



BODIES CORPORATE NEWS

Keeping Trustees Informed

R9.95



TRUSTEES - **NEW REGULATIONS** ASSOCIATED WITH THE OCCUPATIONAL HEALTH AND SAFETY ACT **DO AFFECT YOU**

Issues concerning the new regulations are complex and not easily understood by the lay person. We provide editorial in an "easy to understand" format, and will endeavor to overview the topic and provide a basic understanding.

New **construction regulations** now form part of the Occupational Health and Safety Act. Construction work as defined in the Act also extends to **maintenance activities** such as painting and will affect all bodies corporate. The complete act is comprehensive and even extends to **persons employed** by bodies corporate, such as gardeners, window cleaners, handymen, etc. In essence, the new act places responsibility on bodies corporate to ensure that their **employees, sub contractors, and contractors** comply with the act. In other words, bodies corporate are directly concerned, and responsible for the **health and safety** of their own staff, sub-contractors, and must even ensure that large contractors conform with the new act.

The act itself embodies multi faceted safety and

health requirements such as the wearing of **protective clothing**, toilet facilities for workers, the condition of machinery used, the disposal of builders rubble, access to **first aid** facilities, the insulation of electric tools, the positioning of warning notices and signs, the **regular inspection** of ladders and scaffolding, the quality of tools and equipment, the storage, safe use, and **marking** of chemical products, etc, etc, etc. By now I am sure that you get the picture.

So what should trustees do first?

1. Read the act by visiting www.acts.co.za

At the next meeting trustees should:

2. Devise a plan to ensure that any persons **employed** by the body corporate conform with the act (*making use of a small informal paint contractor constitutes employment*), and that your plan includes regular inspections, eg, when your gardener uses a weed eater, he must wear a **protective** eye shield. Consider pool chemicals, and paint and the **safe storage** of these products. Regularly **Inspect** your caretakers ladder, tools, etc.

Trustees using subcontractors must:

1. Make sure that their subcontractors are familiar with and conform with the O.H.S. Act.
2. Set up mechanisms to monitor that subcontractors comply, because at the end of the day the trustees will be **held responsible** if an accident occurs.

Continued on page 2



IN THIS EDITION

Ask the Editor
Page 3

The AGM
Part 2
Page 4

Letters received from
trustees
Page 6

Editors comment
Page 7

Tertius advises
Page 8

Death fall: company fined

A Port Elizabeth construction company has been fined R10,000 after a plea bargain linked to the death of an employee while painting at Telkom House.

Thembisile Mokwane died shortly after he fell to the ground from the fifth floor while painting from scaffolding in Strand Street on January 9, 2001.

The company and its parent company were jointly charged for culpable homicide and contravening the Occupation Health and Safety Act.

The charges against the parent company were withdrawn in the regional court after the State and defense agreed to a plea bargain agreement.

The company was fined R10,000

This article appeared in the Cape Herald on April 25 2005



WILCOTE

Waterproofing & Painting

THE PROFESSIONAL SOLUTION



WILCOTE HEAD OFFICE (Dolphin Coast):

PO Box 272, Balito, 4420 Tel: 032 942 2033 Tel/Fax: 032 942 2022

Email: wilcote@mweb.co.za Website: www.wilcote.co.za

NORTH COAST
Tel: 035 - 787 3716
Fax: 035 - 772 3931
Email: wilcote@telkomsa.net
SOUTH COAST
Tel: 039 - 317 2853
Tel/Fax: 039 - 315 5174

KZN MIDLANDS
Tel: 033 - 343 4155
Fax: 033 - 343 3259

DURBAN
Tel: 031 - 708 4959
Cell: 083 710 0747

DURBAN WEST
Tel: 031 - 767 5366
Fax: 031 - 767 3261

JHB EAST RAND
Tel: 011 - 979 2217
Fax: 011 - 979 2169

PRETORIA NORTH
Tel: 012 - 546 9728
Tel/Fax: 012 - 804 3214

JHB NORTH
Tel: 011 - 888 6073
Fax: 011 - 888 7730

Continued from page 1

Bodies Corporate who engage in construction projects must also make sure that their contractor complies with the act.

