duties and obligations of a trustee under the Act and the rules of the scheme;
 - (b) is obliged to manage the scheme with the required professional level of skill and care;
 - (c) is liable for any loss suffered by the body corporate as a result of not applying such skill and care;
 - (d) has a fiduciary obligation to every member of the body corporate;
 - (e) must arrange for the inspection of the common property at least every six months; and
 - (f) must report at least every four months to every member of the body corporate on the administration of the scheme.
- 4 The reports of an executive managing agent referred to in sub-rule (3)(f) must include at least the following details —
- (a) proposed repairs to and maintenance of the common property and assets of the body corporate within the next four months;
 - (b) matters the executive managing agent considers relevant to the condition of the common property and the assets of the body corporate;
 - (c) the balance of each of the administrative and reserve funds of the body corporate on the date of the report and a reconciliation statement for each fund; and
 - (d) for the period since the appointment of the executive managing agent or from the date of the last report —
 - (i) the expenses of the body corporate, including repair, maintenance and replacement costs; and
 - (ii) a brief description of the date and nature of all decisions made by the executive managing agent.
- 5 The body corporate may, if trustees so resolve, and must if required by —
- (a) a registered mortgagee of 25 per cent in number of the primary sections; or
 - (b) a resolution of members, appoint a managing agent to perform specified financial, secretarial, administrative or other management services under the supervision of the trustees.

- 6 A management agreement for any managing agent must comply with the requirements for such an agreement in the Managing Agent Code of Conduct in the regulations.
- 7 A management agreement may not endure for a period longer than two years and may be cancelled, without liability or penalty, despite any provision of the management agreement or other agreement to the contrary —
- (a) by the body corporate on two months notice, if the cancellation is first approved by a special resolution passed at a general meeting, or
 - (b) by the managing agent on two months notice.
- 8 The body corporate may by ordinary resolution cancel the management agreement in accordance with its terms or refuse to renew the management agreement when it expires.

PART 7 - PHYSICAL MANAGEMENT

28. Improvements to common property

- 1 The body corporate may on the authority of a unanimous resolution make alterations or improvements to the common property that is not reasonably necessary.
- 2 The body corporate may propose to make alterations or improvements to the common property that are reasonably necessary; provided that no such proposal may be implemented until all members are given at least 30 days written notice with details of —
- (a) the estimated costs associated with the proposed alterations or improvements;
 - (b) details of how the body corporate intends to meet the costs, including details of any special contributions or loans by the body corporate that will be required for this purpose; and
 - (c) a motivation for the proposal including drawings of the proposed alterations or improvements showing their effect and a motivation of the need for them; and if during this notice period any member in writing to the body corporate requests a general meeting to discuss the proposal, the proposal must not be implemented unless it is approved, with or without amendment, by a special resolution adopted at a general meeting.
- 3 A body corporate must, if so directed by a resolution of members —

- (a) install and maintain separate meters to measure the supply of electricity, water, gas or the supply of any other service to each member's sections and exclusive use areas and to the common property; and
- (b) recover from members the cost of such supplies to sections and exclusive use areas based on the metered supply.

4 A body corporate may on the authority of a unanimous resolution install separate pre-payment meters on the common property to control the supply of water or electricity to a section or exclusive use area; provided that all members and occupiers of sections must be given at least 60 days notice of the proposed resolution with details of all costs associated with the installation of the pre-payment system and its estimated effect on the cost of the services over the next three years.

5 If a pre-payment system referred to in sub-rule (4) is installed —

- (a) the body corporate is responsible to ensure that the system does not infringe on the constitutional rights of section occupiers to access basic services; and
- (b) any member who leases a unit to a tenant is responsible to ensure that the system does not infringe the rights of the tenant in terms of the Rental Housing Act, 1999 (Act No. 50 of 1999), or any other law.

