



SECTIONAL TITLE SCHEME OF HIGHLANDS WILDERNESS SS1237/2005

MANAGEMENT RULES MADE BY THE BODY CORPORATE OF THE HIGHLANDS WILDERNESS SCHEME, SS1237/2005, AS AUTHORISED BY A UNANIMOUS RESOLUTION OF ALL THE MEMBERS OF THE BODY CORPORATE IN THE AFORESAID SECTIONAL TITLE SCHEME

A) The Management rules prescribed in terms of Section 35(2)(a) of the said Sectional Titles Act No. 95 of 1986 (namely the Management Rules as per Annexure 8 to the Regulations of the Sectional Titles Act No. 95 of 1986) are applicable to the sectional title scheme known as Highlands Wilderness.

B) MANAGEMENT RULES IN ADDITION TO THE MANAGEMENT RULES REFERRED TO IN PARAGRAPH A ABOVE:

These Management Rules will be in addition to the existing Rules as prescribed by the Sectional Titles Act 95 of 1986. Where a rule in terms of Annexure 8 to the Regulations of the Sectional Titles Act ("the Act") is in direct conflict or irreconcilable with any of the Rules as set out below, the rule in the said Annexure to the Regulations of the Act will deemed to be substituted by the concurrent Rule as indicated in this document.

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females, partnerships, trusts, companies, close corporations and vice versa, except where indicated otherwise.

i) Subject to the provisions of Section 37(1)(b) of the Sectional Titles Act No.95 of 1986 (“the Act”) and rule iv) below, the determination made in terms of Section 32(4) of the said Act for the purposes of Management Rule 31(1) [Annexure 8 to the Regulations of the Act], is as follows:

a) The liability of all the owners of sections to make contributions for the purposes of Section 37(1)(a) or Section 47(1) of the Sectional Titles Act, shall be borne by all the owners in equal shares and not in accordance with the participation quotas attaching to their respective sections. This will be referred to as a “flat rate levy”.

b) Each Holder of a portion of a right to extend the scheme in terms of a right reserved in terms of section 25(1) of the Act and as indicated on Diagram S.G. No. D1367/2004, are obliged to make a contribution to the fund for the purposes of Section 37(1)(a) or Section 47(1) of the Sectional Titles Act and as stipulated in terms of Section 25(2)(e) of the said Act, which contribution will be born in equal shares by the holders of the real right of extension and not in accordance to the extent of the part of the common property affected by his real right of extension.

c) The liability of all the owners of sections in the scheme and holders of portions of a right to extend the scheme in terms of Section 25 of the Act, shall thus be obliged to make equal contributions for the purposes of Section 37(1)(a) or Section 47(1) of the Sectional Titles Act and thus all owners of sections and all holders of a portion of real right of extension will be liable to contribute a “flat rate levy” to the fund, as created in terms of Section 37(1)(a) of the Act.

d) The balance of the provisions in rule 30 and 31 of the Management rules [Annexure 8 to the Regulations of the said Act] shall mutatis mutandis apply to the liability of holders of a real right of extension in terms of section 25(2)(e) of the Act.

ii) Subject to the provisions of Section 37(1)(b) of the Sectional Titles Act No.95 of 1986, the determination made in terms of Section 32(4) of the said Act for the purposes of Management Rule 63 [Annexure 8 to the Regulations of the said Act], is as follows:

For the purpose of a unanimous or special resolution (with or without ballot), or on a poll, the value of a vote will be reckoned as one vote per section owned and thus the value of the vote of the owner or 4 owners of a section shall not be reckoned in accordance with participation quotas.

iii) Voting rights by owners of portions of the Section 25 real right of Extension and Value of Vote

a) As Management Rule 62 [Annexure 8 to the Regulations of the Act] only makes provision for votes by owners of sections, the said rule is hereby amplified with the following: Notwithstanding any other rule to the contrary, every natural and legal person:

(1) who may have acquired a real right of extension of the scheme pursuant to the provisions of section 25 of the Act; and

(2) whose real right is duly registered in the Deeds Office; and

(3) who has in writing bound himself/herself to these Rules and the Conduct Rules of the Body Corporate of Highlands Wilderness; and

(4) who is not in arrears with his/her/its obligations in terms of the payment of any amount due to the Body Corporate regarding the expenses referred to in Section 25(2)(e) and Section 37(1)(a) of the Sectional Titles Act; and

(5) who is not in breach of any of the conduct rules applicable to the scheme;

shall also have on a show of hands, or if it is a juristic person, its proxy, one vote for each portion of the said Section 25 real right of extension owned.