1. Appoint a professional and suitably qualified **agent** who acts on behalf of the body corporate, from the planning stages and until the project is completed. The agent's function is to prepare a **health and safety specification** for the construction work on behalf of the body corporate. The principle contractors who are tendering will then need to provide the body corporate (via their agent) with a **documented** health and safety plan based on the clients (body corporate's) health and safety specification. Once appointed, the principle contractor must then ensure that a health and

safety file is opened and kept on site for the body corporate and its agent to inspect.

2. In addition the body corporate's agent/technical representative will have ensured that **all contractors** who tendered for the work are:

- i) Registered with the N.H.B.R.C.
- ii) Registered with the compensation fund, W.C.C.
- iii) In possession of the O.H.S. Act, understand it, and can meet the requirements of the new construction regulations which now form part of the act.

3. The Body Corporate's agent must also look after the **interests** of **individuals** who live in the sectional title scheme, and no doubt the trustees will / or should ask their agent to.

(some examples):

- i) Make sure that the contractor does not use the body corporate's water and electricity without paying, and that the contractor "taps" off the

existing system using **his own** pipeline connection.

ii) Make sure that the contractor does **not use hose pipes** which are allocated to residents.

iii) Ensure that contractors **do not borrow** wheelbarrows or tools from the body corporate or its members.

iv) Devise a plan to control the positioning and movement of **builders rubble**.

v) Make arrangements regarding access and parking for contractors vehicles. Establish **compensation criteria** regarding contractors vehicles which leak fuel and oil on common property, eg: on paving, etc.

vi) Establish a 'modes operandi' regarding **damage** caused to property by contractors, eg: when a truck damages a structure.

vii) Make sure that a plan is in place which makes certain that contractors "**clean up**", and restore any portion of common property that has been affected by the activities of construction work!

viii) Make sure that construction activities respect the need for the **privacy** and dignity of residents, eg: control of activity hours, loitering on common property, noise consideration, indecent behaviour by workers, etc.

Owners who extend their sections. All the criteria detailed above still applies though the owner will need to **pay for** and **appoint** his own technical agent to ensure conformity with the O.H.S Act criteria in order to protect his interest and that of the Body Corporate.

This editorial is provided after having considered reports written by Mr D. Argyrakis and Mr Johan Prak, who provided a document of standard procedure which body corporate's can use. If you require this document contact Mr Prak on iprak@iafrica.com, as it is his intellectual property.

SUBSCRIBE ANNUALLY TO BODIES CORPORATE NEWS

- ADVICE FROM SECTIONAL TITLE EXPERTS
- PRACTICAL AND USEFUL INFORMATION
- COMPETITIONS AND PRIZES

Name(Co or Individual): _____

Address: _____

Code: _____

Tel(H): () _____

Tel(B): () _____

Cell: _____

Email: _____

Payment Method:

- Cheque enclosed
- Postal order enclosed

Made in favour of Bodies Corporate News, and posted to PO Box 45002 Claremont 7735

I ENCLOSE MY SUBSCRIPTION OF R80.00, (OR R50.00 AS I AM A TRUSTEE)



MR SPIKE
PERIMETER SECURITY

Electric fencing
Security spikes
Razor wire
Birdspike

0861 100 126
www.mrspike.com



MAKING SECTIONAL TITLE WORK

0861 003600
www.propell.co.za

* CONDITIONS APPLY

ASK THE EDITOR

Try to
Rob will answer your questions

Numerous requests for information are received. Many are answered within the pages of this magazine or via our help-line 086 757 7882.

Qan owner of a unit in our small complex of 10 sections is contravening the Body Corporate House Rules by having his boat permanently parked in front of his double garage. (For several years he kept it in his garage.) In addition, neither of his two cars is parked inside the garage. They are also parked outside, consequently infringing on a neighbour's exclusive use area. He has received two letters requesting him to move his boat inside; he has ignored both letters. What do the trustees do now?

A vehicles can only be parked in allocated areas on the common property, such allocated areas are defined as:

1. exclusive use areas linked to specific sections as shown on the sectional plan. OR

2. On demarkated areas of common property allocated to units when there is sufficient space to allow every unit a parking space; ie, parking space set aside for each unit by the Body Corporate / Trustees.