29. Use of sections and common property

1 The body corporate must take all reasonable steps to ensure that a member or any other occupier of a section or exclusive use area does not—

- (a) use the common property so as to unreasonably interfere with other persons lawfully on the premises, in breach of section 13(1)(d) of the Act;
- (b) use a section or exclusive use area so as to cause a nuisance, in breach of section 13(1)(e) of the Act;
- (c) contravene the provisions of any —
 - (i) law or by-law relating to the use of a section or an exclusive use area; or
 - (ii) conditions of a license relating to use of the building or the common property, or the carrying on of a business in the building; or
 - (iii) conditions of title applicable to sections or exclusive use areas;

- (d) make alterations to a section or an exclusive use area that are likely to impair the stability of the building or interfere with the use and enjoyment of other sections, the common property or any exclusive use area;
- (e) do anything to a section or exclusive use area that has a material negative effect on the value or utility of any other section or exclusive use area;
- (f) subject to the provisions of section 13(1)(g) of the Act, use a section or exclusive use area for a purpose other than for its intended use as —
 - (i) shown expressly or by implication on a registered sectional plan or an approved building plan ;
 - (ii) can reasonably be inferred from the provisions of the applicable town planning by-laws or the rules of the body corporate; or
 - (iii) is obvious from its construction, layout and available amenities;
- (g) construct or place any structure or building improvement on an exclusive use area which in practice constitutes a section or an extension of the boundaries or floor area of a section without complying with the requirements of the Act and the Sectional Titles Act; provided that the body corporate may by ordinary resolution —
 - (i) give consent for such a structure or building improvement, if they are satisfied that it does not require compliance with such requirements;
 - (ii) prescribe any reasonable condition in regard to the use or appearance of the structure or building improvement; and
 - (iii) withdraw any consent if the member or other occupier of a section breaches any such condition.

30. Obligation to maintain

- 1 Notwithstanding that a water-heating installation forms part of the common property and is insured by the body corporate, a member must maintain, repair and, when necessary, replace such an installation which serves that member's section or exclusive use area; provided that where such an installation serves sections owned or exclusive use areas held by more than one member, the members concerned must share the maintenance, repair and replacement costs on a pro-rata basis.
- 2 If despite written demand by the body corporate, a member refuses or fails to —
 - (a) carry out work in respect of that member's section ordered by a competent

- authority as required by section 13(1)(b) of the Act; or
- (b) repair or maintain a section owned by that member in a state of good repair as required by section 13(1)(c) of the Act;

and that failure threatens the stability of the common property, the safety of the building or otherwise materially prejudices the interests of the body corporate, its members or the occupiers of sections generally, the body corporate must remedy the member's failure and recover the reasonable cost of doing so from that member; provided that in the case of an emergency, no demand or notice need be given to the member concerned.

31. Managing Agent And Common Property And Common Facilities

1 Notwithstanding anything to the contrary contained in the Rules, and for the duration of the Developer's right to extend the property in terms of the Development Agreement (as defined in the Constitution), the developer shall from time to time, subject to the existing rights of any person appointed in respect of the Estate or any part thereof, in terms of written contracts, the following service provider(s)-

- i. A managing agent and/or executive managing agent of its choice to control, manage and administer the Common Property and the Common Facilities (to the extent appointed to so), and the obligations to any public or local authority by the Association on behalf of the Members, 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.
- ii. Service providers of its choice, as may be required for the proper functioning of the clubhouse and its amenities. Once the developer has confirmed such appointment, the Members may not make any changes to the written contracts relating to such service providers, or introduce any new service providers without first obtaining the consent of the Developer, provided that the Developer shall, acting reasonably, be entitled to request that the Members terminate the appointment of any service provider and replaces such service provider if it is in the best interest of the Estate to do so.

- iii. Once the Developer has utilised its right to extend the property in full, the Members, may by Special Resolution by the Members in a general meeting, appoint in terms of a written contract a managing agent and/or executive managing agent to control, manage and administer the Common Property and/or the Common Facilities (to the extent appointed to do so), the obligations to any public or local authority by the Scheme on behalf of the Members, 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.

- iv. The managing agent and/or executive managing agent and each service provider is appointed for an initial period of one year and thereafter such appointment shall automatically be renewed from year to year unless the managing agent and/or executive managing agent is notified to the contrary: provided that notice of termination of the contract may be given by the Members in accordance with a special resolution taken at a special general meeting.

- v. Notwithstanding anything to the contrary contained in the Rules, once the Developer has utilised its right to extend the property in full, the Members shall appoint the managing agent and/or executive managing agent and any service provider, and such appointment shall be subject to the prior written approval of the Developer.