(b) To the extent that the context allows, and inasmuch as it shall be reconcilable with the tenor and meaning of such Rule, every reference to “owner” or “owners” in these Rules (as per this document and Annexure 8 to the Regulations of the Act) shall include a holder of a real right of extension.

c) Also, for the purpose of a unanimous or special resolution (with or without ballot), or on a poll, the value of a vote will be reckoned as one vote per portion of the Section 25 real right of extension as defined in iii a above and thus the value of the vote of the registered holder or holders of a portion of the Section 25 real right of extension shall not be reckoned in accordance to the extent of the part of the common property affected by his real right of extension.

iv) Authorised Representatives

If a section or portion of the Section 25 real right of extension is owned by more than one person, the owners of such section or real right shall appoint a single Authorised Representative who shall be the only person entitled to represent that section and vote at any meetings of members.

v) Levies

a) Levies shall be calculated annually based on the estimated income and expenditure of the Body Corporate in the control, management and administration of the common property and will also include operational costs and costs related to security. Any increase of levies will take effect on the 1st day of the new financial year, or as otherwise agreed at an Annual General Meeting or as agreed by written resolution.

b) Levies to cover the expenditure on the common property are recoverable from all owners of sections in the scheme, as well as from all owners of a portion of the Section

25 real right of extension in the scheme, equally as referred to in rule i) above, subject to Section 37(1)(b) of the Act.

c) However, expenses which can be directly attributable to an individual section, such as water consumption above the approved limit, electricity consumption, property insurance, specific fire prevention measures, maintenance to the exterior of the section (house) or maintenance of a private road to a section, are payable by the respective owner in addition to the normal flat rate monthly levy payable to the Body Corporate and is thus not included in the flat rate levy.

d) A Section Owner will be allowed to attend to the maintenance of the exterior of his section and the said private road by himself and at his own expense. However, if attended to by the Body Corporate, as per its function as stipulated in the Sectional Title Act No. 95 of 1986, the owner will be liable for such expenses, which will be added to his levy account and thus be in addition to the flat rate levy payable.

vi) Payment of levies

a) Liability for contributions levied under any provision of Section 37(1)(a) of the Act, accrues from the passing of the resolution to that effect by the Trustees of the Body Corporate.

b) Monthly levy instalments are payable in full in arrears by not later than the 1st (first) day of each and every consecutive month.

c) A service and administration fee of 10% of the outstanding amount shall be charged monthly on all levies which are overdue for more than 60 (sixty) days.

d) Should it be necessary for the Body Corporate to commence with legal action to collect any arrear levies and/or service and administration fees, all legal costs incurred may be recovered from the owner or real right holder at a scale of attorney and own client.

vii) Record of Rules and their Availability

In addition to rule 32 of the applicable Management Rules (Annexure 8 to the Regulations of the Act) it is hereby stipulated that the Trustees shall keep a complete record of all rules in force from time to time, which rules shall be made available on the website of Highlands Wilderness.

viii) Audited statements and report

a) Rule 39 of the Management Rules (Annexure 8 to the Regulations of the Act) is amplified to the effect that the trustees shall also cause copies of the schedules, estimates, audited statement and report referred to in rules 29 (1) (c), 36, 37 and 38 of the Management Rules (Annexure 8 to the Regulations of the Act) to be delivered to each holder of a portion of the real right of extension in terms of Section 25 of the Act.

b) Delivery in terms of Rule 39 of the Management Rules (Annexure 8 to the Regulations of the Act) shall be deemed to have been effected if the documents referred to are sent by prepaid post addressed to the owner or real right holder at his domicilium referred to in rule 3(2) of the Management Rules (Annexure 8 to the Regulations of the Act) or to the e-mail address of the owner or real right holder as reflected in the records of the body corporate, and to any mortgagee as aforesaid at the address of such mortgagee as reflected in the records of the body corporate.

ix) Special General Meetings

In addition to Rule 53 of the Management Rules (Annexure 8 to the Regulations of the Act), it is hereby stipulated that the Trustees shall also convene a special general meeting if at least 25% of the holders the Section 25 real right of extension 9

(reckoned by number of such holders) request the Trustees in writing to convene such a meeting.

x) Notice of General Meetings

In addition to Rule 54 of the Management Rules (Annexure 8 to the Regulations of the Act), it is hereby stipulated that registered holders of the Section 25 Real Right of Extension should also receive notice of the meeting. Furthermore, the notices shall also be deemed to have been sufficiently given and delivered if sent to the e-mail address of the owner or real right holder as reflected in the records of the body corporate.

xi) Quorum

Rule 57 of the Management Rules (Annexure 8 to the Regulations of the Act) is hereby amplified to read as follows:

57. (1) No business shall be transacted at any general meeting unless a quorum of persons is present in person or by proxy at the time when the meeting proceeds to business.