If a vehicle is parked in any other area of common property without the consent of trustees they may have the vehicle towed away (conduct rule 3) at the risk and expense of the unauthorised parker. Trustees should not become personally involved in the removal process but rather use a reputable "towing service" which has secure storage space at a reasonable cost.

Qthanks very much for this publication. I'll definitely be subscribing. We're a fairly young,

small complex of 7 freestanding units. We've had our share of financial difficulties, what with developers not completing all that had been promised, managing agents not managing our accounts, and so the story goes on. We've been struggling to manage our own financial affairs without the help of managing agents in an attempt to reduce costs and try to keep levies reasonable. What are the pitfalls in this?

A you seem to have experienced some difficult situations in your new scheme. Managing your own complex can be advantageous as managing agents face financial predicaments when they "take on" small blocks. In all fairness, managing agents often find it difficult to apply resources and energy to manage small schemes like yours as the financial rewards are limited in relation to the workload and expectations of clients. Given this scenario, you would be well placed to manage your affairs provided that you and your trustees understand the sectional title act and fully comply with its content. A great deal of study is necessary! Every choice that we make has advantages and disadvantages. Even assuming that you understand the act, the obvious pitfalls could include:

- Information access, and keeping up with the latest legislation.
- Having the time to fulfill the required obligations as stipulated in the act.
- Isolation from an agent could restrict your ability to engage in a discussion forum from which you could obtain useful information, ie, sometimes we need to debate, and "bounce ideas off an informed 3rd party".
- You would need accounting, motivational, communication, and secretarial skills.
- You can't reapproach a third party if

things go wrong!

f) What if you physically move?

g) If your neighbour cannot pay his / her levy and happens to be your friend, how do you manage the situation? Are you emotionally equipped! Perhaps you should consider using a levy finance company to finance and collect your levies, you and your trustees would then be relieved of the major burden and can focus on the administrative and secretarial functions. In addition you would not be regarded as an enemy to those owners who do not pay their levies on time, as you have a 3rd party to reapproach.

QI have recently purchased and taken transfer of a sectional title unit. My private garden is not referred to in my deed of sale, yet I was assured that the garden is my exclusive property.

A the party who sold you the unit were not entirely correct, as an owner of a unit never becomes the owner of an exclusive use area. You merely hold the right of exclusive use of that area. The area remains as common property, but only you have the right to make use of that area, your right is therefore something less than ownership.

Exclusive use areas are never referred to in the title deed of your unit for the very reason that it does not constitute ownership. If you have not been issued with a deed of cession in respect of your garden I would recommend that you determine whether your garden area is properly described in the rules as an exclusive use area allocated to your unit. If not, you may face another disappointment and discover that your private garden could be common property.

How far does your insurer go for you?



When you choose Corporate Sure for your sectional title insurance, you're choosing the people with the professional experience you need. People who understand the specific requirements of both residential and office property cover.

The Corporate Sure Policy is administered by C-Sure Underwriting Managers (Pty) Ltd and

CORPORATE

Sure

underwritten by Santam Insurance Limited, a partnership that gives you the best products and the highest levels of service.

Through innovation and our drive to go further, C-Sure Underwriting Managers (Pty) Ltd is committed to bringing you insurance policies that stay ahead of the property market.

INNOVATIVE INSURANCE SOLUTIONS FOR SECTIONAL TITLE PROPERTIES

C-SURE Underwriting Managers (Pty) Limited

Tel: (031) 562-0712 • Fax: (031) 562-8971/75 • c-sure@corporate-sure.co.za

♦ DONOGHUE & ASSOCIATES 19610

Your AGM

Part 2

Quorums voting and proxy's

The AGM provides all owners, (and holders of mortgage bonds who have notified the Body Corporate of their interest) with an annual opportunity to discuss, review, and participate in the decision making process of their scheme.

QUORUMS

Before the meeting commences there must be a minimum number of people

present, ie, a **quorum**. Without a quorum the meeting cannot proceed and will be postponed to the same time and place, a week later. The size of a quorum depends on the number of units in the scheme.

2-10 units: At least **50%** of owners must attend in person or by proxy.

11-49 units: At least **35%** of owners must attend in person or by proxy.

50 or more units: At least **20%** of owners must attend in person or by proxy.

