

KARNATAKA APARTMENT OWNERSHIP RULES, 1974

CONTENTS

1. Short title and commencement
2. Definitions
3. Declaration under Section 2
4. Declaration under Section 5(2)
5. Conveyance of Apartments
6. Parties to Deeds of Apartments
7. Contents of Deeds of Apartment
8. Form of Book under Section 13(3) and of Index thereto
9. Form of Memorandum under Section 13(4)

CHAPTER 1 :- CHAPTER

1. Short title and application
2. Definitions
3. Apartment Ownership
4. Objects of Association
5. Members of Association
6. Joint apartment owners
7. Holding of one share compulsory
8. Disqualifications

CHAPTER 2 :- Voting, Quorum and Proxies

9. Voting
10. Quorum
11. Vote to be cast in person

CHAPTER 3 :- Administration

12. Powers and duties of Association
13. Place of Meetings
14. Annual Meetings
15. Special Meetings
16. Notice of Meetings
17. Adjourned Meetings
18. Order of Business

CHAPTER 4 :- Board of Managers

19. Management of Association
20. Powers and duties of Board
21. Other duties
22. Manager

- 23. Election and term of office
- 24. Vacancies
- 25. Removal of Manager
- 26. Organisation Meeting
- 27. Regular Meetings
- 28. Special Meetings
- 29. Waiver of Notice
- 30. Quorum
- 31. Fidelity bonds

CHAPTER 5 :- Officers

- 32. Designation
- 33. Election of Officers
- 34. Removal of Officers
- 35. President
- 36. Vice-President
- 37. Secretary
- 38. Treasurer

CHAPTER 6 :- Obligations of the Apartment Owners

- 39. Assessment
- 40. Maintenance and repair
- 41. Use of family units-internal changes
- 42. Use of common areas and facilities and restricted common areas and facilities
- 43. Right of entry
- 44. Rules of conduct

CHAPTER 7 :- Funds and their Investments

- 45. Funds
- 46. Investment
- 47. Affiliation
- 48. Accounts
- 49. Publication of accounts and reports
- 50. Appointment of Auditors
- 51. Power of Auditor

CHAPTER 8 :- Mortgages

- 52. Notice to Association
- 53. Notice of unpaid assessments

CHAPTER 9 :- Compliance

- 54. Compliance
- 55. Seal of the Association

CHAPTER 10 :- Amendments to Plan of Apartment Ownership

- 56. Amendment of bye-laws

KARNATAKA APARTMENT OWNERSHIP RULES, 1974

Whereas, the draft of the Karnataka Apartment Ownership Rules, 1974 which the Government of Karnataka proposes to make in exercise of the powers conferred by sub-section (1) of Section 25 read with sub-sections (3) and (4) of Section 13 of the Karnataka Apartment Ownership Act, 1972 (Karnataka Act 17 of 1973) was published in Notification No. DPC 334 DHB 73(2), dated 21st October, 1974 in the Karnataka Gazette, Extraordinary, Part IV, Section 2-C(i), dated 23rd October, 1974 inviting objections and suggestions from all the persons likely to be affected thereby on or before 25th November, 1974; And whereas, the said Gazette was made available to the public on 23rd October, 1974; And whereas, no objections or suggestions have been received on the said draft by the State Government; Now therefore, in exercise of the powers conferred by sub-section (1) of Section 25 read with sub-sections (3) and (4) of Section 13 of the Karnataka Apartment Ownership Act, 1972 (Karnataka Act 17 of 1973), the Government of Karnataka hereby makes the following rules, namely

1. Short title and commencement :-

(1) ¹ [These rules may be called the Karnataka Apartment Ownership Rules, 1975.]

(2) They shall come into force at once.

2 \Definitions

.In these bye-laws, unless the context requires otherwise.