(2) A quorum at a general meeting shall be- (a) the number of owners holding at least 50 per cent of the votes together with at least 5 per cent of the holders of registered real rights (reckoned by number of such holders), present in person or by proxy or by representative recognised by law and entitled to vote, in schemes where there are ten units or less; (b) the number of owners holding at least 35 per cent of the votes together with at least 10 per cent of the holders of registered real rights (reckoned by number of such holders), present in person or by proxy or by representative recognised by law and entitled to vote in the case of schemes with less than 50 but more than 10 units; and

(c) the number of owners holding at least 20 per cent of the votes together with at least 20 per cent of the holders of registered real rights (reckoned by number of such holders), present in person or by proxy or by representative recognised by law and entitled to vote, in the case of schemes with 50 or more units.

xii) Round Robin Resolution

If any matter for which a general resolution, special or unanimous resolution, by the members of the body corporate (owners) and the Section 25 real right holders is required, a resolution in writing signed by all the afore mentioned persons, being present in the Republic and being not less than are sufficient to form a quorum, shall be as valid and effective as if it had been passed at a special general meeting duly convened and held. Such written resolution shall be presented to all members of the body corporate (owners) and to all Section 25 real right holders for the time being present in the Republic, for signature. For this purpose, a document, in which the proposed resolution is fully set out and of which the heading has to be "Written General/Special/ Unanimous Resolution", can be sent to all the owners and real right holders by one of the Trustees of the Body Corporate. If the afore mentioned document is duly signed by the owner / real right holder, or its duly authorised representative, and the signed document is e-mailed or faxed to the relevant Trustee of the Body Corporate, such signed document

received by the Trustee as afore mentioned, shall be deemed to be a valid vote in favour of the proposed resolution.

xiii) Binding Nature

Rule 69 of the Management Rules (Annexure 8 to the Regulations of the Act) is hereby amplified to read as follows:

“The provisions of these rules and of the conduct rules, and the duties of the owner and holder of a portion of the real right of extension as provided for in Section 25 of the Act, in relation to the use and occupation of sections and/or common property shall be binding on the owner of any section, real right holder and any lessee or other occupant of any section or part(s) of the common property affected by the Section 25 real right of extension, and it shall be the duty of the owner and real right holder to ensure compliance with the rules by his lessee or occupant, including employees, guests and any member of his family, his lessee or his occupant and any building contractors and their agents.

xiv) Exclusive Use Areas and liability for costs, maintenance and fire breaks

a) Rights of exclusive use of parts of the common property are in terms of section 27A of the Act conferred in accordance with the diagram annexed hereto (as such identified as a diagram compiled by Professional Land Surveyor M Bekker and dated September 2010):

T3 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 3 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T4 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 4 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T5 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 5 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate; 13

T6 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 6 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T7 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 7 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T8 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 8 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T9 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 9 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T10 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 10 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate; 14

T11 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 11 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T12 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 12 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T19 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 19 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T20 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 20 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

T21 is hereby allocated as an exclusive use area for the exclusive use and enjoyment as a natural garden (tuin) by the owner of Section 21 (and his successors in title) in the Highlands Wilderness Scheme, as a member of the Body Corporate;

b) The owner or owners of a section or sections entitled to the right to the exclusive use of a part of parts of the common property, whether or not such right is registered or conferred by the rules made under the Act, shall be responsible for the payment of rates and taxes, insurance and maintenance regarding such part of the common property of which he enjoys the exclusive use, including the provision of electricity and water, failing which the Body Corporate will be entitled to pay for the afore mentioned costs and require the said owner to accordingly make such additional contribution to the fund (established in terms of Section 37(1)(a) of the Act) to enable the Body Corporate to defray the said costs.

c) The owner or owners of a section or sections entitled to the right to the exclusive use of a part of parts of the common property, whether or not such right is registered or conferred by the rules made under the Act, shall be responsible to make the necessary fire breaks around their sections and also upon their exclusive use areas, as prescribed by law and in compliance to the conduct rules applicable to the scheme, at their own cost, failing which the Body Corporate will be entitled (but not obliged) to pay for the afore mentioned costs and require the said owner to accordingly make such additional contribution to the fund [Section 37(1)] to enable the Body Corporate to defray the said costs. If there are any claims against the Body Corporate in this regard, due to the fact that an owner failed to make the necessary fire breaks as prescribed, such owner hereby indemnifies the Body Corporate against any claim whatsoever.