CONDUCT RULES

INTRODUCTION

The purpose of these rules is the maintenance of common courtesy and regard for the rights of all residents, to sustain the use of common amenities and ensure the maintenance of high standards of living for the mutual benefit of all residents.

We request your co-operation in abiding by these rules and would point out that, should it be necessary, the Scheme Executives will take appropriate action to uphold these rules, in the best interest of all owners and residents.

The following serves as a general guideline to residents:

(1) It must be each resident's declared intent to live as harmoniously as possible with all other residents and to respect each other's rights of privacy and lifestyle.

(2) Common courtesy and consideration for others must be the basis for all aspects of behaviour.

It is the responsibility and duty of owners to ensure that their tenants, visitors and staff members are familiar with and abide by these rules.

It is hoped that parties in conflict will try to resolve matters amicably between themselves before involving Scheme Executives.

1. DEFINITIONS

The term "resident" shall mean: any person residing on the property.

2. MOTOR VEHICLES

i. Motor vehicles of occupiers and their visitors shall only be parked in such areas as are specifically provided to them by the Body Corporate.

ii. All parking bays numbered with a unit number are specifically provided for the sole use of the residents of that particular unit.

iii. Repairs and reconditioning of vehicles on the common property and in the sections is not permitted.

iv. Vehicles may not travel at speeds in excess of 20 kilometres per hour on any portion of the common property and access driveways.

v. All cars entering the common property must reduce their radio volume control so as not to disturb other residents.

vi. No trucks, caravans, trailers of all description, quad bikes, off road motorcycles, commercial vehicles and boats etc. may be parked on common property.

vii. No trucks will be allowed to enter on the common property. All delivery / removal trucks are to park outside the scheme.

viii. Residents shall ensure that their vehicles and the vehicles of their visitors do not drip oil or brake fluid on the common property or in any other way deface the common property; the onus is on the resident to restore any spoilt area to its original condition at their own cost, failing which the Scheme Executives shall arrange for the cleaning/repair thereof, at the expense of the owner.

ix. Any vehicle parked in contravention of these Rules may be towed away at the resident's expense, without any liability for any damage claim to the Body Corporate whatsoever.

x. No person shall sleep in any vehicle parked on the common property, nor perform acts in the vehicle that are deemed unacceptable in a public area.

xi. No vehicle may be parked in such a manner as to obstruct the general traffic flow within the scheme or to restrict access to a parking bay.

xii. The use of vehicles, including motorcycles, which create excessive noise, is strictly prohibited.

3. BUSINESS ACTIVITIES / SIGNS / NOTICES

- i. No business, profession or trade may be conducted in any section or on the common property without the prior written approval of the Scheme Executives and following a written application to conduct such a business from the section.
- ii. Should any approved activities cause a disturbance or inconvenience to other residents or infringe on the usage of the common property (e.g. parking), this permission can be withdrawn at any stage.
- iii. No jumble sales may be held on the common property.
- iv. No resident shall exhibit, distribute or place any sign, notice, billboard, advertisement or publicity of any kind whatsoever on any part of the common property or within a section, so as to be visible from outside of the section.
- v. Estate Agent signs are allowed on the common property at the discretion of the Scheme Executives. 'For sale', 'On Show' or 'To Let' boards may only be displayed on weekends and pointer boards on the common property are restricted to a maximum of four. No banners, flags or balloons may be displayed for this purpose. All signs not displayed in accordance with these provisions shall be removed.

4. OCCUPIERS / VISITORS / CONTRACTORS / EMPLOYEES

- i. Owners are responsible for the conduct of their visitors, contractors and employees, and shall ensure that such persons adhere to these Rules.
- ii. No alcohol may be consumed whilst on any part of common property except on any part of the common property designated by the Scheme Executives for this purpose.
- iii. All persons employed by any owner or resident to work in the complex shall be registered with the Body Corporate. A copy of the employees Identity Document, physical address, contact numbers and which section they are working at, will be kept on file by the Scheme Executives.
- iv. Only registered employees will be allowed onto the common property and employees may not bring their family, friends and visitors onto the common property. Employees shall be required to comply with any security protocols.
- v. The Scheme Executives reserve the right to take steps to refuse access to any employee of a resident or owner in the scheme.