(a) "Act" means the Karnataka Apartment Ownership Act, 1972;

(b) "Association" means the Association of all the Apartment Owners constituted by such owners for the purpose of the.....Condominium;

(c) "Board" means a Board of Managers consisting of.....persons, all of whom shall be owners of apartment in the...Condominium;

(d) "Building" means the building located at.....and known as the.....Condominium, and includes, the land forming part thereof;

(e) "Declaration" means the Declaration which the sole owner of the building or all the owners of the building have executed and

registered as provided in Section 2;

(f) "Majority of Owners" means those owners holding 51 per cent of the votes in accordance with the percentages assigned in the declaration;

(g) "Owner" or "Apartment Owner" means the person owning an apartment in the.....Condominium;

(h) "Section" means a section of the Act;

(i) "Unit" means a family unit in the.....Condominium;

(j) "Registrar" means the Registrar of Co-operative Societies.

3. Declaration under Section 2 :-

The Declaration to be executed and registered under Section 2 shall be in Form A.

4 \Objects of Association

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(1) The object of the Association shall be.

(a) to be and to act as the Association of Apartment Owners of the building called.....at.....(herein called "the said building") who have filed their respective Declarations submitting their apartments to the provision of the Act;

(b) to invest or deposit moneys;

(c) to provide for the maintenance, repair and replacement of the common areas and facilities by contributions from the apartment owners, and if necessary, by raising loans for that purpose;

(d) to retain and rent or license if possible suitable portions of the common areas to outsiders for commercial purposes, and to distribute the common profits left after deducting the common expenses amongst the apartment owners as common profits or accumulate the same for building up reserve fund;

(e) to provide for and do all and any of the matters provided in sub-section (2) of Section 16;

(f) to advance, with the consent of the apartment owners, any short-term loans to any apartment owners in case of any emergent necessity, and to provide for the repayment thereof in lump sum or

in instalments;

(g) to establish and carry on, its own account or jointly with individuals or institutions, educational, physical, social and recreative activities for the benefit of the apartment owners;

(h) to frame rules, with the approval of the general meeting of the Association and after consulting the competent authority and may establish a provident fund and gratuity fund, if necessary, for the benefit of the employees of the Association;

(i) to do all things necessary or and otherwise provide for their welfare expedient for the attainment of the objects specified in these bye-laws.

(2) The Association shall not act beyond the scope of its objects without duly amending the provisions of these bye-laws for the purpose.

5. Conveyance of Apartments :-

All transfers of apartment by the sole owner or all the owners of the property being an owner or owners who has or have executed and registered the Declaration under Section 2 to an apartment owner and subsequent transfers from an apartment owner to his transferee shall be by a Deed of Apartment.

6 \Joint apartment owners

.Where an apartment has been purchased by two or more persons jointly, they shall be jointly entitled to the apartment and the shares of the Association shall be issued in their joint names, but the person whose name stands first in the share certificate shall alone have the right to vote.

7. Contents of Deeds of Apartment :-

(1) The first Deed of Apartment shall be accompanied by a copy of the relevant floor plans of the building field under sub-section (2) of Section 13 and by a certificate of an architect certifying that the said floor plan shows the number and dimensions of the apartment being conveyed and of the immediately adjoining apartments and that said floor plan fully and accurately depicts the layout of the apartment, its location, dimensions, approximate area, main entrance, common areas and facilities and limited common areas and facilities, if any, to which it has access as built.

(2) The first and every subsequent Deed of Apartment shall also include the following particulars, namely.

(a) description of the land as provided in Section 11 or the post office address of the property, including, in either case, the book, page and date of executing the Declaration, the date and serial number of its registration under the Registration Act, 1908, and the date and other reference, if any, of its filing with the competent authority;

(b) the apartment number of the apartment in the Declaration and any other data necessary for its proper identification;

(c) statement of the use for which the apartment is intended and restrictions on its use, if any;

(d) the percentage of undivided interest appertaining to the apartment in the common areas and facilities;

(e) any further details which the parties to the Deed may deem desirable to set forth consistent with the Declaration and the Act.