Owners can also be represented by a representative who is recognised by law as being entitled to vote. Under special circumstances a quorum can be calculated by participation quotas, which means that owners who have larger sections, or several sections, have a larger vote than members who have smaller units. This method is usually applied if special/unanimous resolutions are required.

The chairman chairs the meeting (and if he is more than 15 minutes late, the owners must elect an alternative from the owners present.) The chairman declares the meeting duly constituted **once a quorum is present**, and proper notice was given. The chairman then reviews, sorts proxy's, (and trustee nominations which must be received **48 hours** before the meeting), notes the attendance of representatives present, (including those who are not entitled to vote). He ensures that the **attendance registrar is signed**, and guests are welcomed prior to reading and explaining each point on the agenda. If there are matters requiring a vote, they should be clearly introduced, and the results properly announced.

VOTING

Owners will be called on to exercise their democratic right by voting on various

issues as required in the AGM Agenda. When voting occurs, a resolution is passed. There are three types of resolutions:

An ordinary resolution: requires a simple majority - **51%** of votes.

A special resolution: (E.g. to change conduct rules) requires a **75%** agreement in number and value at an AGM (duly constituted).

A unanimous resolution: (E.g. to change management rules) requires an **80%** quorum at an AGM, **and all** members must agree.

Ordinary resolutions are usually decided on a show of hands, ie, "one hand, one vote". But if an owner demands that voting take place **by poll**, then the chairman must oblige. A poll vote supersedes the "show of hands" vote, and is evaluated on the basis of each owners participation quota percentage. An owner who is **in arrears** with his levy payments or an owner who continually **breaches** conduct rules after having received written **warnings** from the trustees or managing agents is **not allowed to vote** in an ordinary resolution, however **he can** vote for a special or unanimous resolution if tabled at the AGM.

Some units are jointly owned. In such circumstances **only one** of the owners (or their qualified representative) can exercise one vote in person (or by proxy).

THE BODY CORPORATE OF VILLA VISTA
SS 25/1993

PROXY FORM

1. Shaun Edward, the registered owner of Unit 15 Villa Vista, do hereby appoint:

Warren Hammond

Or, in his absence, the Chairman of the meeting, as my proxy to vote on my behalf at the Annual General Meeting to be held on the 7th of May 2007, or at any adjournment thereof.

.....
Shaun Edward's Signature



RE/MAX Premier
International Property Group

Northcliff Office
082 449 1738

URGENT URGENT URGENT

WANTED
DESPERATE QUALIFIED BUYERS
LOOKING FOR A UNIT
IN THIS COMPLEX

**THINKING OF SELLING
CALL ME NOW !!!**


Christine Lang
082 449 1738



BestSure FINANCIAL SERVICES

SPECIAL RATES
for Cluster/Townhouse owners and residents

★ Guaranteed **10% discount** on your present Car and Household insurance premium.

PLUS

Earn Best Points by registering your policy with BestSure

★ Total Savings can be as much as **30%**
★ (Conditions apply).

For more information speak to George at:
Tel: (011) 674 4000 or Cell: 082 965 0628

Representing the following Insurance Companies:





Email: info@sect-wisp.co.za
Tel: +27 82 714 2466
For more info visit: www.sect-wisp.co.za

TRUSTEES, DO UNWANTED GUESTS GAIN ACCESS TO YOUR BUILDING? - WE CAN SOLVE YOUR PROBLEM

- We provide secure access systems
- Fingerprint technology - 1 in 5 billion match
- Long term cost saving advantages
- Additional services to tenants
- Reduction in manpower requirements
- Excellent synergy with CCTV

PROXIES

Members/owners who are unable to attend the AGM, yet want to participate **can appoint** a representative to vote in a particular manner on their behalf, or even leave it up to the representative (or chairman) to make decisions on their behalf provided that a proxy form is completed and **signed**. The proxy is handed to the chairman **before** the meeting commences. **Owners cannot appoint** the managing agent, his employees, or a person

employed/deployed by the Body Corporate to act on their behalf. Proxies are only valid for a particular AGM and **cannot be re-used** again later.

BUSINESS COMMENCES

One of the first items on the Agenda is to consider the audited financial statements. The example of a balance sheet as shown below is usually the first report to be tabled at an AGM. This document provides members with an insight into the financial status of their

scheme.