5. DAMAGE / ALTERATIONS / ADDITIONS TO THE COMMON PROPERTY

- i. An 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 prior written consent of the Scheme Executives.
- ii. No occupier shall erect or cause to be erected or install any lights or lighting apparatus on any part of the common property or his exclusive use area, without the prior written consent of the Scheme Executives first being obtained.
- iii. No occupier shall erect any structure of any nature whatsoever, including but not limited to gazebos, braai facilities, saunas and Jacuzzis, which are of a permanent or semi-permanent nature, without the written consent of the Scheme Executives being obtained.
- iv. Awnings must comply with the standard set-out by the Scheme Executives in terms of style and colour. No awning may be installed unless the prior written consent of the Scheme Executives has been obtained.
- v. Under no circumstances will any aerials / satellite dishes be permitted in the scheme.
- vi. Any alteration or addition to or deviation from the permanent or semi-permanent fixtures of the common property and the existing standard thereof requires the written consent of the Scheme Executives.
- vii. No extensions, alterations or improvements to the exterior of any section, balcony, patio, garden or carport, including awnings, garden and security gates etc., shall be affixed or made unless the Scheme Executives have first been given full particulars thereof including, where necessary, plans approved by the municipality, and have given permission in writing thereto.
- viii. If such written permission is granted, it shall apply only to the plans submitted and any variations will also require the permission of the Scheme Executives in writing. All extensions, alterations or improvements must comply with the Sectional Titles Act.
- ix. Improvements / additions / alterations made by owners, after permission has been obtained from the Scheme Executives, shall be maintained by the owner. If these are allowed to deteriorate, they will be maintained or removed by the Body Corporate, at the sole discretion of the Scheme Executives, and at the sole cost of the owner.
- x. All refuse / debris, etc. resulting from extensions, alterations or improvements shall be removed by the owner / their contractor within 24 hours. If such refuse / debris, etc. is not removed, the Scheme Executives may cause it to be removed, and all charges in connection therewith shall be for the account of the owner.

- xi. No washing lines / drying stands may be installed or placed on the balconies, patios or in gardens at any time.
- xii. The resident of a section shall not place or do anything on any part of the section including balconies, patios and gardens which, at the discretion of the Scheme Executives, is aesthetically displeasing or undesirable when viewed from the outside of the section.
- xiii. Residents may install a locking device, safety gate or safety device for the protection of their section, provided that the design fits within the designated guidelines as set out by the Body Corporate and issued by the Scheme Executives.
- xiv. No external burglar bars may be installed whatsoever. Internal burglar bars are permissible provided that the design fits within the designated guidelines as set out by the Body Corporate and issued by the Scheme Executives.
- xv. Air-conditioning equipment may only be installed with the prior written consent of the Scheme Executives and must adhere to the Rules laid down by the Body Corporate including the location of the compressor and routing of all external trunking.
- xvi. Any building work to be carried out in any section may only take place between the hours of 08:00 and 16:00, Monday to Friday and not over weekends or public holidays. All contractors must vacate the scheme by 16:00. All building noise must be kept to a minimum so as not to inconvenience other occupiers. The Scheme Executives will manage the access control of all contractors, their staff and vehicles.
- xvii. Should any damage of whatsoever nature be caused to the common property by a resident / any member of his family / any of his visitors / any of his employees, their children or visitors of such occupier, or should such persons cause the Body Corporate to suffer any loss or incur any expense, the owner of the section shall be liable to properly repair such damage forthwith, and / or to forthwith reimburse the Body Corporate in full in respect of such loss or expense.

6. APPEARANCE FROM OUTSIDE

- i. The resident of a section shall not place or do anything on any part of the common property including balconies, patios, courtyards, windows and gardens which, at the discretion of the Scheme Executives, is aesthetically displeasing or undesirable when viewed from the outside of the section. The above may include but is not limited to washing hanging over balconies, washing lines / drying apparatus, erection of equipment that protrudes over the boundary wall or beyond the section, etc.
- ii. No resident shall store or allow to be stored any item on his courtyard / patio, other than pot plants, garden furniture and anything else the Scheme Executives may approve from time to time. At no point in time should any such item be allowed to protrude above the level of the boundary walls.
- iii. The Scheme Executives reserve the right to instruct a resident to remove such pot plants, pots or garden furniture, or items of a similar nature from his courtyard / patio or exclusive use area, if, at the discretion of the Scheme Executives, such item or items are undesirable / aesthetically displeasing when viewed from the outside of a section.

