

Guest House and Hotel Operation Board Policy Document

The Board of Directors resolved on a comprehensive levy structure for hotel and guest house business operations, currently operating within the Estate.

It is important to consider that in terms of Rule 65 of the Associations' Estate Rules, to which these properties are bound, no person shall conduct a "home business" (as defined in Rule 4.13) without having obtained the necessary permission from the local authority and the written consent of the Associations' Board.

Whenever written consent is required in terms of the rules, application for such consent is to be made in writing and the Board are to be provided with:

- full details of the applicant;
- full details of the nature of the consent applied for;
- letters of "no objection" from the owner of the erf;
- letters of "no objection" from applicant's neighbours (owners as well as residents) and other residents in the immediate vicinity of the applicant's erf who may be affected, which consent may not be unreasonably withheld; and
- any consent that may be required from local, provincial, or national spheres of government.

In addition to the aforesaid consent, the Rule requires a further Resolution be passed at a meeting of the members at which a majority of the members have voted in favour of the regular letting of any sectional title unit or room on an erf or portions thereof for periods of 7 days or fewer.

Having regard for the above, the Board further considered that the operation of a hotel/ guest house will result in certain Association funded operational infrastructure being utilized to the benefit of these commercial operations and therefore these affected properties should attract a higher levy than ordinary residential homes.

Having resolved in terms of Clause 3.3.5 of the Association's MOI that hotel/ guest house operations approved by the Board as prescribed by the rules, must pay 50% of total levy per room utilized, with a minimum of one levy payable. (Example below based on a 4 room concern)

50% of total levy per room i.e.: 4 x R2067 (illustrative figure) = R8 268x 50% = **R4 134 per month (Vat Inclusive)**

Properties that are suspected of conducting a hotel/guest house operation, letting sectional title units or rooms on an erf or portions thereof for periods of 7 days or fewer, will be requested to accordingly make application to the Board.

If no clarification or application is received within 30 days of being issued the notice to do so, the incumbent owner will be levied two times the normal levy, until the operation is discontinued or the appropriate application is made to the Board.

By Order:

The Board of Directors

Atlantic Beach Homeowners Association NPC