Editorial has been simplified in order to provide a basic understanding.

Next Issue: Chairmans report, insurance values, income and expenditure statements, etc.



THE VILLA VISTA BODY CORPORATE			
Building No. SS25/1993			
BALANCE SHEET			
At 31 March 2002			
Note	2002	2001	
	R	R	
ASSETS			
Current assets			
Accounts receivable	2	18 561.18	48 200.10
Municipal Deposits		10 000.00	10 000.00
Bank and cash	3	254 966.06	119 253.64
Total assets		283 527.24	177 453.74
RESERVES AND LIABILITIES			
Reserves			
Common property funds surplus	4	234 817.00	131 964.71
Current liabilities			
Accounts payable	5	43 431.14	43 533.03
Taxation		5 278.50	1 956.00
		48 710.24	45 489.03
Total reserves & liabilities		283 527.24	177 453.74

Electricity usage - New Solutions!
Body Corporate's and residents living in schemes can now purchase electricity from a private service provider - and have prepaid meters installed

Sectional Title schemes who's sections do not have prepaid electricity meters, (or direct accounts with service providers in their own name) usually rely on meter reading companies, the body corporate, or the property administrator to read their meters. The information is then relayed to an administrator who calculates usage after considering free units, and tariffs. Invoices are then prepared, posted, and monies due collected. Records must be kept regarding deposits and refunds and these must be incorporated into the equation. Meter readers do not always record usage on the designated day, which can cause fluctuating bills. Mistakes do occur, and trustees are usually at the receiving end when irate consumers contest their electricity bills.

purchase electricity from a private company (N.E.R Approved) who can provide value added benefits. The private company simply buy electricity from the utility in bulk (wholesale rates) then sell it to residents in sectional title schemes. Users won't pay more than they did in the past. Meter reading costs will disappear! Administrative errors can also be avoided as private electricity providers can install prepaid meters at "less than half the price" that utility's used to charge (utility's no longer install meters into sectional title schemes). Residents will then be able to manage their own usage, purchase units in values that are convenient, and from a large number of sources (even the internet). Body Corporate's would be metered separately for common property electricity usage and invoiced periodically.

There is a solution! You don't have to buy your electricity from Eskom or the municipality! You can now

In need of advice?
PHONE OUR HELP LINE 086 757 7882
 Unfortunately we do not yet offer a free service that enables us to reply in writing to each of the hundreds of emails that we receive requesting information.

ACKNOWLEDGEMENT
 THIS PUBLICATION ACKNOWLEDGES THE CONTRIBUTION MADE TO THE SECTIONAL TITLE INDUSTRY BY TERTIUS MAREE, GRAHAM PADDOCK, MARINA CONSTAS AND KAREN BLEIJS WHO'S PUBLISHED WORK PROVIDES US WITH ADDITIONAL INSIGHT.

POWER MEASUREMENT

We provide and install prepaid electricity meters nationwide
We sell electricity to Sectional Title Schemes at no extra cost
Now residents can manage their own electricity consumption
No more meter reading costs! No more administrative errors!
 For more info visit the Sub Vending page on www.powermeasurement.co.za
 Phone 021 556 3810 or 083 306 2418 for the best energy solutions

PEACE OF MIND FOR TRUSTEES
PROFESSIONAL NATION WIDE ELECTRICITY SUPPLY AND MANAGEMENT

Letters *received from readers*



Dear Editor

An impending amendment to the Revenue Laws could result in home buyers having to pay up to 10% of the purchase price in the form of a withholding tax on behalf of the seller.

The legislation is yet to come into operation, but is imminent.

The proposed Section 35A of the Income Tax Act introduces practical measures to ensnare non-residents in the Capital Gains Tax (CGT) net that applies equally to residents and non-residents.

SARS is aware of the profit-taking of non-residents in local fixed property speculations where fluctuations in the Rand have multiplied profits enormously. These profits are subject to CGT, yet the difficulty of collecting due tax is immense as non-residents often return abroad once their property is sold.

Hence, the introduction of a withholding tax upon the proceeds of a sale of local fixed property by a non-resident. This tax is payable to SARS within 14 or 28 days of settlement depending on whether the purchaser is a resident or non-resident, respectively. Penalties will apply on

late payment.