7. SECURITY BARS AND GATES

Notwithstanding rule 5.1, an owner or person authorized by him / her, may install:

- i. any locking device, safety gate, burglar bars or other safety device for the protection of his / her section provided that the Scheme Executives have first approved in writing the nature, design and colour of the device and the manner of its installation.
- ii. any screen or other device to the inside of his / her section to prevent the entry of animals or insects provided that the Scheme Executives have first approved in writing the nature, design and colour of the device and the manner of its installation.

The Sectional Titles Schemes Management Act states that the outside of the units in a complex must be uniform and that no changes are permitted to the outside to destroy the facade of the complex.

The inside of the unit belongs to the owner and the owner may within reason erect approved security measures of his / her choice - however, the Scheme Executives may intervene should the choice be damaging to the harmony and aesthetics of the complex.

For the outside of the section (e.g. security doors on the front door and rear sliding patio door), the following security measures are permissible:

- a. Front security door to be black in colour, installed to the outside of the door, and identical in specification as set out by the Scheme Executives.
- b. Burglar bars are to be see-through Perspex type only installed to the inside of the window and identical in specification as set out by the Scheme Executives.
- c. Rear sliding patio retractable trellis type door must be charcoal in colour and installed to the inside of the sliding door.

8. SECURITY

- i. Owners, residents, their visitors and / or employees are required to always adhere to the security processes and procedures and to respect the authority of the security company and their guards. The Scheme Executives have full authority to determine security protocols and to instruct the security personnel accordingly.
- ii. Residents must ensure that their visitors and employees are registered, failing which no access under any circumstances will be granted.
- iii. All attempts at burglary, vandalism or instances of fence jumping or breakage must be reported to a member of the security staff as soon as is reasonably possible.
- iv. Electronic security systems, for individual sections, are acceptable provided they are installed by legitimate security companies registered with the relevant governing body.
- v. It is prohibited to interfere with the performance of the security guards. Owners, residents, employees and visitors shall always treat the security guards courteously and co-operate with them.

9. PETS

- i. The number of pets per section shall be limited to two (2), and only small/medium size pets shall be allowed. Only dogs which, when fully grown, measure less than 50cm (fifty centimetres) from floor to top of shoulder, will be allowed in the scheme.
- ii. A resident shall not bring a pet into the scheme, unless the Scheme Executives have granted prior written consent.
- iii. No resident of a first or second floor section may bring a dog into the scheme.
- iv. Such consent is to be obtained by making written application to the Scheme Executives. Sterilisation and vaccination certificates must accompany the application.
- v. Residents must ensure that their animals, as defined herein, do not cause any disturbance whatsoever to others. On the receipt of written complaints by two separate residents, the Scheme Executives shall have the right to revoke such consent and demand the removal of the animal from the complex, if the owner does not rectify the problem with immediate effect once notified.
- vi. Animals shall not be permitted in or around any part of the common property, unless leashed and properly controlled. The Scheme Executives shall have the right to remove forthwith any animal not leashed or properly controlled and found in such area.
- vii. The owner of any pet shall immediately remove any excrement deposited by such pet in public or common areas.
- viii. The owner of any pet shall within a reasonable time period remove any excrement deposited by such pet in their exclusive use area or section.
- ix. Every pet shall be required to be micro-chipped for identification purposes.
- x. The Scheme Executives may prescribe any other conditions, as they deem necessary from time to time, for the keeping of any animals.
- xi. The Scheme Executives may instruct the removal of any pet left abandoned, unattended or unsupervised for any period of time, or a pet that is not provided with adequate food and water, or any pet that is abused in any manner or form, from the estate by the SPCA or any other appropriate authority.
- xii. The keeping of livestock, chickens or any animals of that ilk is prohibited.
- xiii. No reptiles, snakes, or birds may be housed on the estate.
- xiv. No pets may be brought onto the estate by any visitors, employees or contractors.