(3) The provisions of this rule may be given effect to by referring to the relevant provisions made in the Declaration for the purpose of avoiding repetition of those relevant provisions in the Deed of Apartment.

(4) The apartment owner shall file a true copy of every Deed of Apartment to which he is a party in the office of the competent authority within thirty days from the date of its execution.

8 \Disqualifications

.No apartment owner shall be entitled to vote on the questions of the election of members of the Board or the President Secretary, Treasurer or any other office bearer or be entitled to stand for election to such office if he is in arrears on the last day of the year in respect of his contributions for common expenses to the Association for more than 60 days.

9. Form of Memorandum under Section 13(4) :-

The memorandum required to be filed by the Manager or Board of Managers for the purpose of sub-section (4) of Section 13 shall be in Form E. SCHEDULE 1 SCHEDULE

9 \Voting

.Voting shall be on a percentage basis, and the percentage of the vote to which the owner is entitled is the percentage assigned to the family unit or units in the Declaration.

1. Short title and application :-

(1) These bye-laws may be called the bye-laws of the Condominium.

(2) The provisions of these bye-laws apply to the Condominium. All present or future owners, tenants, future tenants or their employees, or any other person that might use the facilities of the building in any manner, are subject to the regulation set forth in these bye-laws. The mere acquisition or rental or taking or licence of any of the family units (hereinafter referred to as "units") of the building or mere act of occupancy of any of the said units will signify that these bye-laws are accepted, ratified, and will be complied with.

2. Definitions :-

In these bye-laws, unless the context requires otherwise.

(a) "Act" means the Karnataka Apartment Ownership Act, 1972;

(b) "Association" means the Association of all the Apartment Owners constituted by such owners for the purpose of the.....Condominium;

(c) "Board" means a Board of Managers consisting of.....persons, all of whom shall be owners of apartment in the...Condominium;

(d) "Building" means the building located at.....and known as the.....Condominium, and includes, the land forming part thereof;

(e) "Declaration" means the Declaration which the sole owner of the building or all the owners of the building have executed and registered as provided in Section 2;

(f) "Majority of Owners" means those owners holding 51 per cent of the votes in accordance with the percentages assigned in the declaration;

(g) "Owner" or "Apartment Owner" means the person owning an apartment in the.....Condominium;

(h) "Section" means a section of the Act;

(i) "Unit" means a family unit in the.....Condominium;

(j) "Registrar" means the Registrar of Co-operative Societies.

3. Apartment Ownership :-

The building located at.....street, City/Town/Village of.....in the.....District..known as.....Condominium is submitted to the provisions of the Act.

4. Objects of Association :-

(1) The object of the Association shall be.

(a) to be and to act as the Association of Apartment Owners of the building called.....at.....(herein called "the said building") who have filed their respective Declarations submitting their apartments to the provision of the Act;

(b) to invest or deposit moneys;

(c) to provide for the maintenance, repair and replacement of the common areas and facilities by contributions from the apartment owners, and if necessary, by raising loans for that purpose;

(d) to retain and rent or license if possible suitable portions of the common areas to outsiders for commercial purposes, and to distribute the common profits left after deducting the common expenses amongst the apartment owners as common profits or accumulate the same for building up reserve fund;

(e) to provide for and do all and any of the matters provided in sub-section (2) of Section 16;

(f) to advance, with the consent of the apartment owners, any short-term loans to any apartment owners in case of any emergent necessity, and to provide for the repayment thereof in lump sum or in instalments;

(g) to establish and carry on, its own account or jointly with individuals or institutions, educational, physical, social and recreative activities for the benefit of the apartment owners;

(h) to frame rules, with the approval of the general meeting of the Association and after consulting the competent authority and may establish a provident fund and gratuity fund, if necessary, for the benefit of the employees of the Association;

(i) to do all things necessary or and otherwise provide for their welfare expedient for the attainment of the objects specified in these bye-laws.