There are however, filters to protect the purchaser. Where estate agents or conveyancers are involved in the transaction and knew or should have known that the seller was a non-resident and this was not revealed to the purchaser, these other parties will bear some financial liability. This will be limited to their remuneration derived from the transaction.

So, if you purchase fixed property, make sure, in the first instance that the estate agent has investigated that the seller is not a non-resident and that there is a written confirmation to that effect. Further, ask that the Conveyancer confirms that an investigation has been made.

The amendments are complex and detailed and the purpose of this article is to inform individuals of an additional exposure when buying fixed property valued at over R2 000 000,00.

John Gomes

Dear Editor

I am so excited that I "stumbled" upon your News Letter and would like to commend you on the valuable information and advice published therein. I have printed all the copies off the internet and almost every copy has some valuable information. At our AGM last night, I

informed all owners and have followed up with a written notice to them to immediately visit your web site as I believe your publication not only assists trustees, but is absolutely valuable to all owners of a sectional title scheme and firmly believe that prospective sectional title owners should most definitely read your news letters before entering into such an environment. If I had any knowledge of this publication before I bought into a sectional title scheme four years ago, I would probably not have gone "there" Be that as it may, I decided to get involved and have been the chairman (lady) of this complex for four years and am happy to say that the complex - Autumnfields, Buccleuch, has gone from strength to strength!!

Elizabeth Filiba

IF YOU RECEIVE BODIES CORPORATE NEWS AND ARE NOT A CHAIRPERSON / TRUSTEE YOU COULD RECEIVE
R1 000.00
BY SIMPLY PROVIDING US WITH YOUR CHAIRPERSON'S DETAILS.
 Please complete the enclosed postage paid reply form to qualify!

D.I. WHY?

BECAUSE YOU CAN qualify for finance for home improvements even if the banks have turned you down.

Real People, the fastest growing financial services provider in Southern Africa, has teamed up with the National Housing Finance Corporation to offer you a brighter life.

Finance up to R10 000 is granted for upgrades or improvements to owned properties, with flexible repayment periods of up to 24 months. You need a pay slip, two months' latest bank statements and proof of identity.

for more information:
 Tel: 086 110 1724 • Fax: 086 620 0107
 Email: marketing@realpeople.co.za
 Website: www.realpeople.co.za

REAL PEOPLE

BOND X PRESS

We arrange finance for Body Corporate members who want to

- SETTLE OVERDUE LEVIES
- CONSOLIDATE DEBT

(Trustees, share this concept with fellow members)

- GO ON HOLIDAY
- RENOVATE/UPGRADE
- PAY FOR KIDS EDUCATION
- BUY A NEW CAR
- REDUCE DEBT
- INCREASE SECURITY AND VALUES

OUR ADVICE IS FREE

It's easier than you imagine. There is value in your property which we can mold into packages that suit your needs, and perhaps even reduce your current monthly bond payments.

FOR HASSLE FREE HOME LOAN FINANCE CALL

CARIN 083 397 1999

ANDREW 083 456 4733

EMAIL bondxpress@telkom.net

FAX 021 788 1868



IN MY OPINION *Editors Comment*

PROPERTY RATES BILL - THE PROCESS OF IMPLEMENTATION COULD START ON JULY 1ST

Soon sectional title owners will be singularly responsible for the payment of rates to their municipalities. At present rates form part of ones lump sum levy payment. In other words Body Corporate's will no longer act as agents and collect levies on behalf of owners. Rates are paid by most property owners (who's property's exceed a fixed value) and are used to finance roads, administration, traffic, parks and environmental services, etc. There is always a debate concerning the value of services provided in relation to the amounts that property owners pay. None the less the fact is we must pay rates. The current system has benefits for owners in that if they fall into arrears with their levies, the body corporate is responsible for payments to municipalities and when schemes fall into arrears all owners are at risk. But don't panic yet, the process of implementation has only started, and will not come into affect immediately.