10. SANITARY SERVICES / REFUSE DISPOSAL / LITTERING

- i. All refuse shall be placed in appropriate refuse bags and deposited in the bins allocated
- ii. No used vegetable or any other cooking oil or vegetable or animal fat may be disposed of by using the sinks or basins in the respective units. Owners are to dispose all cooking and other substances by means of the refuse system by disposing of the material in refuse bags.
- iii. No nappies, sanitary wipes and sanitary pads are allowed to be flushed down the toilets as this may cause blockage to the effluent system. Owners or residents that are found to have flushed any of the restricted items will be held liable for the repairs undertaken to have any resultant blockage cleared. Owners or residents are to dispose of these restricted items by means of the normal refuse system by placing these items in refuse bags.
- iv. Each resident shall keep in a hygienic & dry condition, a container for refuse within his section.
- v. No refuse may be left outside any section.
- vi. The refuse area and the refuse bins are for domestic waste only. All other waste must be removed by the resident.
- vii. Littering is not permitted.
- viii. It is not permitted to shake or dust or beat carpets or mats over the balconies or walls or through the windows of any section.

11. CHILDREN

- i. Parents / guardians take full responsibility for their children on the common property.
- ii. The use of bicycles / tricycles on the common property is at own risk and is permitted as long as it does not constitute a nuisance to other residents. Any damage caused to the common area because of reckless or careless use will be for the owner's account and the use of bicycles or tricycles on the common property may be withdrawn by the Scheme Executives. Bicycles / tricycles may not be left on the common property or obstruct the movement of other vehicles.
- iii. The Body Corporate shall not be responsible for any accident, loss or damage sustained by any owner, resident, their family, friends, employees and visitors.
- iv. The use of Roller skates, skateboards, roller blades or similar devices on the common property is prohibited.

12. RITUAL SLAUGHTERING.

The slaughtering of animals is prohibited unless it is specifically for religious purposes and the only after prior written consent is obtained from the Body Corporate. Slaughtering will only be allowed in demarcated areas.

13. GENERATORS

- i. The installation of Generators is prohibited.

14. LAUNDRY

- i. Washing and other articles may not be hung out on the common property or on balconies, patios and gardens or in any position where it is visible from the common property, except in areas specifically set aside for this purpose.
- ii. The Body Corporate shall not be responsible for any theft or damage to washing.

15. STORAGE OF INFLAMMATORY MATERIAL / OTHER DANGEROUS ACTS

- i. Inflammable or other dangerous material or articles may not be brought onto the common property or elsewhere except in such limited quantities as are allowed under the Insurance Policy.
- ii. A resident shall not store any material, flammable or inflammable, or do or permit or allow to be done, any other dangerous act in the section or on the common property which will or may increase the rate of the premium payable by the Body Corporate on any insurance policy, or put any part of the common property and its residents at risk.
- iii. Owners shall be responsible to the Body Corporate for any loss sustained by the Body Corporate arising from a resident's failure to adhere to the above. Such loss shall include, but is not limited to, the excess payable in respect of any insurance claim.
- iv. No firearms, pellet guns, catapults or bows and arrows may be discharged on or over the common property. No residents, employees or visitors may openly display firearms on their person or otherwise anywhere on the common property.
- v. Inflammable or other dangerous material or articles may not be brought onto the common property or elsewhere on the scheme except in such limited quantities as are allowed under any insurance policy taken out by the Body Corporate.
- vi. No fireworks of any kind are allowed to be set off.
- vii. No resident occupier shall repair, alter or interfere with any electrical cable or installation on the common property. All faults must be reported to the Scheme Executives.

16. ERADICATION OF PESTS

- i. A resident shall keep his section free of all garden or household pests, including white ants, borer and other wood destroying insects and shall permit the Scheme Executives, the Managing Agent, Scheme Executives and their duly authorised agents or employees, to enter his section from time to time, for the purpose of inspecting the section and taking such action for the eradicating of any such pests as may be found within the section.
- ii. Replacement of any woodwork or other material forming part of the internal section which may be damaged by any such pests, and the eradication of pests, shall be borne by the owner of the section concerned unless it is proved to the Scheme Executives that such damage originated from the common property.