(2) The Association shall not act beyond the scope of its objects without duly amending the provisions of these bye-laws for the purpose.

5. Members of Association :-

(1) All persons who have purchased apartments in the.....Condominium and executed respective Declarations under Section 5 submitting their apartments to provisions of the Act shall automatically be the members of the Association, and shall pay the sum of one rupee as entrance fee and may purchase atleast one share of the face value of Rs. 100 each. Each apartment owner shall receive a copy of the bye-laws on payment of one rupee.

(2) Upon any apartment owner selling his apartment or absolutely conveying the same by way of gift under his Will or otherwise, the purchaser or donee shall automatically become a member of the Association and shall be admitted as member on payment of the entrance fee of one rupee. The shares held by an apartment owner shall be transferred to the name of such purchaser or donee on payment of one rupee to the Association.

(3) On the death of an apartment owner, his apartment shall be transferred to the person or persons to whom he bequeaths the same by his Will, or to the legal representatives of his estate, in case he has not made any specific bequest of the apartment. The name of the legatee or the names of the legal representatives jointly shall be entered in the register of apartment owners maintained by the Secretary for the purposes of administration of the.....Condominium as apartment owner or joint apartment owners. Where any legatee is a minor, the apartment owner shall be entitled to appoint a guardian of such minor.

6. Joint apartment owners :-

Where an apartment has been purchased by two or more persons jointly, they shall be jointly entitled to the apartment and the shares of the Association shall be issued in their joint names, but the person whose name stands first in the share certificate shall alone have the right to vote.

7. Holding of one share compulsory :-

Every apartment owner must hold atleast one share of the Association (joint apartment owners holding the shares jointly).

8. Disqualifications :-

No apartment owner shall be entitled to vote on the questions of the election of members of the Board or the President Secretary, Treasurer or any other office bearer or be entitled to stand for election to such office if he is in arrears on the last day of the year in respect of his contributions for common expenses to the Association for more than 60 days.

CHAPTER 2

Voting, Quorum and Proxies

9. Voting :-

Voting shall be on a percentage basis, and the percentage of the vote to which the owner is entitled is the percentage assigned to the family unit or units in the Declaration.

10. Quorum :-

Except as otherwise provided in these bye-laws, the presence in person of a majority of owners shall constitute a quorum.

11. Vote to be cast in person :-

Votes shall be cast in person.

CHAPTER 3

Administration

12. Powers and duties of Association :-

The Association will have the responsibility of administering the...Condominium, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the Condominium in an efficient manner. Except otherwise provided, resolutions of the Association shall require approval by a majority of owners, casting votes in persons.

13. Place of Meetings :-

Meetings of the Association shall be held at suitable place convenient to the owners as may from time to time be designated by the Association.

14. Annual Meetings :-

The first annual meeting of the Association shall be held on.....(date). Thereafter, the annual meetings of the Association shall be held on the.....(1st, 2nd, 3rd, 4th).....(Monday, Tuesday, Wednesday, etc.,) of.....(month) each succeeding year. At such meetings there shall be elected by ballot of the apartment owners a

Board of Managers in accordance with the requirements of bye-law 23. The owners may also transact such other business of the Association as may properly come before them.

15. Special Meetings :-

It shall be the duty of the President to call a special meetings of the apartment owners as directed by a resolution of the Board or upon a petition signed by a majority of the owners and having been presented to the Secretary or at the request of the Housing Commissioner, or as the case may be, the Registrar or any officer duly authorised by him in his behalf. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No other business shall be transacted at a special meeting except as stated in the notice without the consent of four-fifths of the owners present in person.

16. Notice of Meetings :-

It shall be the duty of the Secretary to mail or send a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each apartment owner, atleast 2 but not more than 7 days prior to such meeting. The mailing or sending of a notice in the manner provided in this bye-law shall be considered notice served. Notices of all meetings shall be mailed or sent to the Housing Commissioner, or as the case may be, the Registrar.