Municipalities need to spend a great deal of money in order to implement the new legislation, they need to:

1. Prepare a valuation roll.
 2. Conduct a valuation of properties.
- Provision is made for individuals to object if they feel that their property has been overvalued, many factors will influence the valuation of sectional title property, and the most prominent will be "market value". Body Corporate's are required to insure their schemes at replacement value, so municipalities could have access to certain information which will assist them to value your property in that it provides key information to which factors can be applied. In short I believe that the exercise will cost individual sectional title owners more because there are costs involved in actualising the whole process. I believe that in general rates must increase for most owners by a factor in excess of the norm. I provide an example to illustrate my belief:

Mrs Jones of unit 17 pays R560.00 levies per month (of which R150.00 is

her rates portion) just prior to the implementation of the new legislation. When the new system comes into force Mrs Jones could well be paying a levy of R560.00 - R150.00 = R410.00 She would probably then pay R180.00 directly to the municipality for rates, her total commitment could increase by say R30.00.

In my opinion the costs of implementing the new property rates bill are huge and will be borne by those property owners who are evaluated as being capable of providing to the costs of implementation, especially considering that the less fortunate will expect dispensation. *Editor*

LAST CALL - TRUSTEES ARE YOUR TRUST ACCOUNTS FICA COMPLIANT

Most of us have had to prove our identities to our financial institutions over the past 12 months to ensure that we comply with the requirements of the FICA act. If we have not complied there is a good chance that non-compliant accounts will be frozen by the institutions with all the negative ramifications that this implies. With much prodding, most people have taken the trouble to do what is required and will not have any problems. What is generally not well known is that all accounts registered in the name of Trusts also have to be FICA compliant. It is going to be disastrous for any Body Corporate if their accounts are frozen and as a result bills and other expenses cannot be paid.

All funds belonging to the Body Corporate should be kept in a properly registered trust account in terms of the Sectional Title Act. This gives those utilising duly registered Managing Agents, protection for trusts funds, in terms of the Estate Agents Affairs Board Fidelity Fund, if the trust funds are misappropriated. If the funds are not in a properly registered trust account there is no protection. This is a good time to check on this

important issue. Trustees will need to prove their identities to ensure that their trust account is FICA compliant. If you are a trustee and have not complied or have not been asked by your Managing Agent to comply, you should be proactive and do so as soon as possible. If you have not been asked to comply it could mean that your trust account is not properly registered. This should be rectified as a matter of urgency, as access to funds is at risk and you will not have the protection of the Fidelity Fund Insurance. Take time to sort out this important issue and you could save your Body Corporate from both any FICA or fidelity problems that you may face.



Propell Sectional Title Solution (Pty) Ltd - Making Sectional Title work

TRAINING COURSES FOR TRUSTEES

Training Course:

The basis of the training Program is to provide delegates with skills aimed at preserving unit values in bodies corporate. The initial training programme will focus on 2 areas of Body Corporate management: Finance and Good Governance.

Venue: Institute of Estate Agents SA
10 Howard Studios, Sheldon Way,
Pinelands Cape Town

Dates & topics:

09/07/05	Finance
13/08/05	Good governance
10/09/05	Finance
08/10/05	Good Governance
12/11/05	Finance

Time: 9 -11 am. **Presented by:** Joe Gatz - (Cape Technikon Lecturer in Finance)
Cost: R100 per delegate (your Body Corporate should cover this cost) *Free for Propell clients.* **Refreshments:** Included
Bookings can be made by contacting Charlene at the Institute of Estate Agents on 021 531 3180.

ORDER YOUR OWN TRUSTEES POCKET GUIDE FOR ONLY R25

Simply post your cheque or money order (made in favour of Bodies Corporate News) to
PO Box 45002 Claremont 7735

Name:.....
Phone Number:.....
Email Address:.....
Postal Address:.....
Code:.....

Hoe om van 'n outokratiese voorsitter ontslae te raak

Baie deeltitelskemas sit met die probleem dat die voorsitter van die trusteees outokraties optree en sodoende die belange van die eienaars ondermyn. Dit kan verskeie vorms aanneem en intimidasie speel partykeer 'n prominente rol. Eienaars en dalk medetrustees is te bang om die voorsitter teen te staan of te konfronteer. Soms is eienaars apaties of stel eenvoudig net nie belang om enigsins iets daaromtrent te doen nie. Wat nou gemaak?