17. PAYMENT OF LEVY AND OTHER CHARGES

- i. The levy and other charges shall be paid in full to the Body Corporate by the 7th of each and every month.
- ii. Interest is payable on late payments at a rate determined by the Scheme Executives.
- iii. All charges associated with the inside of a section shall, wherever such charges can be accurately quantified, be recovered from the unit owner using the same tariff structure or charges as those billed to the Body Corporate. Such charges shall include, but not be limited to electricity, water, domestic effluent, refuse, internet connectivity, and Pay TV service charges.
- iv. The owner shall be liable for and pay all legal costs, collection commission, expenses, administration fees and any other charges incurred by the Body Corporate in obtaining the recovery of any arrear amounts owing by such owner to the Body Corporate.

18. LOAN FACILITY

The Scheme Executives are authorised to borrow funds against the security of levy debtors, to ensure the timely payment by the Body Corporate of all invoices received from municipalities, local authorities and other service providers. Such a loan facility shall never exceed in value the total amount owed by levy debtors at any point in time. Should the Scheme Executives deem it necessary to loan any amount in excess of the levy debtors, whether in the form of a term loan or overdraft facility, same must be approved by a special resolution of owners, which resolution shall clearly state the maximum amount which may be loaned, as well as the time frame over which the loan shall be repaid.

19. LETTING OF SECTIONS

- i. Owners who let their section to tenants must ensure that their tenants are introduced to an appointment Scheme Executive and that they sign a copy of these Rules which must form part of their lease agreement.
- ii. Owners who let their units to tenants must advise the managing agent of the name and contact numbers of the tenant.
- iii. All residents and other persons granted rights of occupancy and entrance to the scheme by any owner, are obliged to comply with these Rules, notwithstanding any provision to the contrary contained in any lease or any grant of rights of occupancy.
- iv. No lease shall in any way release the owner from any of his obligations to the Body Corporate in terms of the Rules, or in terms of the Act.
- v. The maximum number of persons residing in a section shall be two persons per bedroom.

20. NOISE

- i. Radios, cd/dvd players, televisions, home sound systems, musical instruments & other sound producing devices including human voices, shall not be played or used in such a manner as to interfere with a resident's enjoyment of his section or of the common property at any time.
- ii. Silence must be maintained between 22h00 and 07h00 Sunday to Thursday and between 23h00 and 08h00 on Fridays, Saturdays and public holidays.
- iii. All vehicles entering the common property must reduce their radio volume level so as not to disturb residents. Automobile hooters and alarms shall not be sounded on the common property at any time, except in emergency situations.
- iv. Mechanical maintenance work, including the use of power-saws, lawn mowers and similar tools, is permitted only between the following hours: Monday to Friday 08h00 to 16h00 and Saturdays and Sundays 09h00 to 15h00.

21. GARDENS / GARDENER

- i. No resident, other than the person/s empowered by the Body Corporate to do so, shall instruct a body corporate employee to do any work during normal working hours, except in an emergency.
- ii. Residents shall not interfere with flora, wild or cultivated, growing on common property other than in their own exclusive use area.
- iii. No plants, trees or shrubs may be removed from the common property; neither may any plants, trees or shrubs on the common property be trimmed.
- iv. Gardens and plants on the common property are for the enjoyment of all and no wilful damage will be tolerated.

22. FIRE FIGHTING EQUIPMENT AND EMERGENCY PROCEDURES

- i. It is an offence to tamper with, abuse or use or cause or permit to be tampered with, abused or used, any fire hose, reel or extinguisher in any manner or for any purpose other than as permitted

or prescribed by the fire regulations of the relevant local authority or other relevant legislation.

ii. No fire extinguisher, fire hose or similar device anywhere in a section or anywhere on the common property shall be used for any other purpose except for emergency purposes and shall not be used for the washing of motor vehicles, gardens or any other unauthorised purpose.

23. DESIGNATED PLAY AREAS

Should there be designated play areas for children, then:-

i. No pets or animals are to be permitted in the designated play areas for children.

ii. The play areas are for use at own risk. The Scheme Executives and Managing Agent absolve themselves from any responsibility concerning harm, injury and/or theft which may occur whilst making use of the play areas.

iii. No alcoholic beverages or glass containers will be permitted within the designated play areas.

iv. Any damage caused to the play apparatus, whether incurred by a resident or visitor of a resident, will be for the account of the resident and will be charged to the owner's levy account.

v. Residents' and visitors' children using the play areas are to keep it in a clean condition and all refuse is to be removed from the area after use.

vi. Any Scheme Executive shall have the right, in his/her own discretion, to demand that anyone using the play area in what he/she may determine is an unacceptable manner, shall leave and such person(s) shall comply therewith immediately.

vii. Noise levels as indicated in clause 19 must be strictly adhered to as there are units in close proximity to the play area.