17. Adjourned Meetings :-

If any meeting of owners cannot be organised because a quorum has not attended the owners who are present, may adjourn the meeting to a time not less than forty-eight hours from the time the original meeting was called. If at such adjourned meeting also, no quorum is present the owners present in person being not less than two shall form a quorum.

18. Order of Business :-

The order of business at all meeting of the owners of units shall be as follows.

- (a) Roll Call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;

- (e) Report of the Housing Commissioner, or the Registrar or of the officer duly authorised by them, if present;
- (f) Report of Committees;
- (g) Election of Board of Managers;
- (h) Unfinished Business, if any,
- (i) New business.

CHAPTER 4

Board of Managers

19. Management of Association :-

The affairs of the Association shall be governed by a Board of Managers.

20. Powers and duties of Board :-

The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all such acts and things as are not by law or by these bye-laws directed to be exercised and done by the owners.

21. Other duties :-

In addition to duties imposed by these bye-laws or by resolutions of the Association, the Board shall be responsible for the following that is to say.

- (a) care, upkeep and surveillance of the...Condominium and the common areas and facilities and the restricted common areas and facilities;
- (b) collection of monthly assessment from the owners;
- (c) designation, employment, remuneration and dismissal of the personnel necessary for the maintenance and operation of the.....Condominium, the common areas and facilities and the restricted common areas and facilities;
- (d) to provide for the manner in which the audit and accounts of the Association, shall be carried out;
- (e) to inspect the accounts kept by the Secretary and/or the Treasurer, and examine the registers and account books and to take steps for the recovery of all sums due to the Association;
- (f) to sanction working expenses, count cash balance and deal with other miscellaneous business;

(g) to see that cash book is written up promptly and is signed daily by one of the members of the Board authorised in this behalf;

(h) to hear and deal with complaints.

22. Manager :-

The Board may employ for the Association a Manager at a compensation determined by the Board to perform such duties and services as the Board shall authorise including, but not limited to the duties listed in bye-law 21.

23. Election and term of office :-

At the first annual meeting of the Association, the term of office of two Managers shall be fixed for three years. The term of office of two Managers shall be fixed at two years, and the term of office of one Manager shall be fixed at one year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three years. The Managers shall hold office until their successors have been elected and hold their first meeting. (If a larger Board of Managers is contemplated, the terms of office should be established in a similar manner so that they will expire in different years).

24. Vacancies :-

Vacancies in the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

25. Removal of Manager :-

At any regular or special meeting duly called any one or more of the Managers may be removed with or without cause by a majority of the apartment owners and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

26. Organisation Meeting :-

The first meeting of a newly elected Board of Managers shall be held within ten days of election at such place as shall be fixed by the Managers at the meeting at which such managers were elected and no notice shall be necessary to the newly elected Managers in

order legally to constitute such meeting, provided a majority of the whole Board shall be present.

27. Regular Meetings :-

Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of managers, but atleast two such meetings shall be held during each year. Notice of regular meetings of the Board shall be given to each Manager, personally or by man, or telegraph, atleast three days prior to the day named for such meetings.

28. Special Meetings :-

Special meetings of the Board may be called by the President on three days' notice to each Manager, given personally or by mail, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on the written request of atleast three Managers,

29. Waiver of Notice :-

Before or at any meetings of the Board any Manager, may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

30. Quorum :-

At all meetings of the Board, one-third of the total strength of the Managers shall constitute a quorum for the transaction of business, and the acts of the Managers present at a meeting at which quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice, provided there is a quorum present.

31. Fidelity bonds :-

The Board may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

CHAPTER 5

Officers

32. Designation :-

The principal officers of the Association shall be a President, a Vice-President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers. The Board may appoint an Assistant Treasurer, and an Assistant Secretary and such other Officers as in their judgment may be necessary. (In the case of an Association of one hundred owners or less, the offices of Treasurer and Secretary, may be filled by the same person).

