House Rule
Dolphin Beach/Dolphin Four Home Owners Association
Expenditure Agreement

1. Introduction

1.1. Many managerial decisions are made daily by the Estate Manager which have cost implications to both bodies corporate.

1.2. Similarly, both bodies corporate of Dolphin Beach and Dolphin Four makes independent common property decisions impacting on each other.

2. Aim

2.1. The aim of this House rule is to regulate financial decision made by the Estate Manager or either bodies corporate that impacts on the financial expenditure of both bodies corporate.

3. Home Owner's Association for Dolphin Beach and Dolphin Four

3.1. A Home Owner's Association was registered to regulate the relationship between Dolphin Beach and Dolphin Four. An extract of this agreement is used to formulate this House rule.

3.2. "*That a Home Owner's Association be established, in terms of Section 29(1) of the Land Use Planning Ordinance No 15 of 1985, to ensure that the common areas including the dune area situated within the servitude area, registered over Public Open space Est 10066, Table View Milnerton, in favour of Erf 15584, and the road access and security areas, are controlled, managed and maintained, the details of the Home Owners Constitution, being to the satisfaction of the Council's Attorneys, to ensure that common responsibilities cannot be abrogated or rescinded at any time in the future."*
(Note: Section 29(1) of the Land Use Planning Ordinance No 15 of 1985 regulates the sub-division of an erf and therefore concentrates on the common areas on the erf as well as the pieces of servitude land.)

3.3. "The association shall have as its members the owners of the land units arising from the subdivision, who shall be jointly liable for the expenditure incurred in connection of the Association."

3.4. The Association shall, in accordance with the provisions of Section 29(1) of Land Usage and Planning Ordinance (LUPO) be a body corporate.

3.5. "The Association --- has as its object --- the control over and the maintenance of common areas and more particularly the exercise of all rights and compliance of obligations arising out of the Notarial Deed of Servitude K774/92 ---- (dune area) and Servitude K774/93 ---- (right of way)."

3.6. "The Association shall not be added to or amended in any manner without the prior written consent of the Council of Milnerton being obtained to any such amendment or addition which shall have no force or effect without written consent."

3.7. Expenditure authorised by the Committee shall be funded by the Dolphin Beach Body Corporate and the Dolphin Four Body Corporate as to 75%/25% respectively in respect of all matters to be dealt with in terms of the constitution and with detracting from the generality of the aforegoing specifically in respect of the exercise of rights and fulfilment of obligations arising out of the Notarial

Deed of Servitude No K774/92 aforementioned and maintenance costs respect of the servitude area referred to in the Notarial Deed of Servitude of Right of Way aforementioned. Notwithstanding the provisions of clause 9, and subject always to clause 7, shall by unanimous resolution by all its members be entitled to vary the proportion of funding by each body corporate whether for a specific expense or generally.

4. Estate Manager and Staff

4.1. Both the bodies corporate of Dolphin Beach and Dolphin Four agreed that an Estate Manager may be appointed to manage the following broad aspects:

4.1.1. Management of allocated maintenance staffs;

4.1.2. Administrate all financial expenditure on behalf of both bodies corporate in the format required by the managing agent;

4.1.3. Identify and manage all maintenance related issues to the common property of the entire building.

4.1.4. Specific costs such as tiles/frames/broken items/attachments etc. are for the cost of that Body Corporate, but common aspects such as cement/paint/screws etc. are normally centrally stored and is therefore a shared cost between the both Bodies Corporate at the normal ratio of 75%/25%.

4.1.5. Management of all subcontractors such as gardeners, cleaners, security and other appointed contractors.

4.1.6. Oversee the wellbeing of the property and the conduct of the occupiers.

4.2. The Estate Manager is appointed and managed by the Dolphin Beach Trustees.

4.3. The salary package of the Estate Manager and staffs must be approved annually by both bodies corporate.

5. Financial Decisions by Bodies Corporate Impacting on the Other

5.1. Both bodies corporate may make independent financial decisions that does not impact on the other body corporate.

5.2. If a decision has a financial impact on the other body corporate it must be ratified through the Homeowner's Association to the affected body corporate. Such decisions can only come into effect once the other body corporate has ratified the decision in writing.

6. Financial Decisions by Estate Manager

6.1. The Estate Manager may manage the different common properties within the approved budgets and as directed by the Trustees.

6.2. All emergency or urgent situations may be managed with the necessary responsible actions. Feedback to the relevant trustee must be done as soon as possible.

6.3. All maintenance to common property within the boundaries of the appropriate body corporate will be for the cost of that body corporate.
(Typical examples: maintaining the ponds in front of Dolphin Beach is for the cost of Dolphin Beach; maintaining the parking area in front of Dolphin Four is for the cost of Dolphin Four.)

6.4. *Maintenance to the entrance, including the circle and security complex must be maintained at the 75%/25% ratio. The gas installation is a Dolphin Four specific installation.*

6.5. Acquisition of maintenance tools and apparatus, common paint, cleaning materials, etc, is for the cost of both bodies corporate at a ratio of 75%/25%.

6.6. Administration costs to manage the office is also carried by both bodies corporate.

6.7. The Estate Manager must ensure that 25% of manpower is allocated to maintenance at Dolphin Four.