



Rights and obligations of the Owner

# Executive summary: Contractual terms and conditions

BOARDWALK SECTIONAL TITLE DEVELOPMENT & RENTAL POOL

## RIGHTS, DUTIES AND OBLIGATIONS

This is a brief extract of the terms and conditions contained in the Agreement of Sale, Rental Pool Agreement, Conduct and Management Rules that have a direct bearing on the rights, duties and obligations of the Seller (developer), Purchaser /Investor (as new owner), Operator (Boardwalk Lodge) and Body Corporate (BC)

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# Contractual terms and conditions: BOARDWALK SECTIONAL TITLE DEVELOPMENT & RENTAL POOL

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## Rights and obligations of the Owner / Investor

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### RIGHTS -

1. To **occupy** the property for personal use / through invitee
2. To **share in the revenue / income** from the short term letting of the property.

### OBLIGATIONS -

#### 1. Membership

- a. Member of the Body Corporate (BC)
- b. Member of the Rental Pool (RP)

#### 2. Financial obligations

- a. Monthly BC levies (BC levies will be deducted from revenue and paid by the Operator to the BC)
- b. Municipal property rates and taxes levied on the specific Unit (to be paid directly to the George Municipality)
- c. Cleaning services (R220), only when required
- d. Electrical/water consumption during time periods of personal occupation / by invitee.
- e. Repair and/or replacement of:
  - i. Major electrical appliances (fridge, stove, tv, aircon, etc.)
  - ii. Internal structural repairs and painting work
  - iii. Furniture, fittings, carpets, baths, basins, etc.
  - iv. Geysers, DSTV dish, fireplaces, BBQ
  - v. Anything that exceeds R30 per event

## Rights and obligations of the Seller (Boardwalk Resorts Pty (Ltd))

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1. Seller may extend the development by the erection of one further Sectional Title Unit within 60 months from date of registration of sectional plan and opening of the sectional title register in the Cape Deeds Office
2. Pending the registration of sectional plan and opening of the sectional title register, the seller is responsible for the following:
  - Insurance of the property
  - Maintenance of common property, fixtures and fittings
  - Administration of the scheme
  - Payment of rates and taxes, usage and related services

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### Rights and obligations of the Operator (Boardwalk Resort Development CC)

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#### RIGHTS:

1. To use of the property for the operation of the accommodation establishment (Boardwalk Lodge)
2. To set rack rates and special rates for short term letting of the properties
3. To receive 60% of the revenue/income of RP to cover operating costs and expenses incurred in respect of the running and management of Boardwalk Lodge

#### OBLIGATIONS:

##### 1. Financial obligations

- a. Pay owners their share of the revenue/income of the RP on quarterly basis
- b. Pay all costs for the repair and replacement of lights, switches and lamps, fans, locks, electrical wiring and plumbing
- c. Pay all costs incurred and BC Levies
- d. Arrange adequate public liability insurance cover
- e. Punctual payment of electricity, water and other service charges
- f. Accounting and record keeping via appointed Accountant

##### 2. Operational obligations

- a. Manage the properties to the benefit of the owners with the aim to provide an income by means of the short term letting to guests
- b. Conduct a marketing campaign to ensure reasonable levels of occupancy.

##### 3. Maintenance and security

- a. Equip and maintain the property, including the replacement and cleaning of linen, towels and consumables for the use by guests.
- b. Maintain the interior content to comply with relevant current 4 star grading of the establishment
- c. Facilitate management, operational staff and guests.
- d. Manage security and guards.

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## Powers and obligations of the Body Corporate (BC)

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### RIGHTS:

1. To appoint agents and employees for the control, management and administration of the common property.

### DUTIES:

1. Control, manage and administer the common property
2. Enforce Conduct Rules
3. Insure all buildings and improvements to the common property against fire, lighting, storms, pests, housebreaking, loss of occupation/rent
4. Collect BC Levies via the Operator in accordance with each Unit's participation quota.
5. Keep record of all rules and ensure that any amendment/ substitution/ addition/ repeal thereof is submitted to registrar of deeds.
6. Effect improvements to common property if authorized by owners
7. Install separate meters to record consumption of electricity, water and gas if required writing by owners
8. Record keeping of all proceedings and resolutions of the members of the BC
9. Financial management and investment of funds
10. Appointment of Accounting Officer

## Powers and duties of the Managing Agent

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The managing agent is appointed by the Trustees of the BC on an annual basis to control, manage and administer the common property; including to -

- collect levies;
- liaise with the Operator regarding the management, maintenance and administration of the Boardwalk Sectional Title Development
- facilitate meetings between the Operator, Trustees and Developer, as required, including the arrangement of Annual General Meetings and Special Meetings.
- facilitate and manage all financial and accounting matters.
- keep records and report to the BC.

## Abbreviations Key

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<b>Seller</b>	Boardwalk Resorts (Pty) Ltd
<b>Operator</b>	Boardwalk Resorts Development CC
<b>Body Corporate</b>	BC
<b>Rental Pool</b>	RP