33. Election of Officers :-

The Officers of the Association shall be elected annually by the Board of Managers at the organisation meeting of each new Board and shall hold office at the pleasure of the Board.

34. Removal of Officers :-

Upon an affirmative vote of a majority of the members of the Board any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

35. President :-

The President shall be the Chief Executive Officer of the Association. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an Association, including, but not limited to the power to appoint committees from among the owner from time to time as he may in his discretion decide to be appropriate to assist in the conduct of the affairs of the Association.

36. Vice-President :-

The Vice-President shall take the place of the President and perform his duties whenever, the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act the Board shall appoint some other members of the Board so to act on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

37. Secretary :-

The Secretary shall keep the minutes of all meetings of the Board and the minutes of all meetings of the Association; he shall have

charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incidental to the office of Secretary.

38. Treasurer :-

The Treasurer shall be responsible for Association funds and securities and shall also be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Managers.

CHAPTER 6

Obligations of the Apartment Owners

39. Assessment :-

All owners are obliged to pay monthly assessments imposed by the Association to meet all expenses relating to the..Condominium, which may include an insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard or calamity. The assessment shall be made pro rate according to the value of the unit owned, as, stipulated in the Declaration. Such assessments shall include monthly payments to a General Operating Reserve and a Reserve Fund for Replacements.

40. Maintenance and repair :-

(1) Every owner must perform promptly, all maintenance and repair work within his own unit, which if omitted would affect the...Condominium in entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may endanger.

(2) All the repairs of internal installations of the unit such as water, light, gas, power, sewage, telephones, air-conditioners, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the expense of the apartment owner concerned.

(3) An owner shall reimburse the Association for any expenditures incurred in repairing or replacing any common area and facility damages through his fault.

41. Use of family units-internal changes :-

(1) All units (except units on the) shall be utilised for residential purposes only.

(2) An owner shall not make any structural modifications or alterations in his unit or installations located therein without previously notifying the Association in writing, through the President of the Board if no manager is employed. The Association shall have the obligation to answer within thirty days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification, alteration or installation.

42. Use of common areas and facilities and restricted common areas and facilities :-

(1) An owner shall not place or cause to be placed in the lobbies, vestibules, stairways, elevators and other areas of.....Condominium and facilities of a similar nature both common and restricted, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

(2) The.....Condominium shall have.....elevators.....devoted to the transportation of the owners and their guests "and.....for freight service or auxiliary purposes. Owners and tradesmen are expressly required to utilise exclusively a freight or service elevator for transporting packages, merchandise or any other object that may affect the comfort or well-being of the passengers of the elevators dedicated to the transportation of owners, residents and guests". "To be retained where necessary".

43. Right of entry :-

(1) An owner shall grant the right of entry to the Manager or to any other person authorised by the Board of the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(2) An owner shall permit other owners, or their representatives when so required to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

44. Rules of conduct :-

(1) No resident of the.....Condominium shall post any advertisement, or posters of any kind in or on the building except as authorised by the Association.

(2) Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb others. Residents keeping domestic animals shall abide by the municipal sanitary bye-laws or regulations.

(3) It is prohibited to hang garments, rugs, etc., from the windows, balconies or from any of the facades of the.....Condominium.

(4) It is prohibited to dust rugs, etc., from the windows, or to clean rugs, etc., by beating on the exterior part of the said Condominium.

(5) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas. If such installation is not provided, all garbage or trash shall be collected in a vessel and thrown in the municipal dust bin.

(6) No owner, resident or lessee shall instal wiring for electrical or telephone installation, television antennae, machines or air-conditioning units, etc., on the exterior of the.....Condominium or that protrude through the walls or the roof of that Condominium except as authorised by the Association.

CHAPTER 7

Funds and their Investments

45. Funds :-

Funds may be raised by the Association in all or any of the following ways, namely.

(a) by shares;

(b) by contributions and donations from the apartment owners;

(d) by raising loans, if necessary, subject to such terms and conditions as the Associations, with the approval of the Competent Authority, may determine in his behalf.