24. GENERAL

i. Common property and garden areas must at all times be kept tidy.

ii. No firearms, pellet guns, catapults or bows and arrows may be discharged on or over the common property.

iii. No stones or other solid objects may be thrown on the common property.

iv. An occupant shall not do or permit to be done in his unit or on the common property anything which will or may increase the rate of premiums payable by the body corporate on any insurance policy.

v. An occupant shall not place or do anything on any part of the common property (including balconies, patios, stoeps and gardens) which when viewed from the outside of the unit is, in the discretion of the Scheme Executives, aesthetically displeasing or undesirable.

vi. Save with the written permission of the Scheme Executives, the maximum number of residents shall be two persons per bedroom.

25. INTERNAL DISPUTE RESOLUTION PROCESS

i. Should an owner wish to raise a dispute concerning the interpretation of these rules and/or the enforcement thereof and/or any breach thereof, such dispute shall be addressed by following the dispute resolution procedure on the Scheme's website. This procedure shall not apply to any urgent legal application for relief.

ii. The party claiming that a dispute has arisen must give notice to the Scheme, and the other party where applicable, by completing the online Complaint Form.

iii. The Chairperson shall within 7 days, appoint at least two Scheme Executives to review the complaint.

iv. The appointed Executives shall review the complaint and thereafter convene an Internal Dispute Resolution Meeting. Such meeting may be conducted online or in any other manner as determined by the appointed Executives.

v. The appointed Executives may invite the complainant and/or the alleged perpetrator and/or any other person to such a meeting, should they deem their presence necessary and/or desirable to successfully rule on the matter.

vi. The appointed Executives shall record the outcome of the meeting on the Scheme's website within 48 hours of the successful conclusion of the meeting, or any adjournment thereof.

vii. The Scheme Executives shall pass a resolution within 14 days of the outcome, recording the decision of the Scheme Executives. Such decision shall be recorded on the Scheme's website.

viii. The majority decision of the Scheme Executives shall be binding on all parties.

ix. Any party to the dispute who is not satisfied with the decision reached may refer the matter to the Community Schemes Ombud Service (CSOS).

26. ENFORCEMENT OF RULES

i. In the event of any dispute concerning the interpretation of these rules and/or the enforcement thereof. The headings contained in these rules are for convenience only and shall not affect the interpretation thereof.

- ii. Should any provision of these rules be invalid and/or unenforceable, such provision is severable from the rest of these rules and shall not affect the validity and enforceability thereof.
- iii. The Scheme Executives shall have the right to take any action deemed fit to prevent any infringement of these Rules.
- iv. If a resident persists in a particular conduct or in the contravention of a particular rule or section of the Act, after the owner of the unit has received written notice advising of the offence, the Board of Scheme Executives may by majority decision impose on the owner a fine of R500.00 for the first offence, and thereafter a fine of R750.00 for every identical offence. The monetary amount of the fines in terms of this rule may be amended from time to time at any annual general meeting, by majority vote.
- v. If the Scheme Executives instruct a firm of attorneys in connection with or arising out of an infringement of any Rule, the owner shall be liable to reimburse the Body Corporate on demand for all costs incurred in respect thereof.
- vi. All complaints must be lodged in writing and sent to the Scheme Executives. A sincere endeavour will be made to meet such complaints as long as the rights of other residents are not affected.

Provided that: in terms of Section 37(1) of the Community Schemes Ombud Service Act 9 of 2011, all owners or tenants of Sections and other persons granted rights of occupancy by any owner of the relevant Section will at all times be entitled to approach the Ombud for its services

27. EXCLUSIVE USE AREAS

In terms of Section 10(7) of the Sectional Titles Schemes Management Act, 2011, the rights of exclusive use and enjoyment of the:

- **Open parking bays**
- **Covered parking bays**
- **Gardens**

are conferred upon members of the body corporate in accordance with the lay-out plan to scale and the schedule marked "A" attached hereto.