

SECTIONAL TITLE MANAGEMENT RULES

Set out in Annexure 8 to the Regulations promulgated under the Sectional Titles Act 95/1986

The Management Rules as set out in Annexure 8 shall be applied subject to the following amendments:

- I. (a) The following definition is to be inserted as 2 (d) under the heading INTERPRETATION in the said Management Rules:

2 (d) "Development period" shall mean

The period during which building operations in respect of the Sectional Scheme are continuing and which period shall terminate three months after the issuing of a Certificate of Final Completion by the Architect in respect of each and every unit, exclusive use areas and common property of the sectional scheme.

- I. (b) The existing rules 2.(d), (e), (f), (g) and (h) are accordingly re-lettered as 2 (e), (f), (g), (h), (i) respectively.
- II. Rule 25 of the Management Rules as set out in Annexure 8 of the Regulations shall be deleted and the following rules substituted therefore:

GENERAL

- 25.1 The duties and powers of the body corporate shall, subject to the provisions of the Act and these rules and to any restriction imposed or direction given at a general meeting of the owners of sections, be performed or exercised by the trustees of the body corporate holding office in terms of these rules.
- 25.2 The Trustees shall cede and assign to the Riverside Lifestyle Estate Home Owners Association all powers and functions which are necessary to enable the Riverside Lifestyle Estate Home Owners Association to effectively achieve and fulfill its main business and main object.
- 25.3 The Developer reserves the right to subdivide the commercial section/s at any stage subsequent to the establishment of the body corporate, and notwithstanding the terms and conditions relating to subdivision of a unit/s in the Sectional Titles Act, the body corporate and its members shall approve same in accordance with the requirements of the Act.
- III. Rule 31 of the Management Rules set out in Annexure 8 to the Regulations shall be deleted and the following rules substituted therefore:-

CONTRIBUTIONS AND LIABILITY IN TERMS OF SECTIONS 37(1) AND 47 OF THE ACT

- 31.1 The liability of the owners to make a contribution for the purposes of Section 37(1) of the Act or may in terms of Section 47 of the Act be liable for payment of a judgment debt of the body corporate, shall be with effect from the date upon which the body corporate comes into being, be for an amount calculated excluding the commercial sections of the body corporate.
- 31.2 As a result of this amended liability that the owner/s of the commercial section/s makes no contribution in terms of Section 37 (1) of the Act nor is liable for payment of a judgment debt of the body corporate in terms of Section 47 of the Act, the owner/s of the commercial section/s shall be:
 - 31.2.1 Liable for all costs incurred in respect of the commercial sections, which costs would in the normal event be borne by the body corporate, such as but not limited to the maintenance of the exterior of the commercial sections;
 - 31.2.2 Liable for the payment for all electricity and water supplied and consumed by the commercial sections;
 - 31.2.3 Entitled to stipulate all insurance and the insured amounts in respect thereof relating to the commercial sections and shall be solely liable for the payment of all premiums incurred in respect thereof;
 - 31.2.4 Have access at all reasonable times to the common property for the purposes carrying out maintenance and repairs to any services, plant or equipment for which it is liable and which is situate on common property;
 - 31.2.5 Entitled that all employees, guests and clients in the sole discretion of the occupiers of the commercial sections shall be entitled to access and utilization of all amenities and facilities situate on the common property.
- 31.3 The liability of owners of all sections, other than the owner/s of the commercial section/s, to make contributions and the proportions in which owners shall make contributions for the purposes of section 37 (1) of the Act shall with effect from the date upon which the body corporate comes into being be calculated as follows:
 - 31.3.1 In respect of all expenses other than maintenance of the exterior and insurance, be an amount determined by the trustees of the body corporate;

31.3.2 In respect of the maintenance of the exterior and the insurance shall with effect from the date upon which the body corporate comes into being be calculated as follows:

Participation quota of section
as reflected on sectional plan

$$\frac{\text{---}}{y} \times \frac{100}{1} = x\%$$

$y = 100 - \text{the participation quota of the commercial section/s}$

31.4 The liability of owners of all sections, other than the owner/s of the commercial section/s and the proportions in which owners may in terms of Section 47 of the Act be liable for the payment of a judgment debt of the body corporate, shall with effect from the date upon which the body corporate comes into being be calculated as follows:

Participation quota of section
as reflected on sectional plan

$$\frac{\text{---}}{y} \times \frac{100}{x} = 1 = x\%$$

$y = 100 - \text{the participation quota of the commercial section/s}$

31.5 At every general meeting, the body corporate shall approve, with or without amendment, the estimated income and expenditure referred to in Rule 36, and shall determine the amount estimated to be required to be levied upon the owners during the ensuing financial year.

31.6 Within 14 days of each Annual General Meeting the trustees shall advise each owner in writing of the amount payable by him or her in respect of the estimate referred to in 31(4) whereupon such amount shall become payable in installments as determined by the trustees;

31.7 The trustees may from time to time, when necessary, make special levies upon the owners or call upon them to make special contributions in respect of all such expenses as are mentioned in Rules 31 (1) and 31(3), which are not included in any estimates made in terms of Rule 31(4) above and such levies and contributions may be made payable in one sum or by such installments and at such time or times as the trustees shall think fit.

31.8 After the expiry of a financial year and until they become liable for contributions in respect of the ensuing financial year, owners are liable for contributions in the same amounts and payable in the same installments as were due and payable by them during the expired financial year; provided that the trustees may, if they consider it necessary and by written notice to the owners, increase the contributions due by the owners by maximum of 10% to take account of anticipated increase liabilities of the body corporate.

- 31.9 An owner shall be liable for and pay all legal costs as between Attorney and Client, Collection Commission, expenses and charges incurred by the body corporate and obtaining the recovery of arrear levies, or any other arrear amounts due and owing by such owner to the body corporate, or in enforcing compliance with these rules, the Conduct Rules or the Act.
- 31.10 The trustees shall be entitled to charge interest on arrear amounts at such rate as they may from time to time determine.
- 31.11 An owner of a section shall on registration of transfer become a member of the Riverside Lifestyle Estate Home Owners Association and shall remain a member as long as he/she remains an owner of a section.

IV. Rule 62 of the Management Rules set out in Annexure 8 to the Regulations shall be deleted and the following rules substituted therefore:-

VOTES

- 62.1 During the development period
 - 62.1.1 Each owner (other than the developer) present in person or represented by proxy and entitled to vote, shall be entitled to 1(one) vote for each section owned by such owner; and
 - 62.1.2 The Developer present in person or represented by proxy shall be entitled to 1 (one) vote for each unit owned by the developer, plus 1 (one) vote for each of all the units within the development.
- 62.2 After the development period each owner of a residential section, present in person or represented by proxy and entitled to vote, shall be entitled to 1(one) vote for each section owned. As the commercial sections shall operate as a separate entity and not be liable for payment of any contribution in terms of Section 37(1) of the Act or be liable in terms of Section 47 of the Act for payment of a judgment debt of the body corporate, such voting shall in no way affect the operation or management of the commercial sections and the owners of the residential sections shall have no control whatsoever nor be able to pass any resolutions affecting the operation or management of the commercial sections. Voting shall be on a show of hands of the owner or owners of a section, or if the owner is juristic person, its proxy, who shall have 1(one) vote for each section owned.