Gestel 'n enkel eenaar, Mev. X, wil nou iets hieromtrent doen. Sy wil die voorsitter van sy amp as trusteee onthef. Om mee te begin, moet sy probeer om genoeg steun te kry om 'n spesiale algemene vergadering te belê. Slegs die steun van 25% van die eienaars is hiervoor nodig. Sy moet 'n brief aan die trusteees stuur en sommer die name en handtekeninge van die ander 25% eienaars daarby aanheg. Die brief moet stipuleer dat die trusteees binne 14 dae 'n spesiale algemene vergadering moet belê asook wat op die agenda moet wees.

Indien die trusteees sou versuim kan die eienaars dit self reël. Dit is alles wetlik korrek soos weergegee in Bestuursreël 53 van die Wet op Deeltitels 95 van 1986.

Op die datum van die vergadering moet 'n kworum teenwoordig wees. Andersins moet dit uitgestel word tot 'n week later op dieselfde tyd en plek. Die eienaars en gevolmagtigtes kan dan stem om die voorsitter as trusteee te ontslaan. Slegs 'n gewone meerderheid stemme is hiervoor nodig.

Indien die poging onsuksesvol is, is dit moontlik vir 'n eenaar, of eienaars, om aansoek te doen by die hof dat 'n Administrateur aangestel word maar dit moet die laaste uitweg wees. Mev. X sal 'n prokureur moet nader om haar van hulp te wees. Indien suksesvol kan al die kostes van so 'n aansoek van die regs persoon verhaal word.

Die aanstelling van 'n administrateur is 'n drastiese stap

aangesien dit al die magte en bevoegdhede van die eienaars (en derhalwe ook die trusteees) in die hande van die administrateur plaas. Dit sal meebring dat daar nie meer trusteees sal wees nie aangesien die administrateur nou al hul magte en bevoegdhede oorneem. Dit is ook nie meer nodig vir vergaderings nie want die administrateur het al die stemme.

Dit is hoe om van 'n voorsitter ontslae te raak wie se optrede die effektiewe bestuur en besluitneming van die regs persoon in die wiele ry. Dit is noodsaaklik om alle moontlike alternatiewe te uit te put voordat daar aansoek gedoen word om 'n administrateur. *Tertius Maree*



JAN VAN DEN BOS & ASSOCIATES

Jan van den Bos (B.com) Law
Sectional Title Consultant & Arbitrator

Tel: (011) 674-2105
Fax: (011) 472-0382
Cell:
Email: janv@st.co.za

301 The Galleria
16 Goldman St
Florida
1709

Computer Technology

Email: info@sect-wisp.co.za
Tel: +27 82 714 2466
For more info visit: www.sect-wisp.co.za

TRUSTEES, COMMUNICATE WITH RESIDENTS USING WIRELESS INTERNAL EMAIL SYSTEMS

- Internet services
- Complex email
- Electronic billboards
- Integration with Access Control Services
- PBX integration for installation (and removal reduction)
- Secure remote access to flats.

United ELEVATORS

Enquire now
all it takes is a call
011 403 2841

UNITED ELEVATORS THE LARGEST INDEPENDENT ELEVATOR COMPANY IN SOUTHERN AFRICA.

WE REPAIR & SERVICE ALL MAKES OF ELEVATORS

Advanced technological controllers
Up to (6) six car group control
Reliable design
Advanced diagnostics
VVF technology
Speed from 45 m/min to 105 m/min
240 kg - 2400kg
Economically priced

We specialise in
Motor room less (m.r.l.) elevators
& Panoramic elevators

We don't keep you waiting

FUJIELECTRIC

- ▶ This newsletter is intended for the chairman in your block.
- ▶ If you received it unexpectedly please pass it on to a trustee.
- ▶ Chairmen, confirm your physical address and receive future issues. Fax 021 558 6882

BODIES CORPORATE NEWS
Information index

- ▶ To provide editorial or opinion email: bcn@xsinet.co.za
- ▶ To view past issues visit our website www.bcn.co.za

- ▶ To subscribe, complete the subscription form on page 2.
- ▶ For legal advice ph 021 886 9504
- ▶ For advice ph our Help line 086 757 7882
- ▶ If you enjoyed B.C. News, you are invited to subscribe.

Whilst every effort has been made to ensure that the information published is accurate, the authors, publishers and printers take no responsibility for any loss or damage suffered by any person as a result of the reliance upon the information contained herein.