46. Investment :-

The Association may invest or deposit its funds in one or more of

the following.

(a) in the Central Co-operative Bank or in the State Co-operative Bank; or

(b) in any of the securities specified in Section 20 of the Indian Trusts Act, 1882; or

(c) in any co-operative bank other than those referred to in clause (a) of this bye-law; or in any banking company approved for this purpose by the Association.

47. Affiliation :-

Should there be any Federation of apartment owners in the locality in which the...Condominium is situate, the Association may, after consulting the competent authority, become a member thereof, and pay the sums from time to time payable to such Federation under the rules thereof.

48. Accounts :-

(1) A banking account shall be opened by the Association into which all moneys received on behalf of the Association, shall be paid, provided that the Secretary may retain in his personal custody an amount not exceeding Rs. 100 for petty expenses. All payment above Rs. 20, shall be made by cheques signed by the Secretary, and one member of the Board of Managers.

(2) Each apartment owner shall have a pass book in which the Secretary shall enter amounts paid to or received for his share in receipts of profits from common areas and contributions towards common expenses, and his share of assessment and other dues, if any, in respect of his apartment.

(3) The Association shall on or before 31st July in each year publish an audited annual financial statement in respect of the common areas and facilities containing.

(a) the profit and loss account;

(b) the receipts and expenditure of the previous financial years; and

(c) a summary of the property and assets and liabilities of the common areas and facilities of the Association, giving such particulars as will disclose the general nature of these liabilities and assets and how the value of fixed assets has been arrived at.

(4) The audited financial statement shall be open to the inspection of any member of the Association during the office hours and in the office of the Association and a copy thereof, shall be submitted to the competent authority not later than 15th August, every year.

(5) Every financial statement shall be accompanied by a complete list of the apartment owners. There shall also accompany the financial statement a similar list of loanees. The financial statement shall state upto what date profits and expenses of common areas are included.

49. Publication of accounts and reports :-

A copy of the last financial statement and of the report of the Auditor, if any shall be kept in a conspicuous place in the office of the Association.

50. Appointment of Auditors :-

The Association shall appoint at its general meeting, an auditor who shall audit the accounts of the Association to be prepared by the Board as hereinbefore provided and shall examine the annual return, and verify the same, with the accounts relating thereto and shall either sign the same as found by him to be correct, duly vouched and in accordance with law, or specially report to the Association in what respect he finds it incorrect, unvouched or not in accordance with law.

51. Power of Auditor :-

The Auditor shall be entitled to call for and examine any papers or documents belonging to the Association relating to the common areas and facilities (including limited common areas and facilities) and common expenses and shall make a special report to the Association upon any matter connected with the accounts which appears to him to require notice.

CHAPTER 8

Mortgages

52. Notice to Association :-

An owner who mortgages his unit, shall notify the Association through the Manager, if any, or the President of the Board in the event there is no Manager, the name and address of his mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

53. Notice of unpaid assessments :-

The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

CHAPTER 9

Compliance

54. Compliance :-

These bye-laws are set forth to comply with the requirements of ¹ [the Karnataka Apartment Ownership Act, 1972.] In case, any of these bye-laws conflict with the provisions of the said Act, it is hereby agreed and accepted that the provisions of the Act will apply.

1. Hereby specify No. of apartment, if any used for commercial purposes

55. Seal of the Association :-

The Association shall have a common seal which shall be in the custody of the Secretary, and shall be used only under the authority of a resolution of the Board of Managers and every deed of instrument to which the seal is affixed shall be attested for or on behalf of the Association by two members of the Board and the Secretary or any other person authorised by the Association in that behalf.

CHAPTER 10

Amendments to Plan of Apartment Ownership

56. Amendment of bye-laws :-

These bye-laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by owners representing at least 75 per cent, of the total value of all units in the.....Condominium as shown in the Declaration.