d) The Trustees of the Body Corporate or their nominees has unrestricted access to an exclusive use area, whether or not such right is registered or conferred by the rules made under the Act, where in the opinion of the Trustees such access is required for the exercise of its powers or the performance of the functions of the Body Corporate. In other circumstances no other owner shall enter or use any part of an exclusive use area without the permission of the owner to whom that area is allocated or in whose name such exclusive use area is registered.

e) Exclusive use areas shall be maintained as per the conduct rules.

xv) Parts of the Common Property affected by the real right of extension in terms of Section 25 and liability for costs and maintenance

a) A registered holder of a portion of the real right of extension in terms of Section 25 of the Act shall be responsible for the payment of rates and taxes, insurance and maintenance regarding such part of the common property affected by his real right of extension and as indicated on diagram S.G. No. 1367/2004, including the provision of electricity and water, failing which the Body Corporate will be entitled (but not obliged) to pay for the afore mentioned costs and require the said owner to accordingly make such additional contribution to the fund (established in terms of Section 37(1)(a) of the Act) to enable the Body Corporate to defray the said costs, in addition to the applicable flat rate levy.

b) A registered Holder of a portion of the real right of extension in terms of Section 25 of the Act shall be responsible to make the necessary fire breaks upon the common property affected by his real right of extension and as indicated on diagram S.G. No. 1367/2004, as prescribed by law in compliance to the conduct rules applicable to the scheme, at his own cost, failing which the Body Corporate will be entitled to pay for the afore mentioned costs and require the said owner to accordingly make such additional contribution to the fund [Section 37(1)] to enable the Body Corporate to defray the said costs. If there are any claims against the Body Corporate in this regard, due to the fact that a real right holder failed to make the necessary fire breaks as prescribed, such real right holder hereby indemnifies the Body Corporate against any claim whatsoever.

c) If a part of the common property, affected by the real right of extension held by a Section 25 Real Right Holder in ownership, is adjacent to the boundary of a neighbouring property, which is falling outside the registered area of the scheme, the said holder of the specific portion of the real right of extension shall be liable, in conjunction with the neighbouring property, for the erection and maintenance of the boundary fence. No Section 25 Real Right Holder will be entitled to break down any existing fences occurring on the common property in the scheme and if such fence falls within or is directly adjacent to or forms the boundary to the part of the common property affected by his portion of the real right of extension, such Real Right Holder will be responsible for the maintenance of the said fence.

xvi) Insurance

Insurance of buildings will be dealt with as stipulated in Rule 29 of the Management Rules (Annexure 8 to the Regulations of the Act) except for the fact that the Body Corporate will not be responsible to insure buildings in process of erection by Section 25 Real Right Holders. These real right holders will personally be responsible for the insurance of the buildings which they erect while exercising their real right of extension in terms of Section 25 of the Act and will have no recourse whatsoever against the Body Corporate if they occur damages due to failure to insure the said buildings. The Body Corporate will only be responsible to insure the buildings from date of registration as a section at the Deeds Registry and then in terms of Rule 29 of the Management Rules (Annexure 8 to the Regulations of the Act). Once the Body is responsible for the insurance, the insurance of each section will be in addition to the flat rate levy and thus be added to the amount of the flat rate levy for each individual owner of a section. Short term insurance for the interior of a Section and any movable property occurring in a section or upon the common property are for the personal arrangement and account of

owners and real right holders owning such movable property and the Body Corporate will not be responsible or liable in any way for the insurance of same. Solar panels are not covered under the building insurance, but may be insured separately as All Risk specified items. Sectional title owners and real right holders must familiarise themselves with the terms and conditions of the insurance policy and comply with same.

xvii) Appointed Surveyor and Attorney

The Body Corporate has appointed a Professional Land Surveyor to survey all buildings in the scheme and to subsequently prepare the sectional plans of extension for the purposes of the extension of the scheme in terms of Section 25(9) of the act (meaning the conversion from real right to sectional title ownership). All Section 25 real right holders are obliged to appoint the said surveyor in this regard and all real right holders are obliged to make use of the attorney appointed by the Body Corporate to affect registration of transfer at the Deeds Office. It is furthermore stipulated that should a real right holder make use of any other surveyor and/or attorney in this regard, the Body Corporate will pay a penalty fee to the said surveyor and/or attorney, which amount will subsequently be added to the levy contribution payable by the said real right holder to the Body Corporate. Furthermore the real right holder will also, on request, be liable to pay any surveyor and/or attorney fees of the appointed Professional Land Surveyor and attorney to amend sectional plans or Title Deeds, should it appear that the failure to make use of the services of the aforesaid surveyor and attorney had the effect that any diagrams and subsequent registrations were done incorrectly. The Trustees will have the power to appoint an alternative surveyor or attorney for the above said purposes, if the appointed surveyor or attorney is for whatever reason not able to attend to the instructions.