



PARLIAMENT OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA

APARTMENT OWNERSHIP (AMENDMENT) ACT, No. 45 OF 1982

[Certified on 30th December, 1982]

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*Apartment Ownership (Amendment)
Act, No. 45 of 1982*

[Certified on 30th December, 1982]

L.D.—O. 7/82.

AN ACT TO AMEND THE APARTMENT OWNERSHIP LAW, NO. 11 OF 1973.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

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| <p>1. This Act may be cited as the Apartment Ownership (Amendment) Act, No. 45 of 1982.</p> <p>2. The long title of the Apartment Ownership Law, No. 11 of 1973 (hereinafter referred to as the "principal enactment") is hereby amended by the substitution for the words "independent units", of the word "units".</p> <p>3. Section 2 of the principal enactment is hereby amended by the substitution for the words "one independent unit", of the words "one unit".</p> <p>4. Section 5 of the principal enactment is hereby amended as follows :—</p> <p>(1) in subsection (1) of that section—</p> <p>(a) by the substitution for paragraph (i) of that subsection, of the following paragraph :—</p> <p>"(i) a survey plan or plans which shall be prepared and drawn by a licensed surveyor or by or under the authority of the Surveyor-General and shall—</p> <p>(a) delineate the external surface boundaries and boundary marks of the proposed Condominium Property and the position of each subdivided building thereon fixed in relation to the surface boundaries ;</p> <p>(b) specify the division, volume and folio in which the Condominium Property is registered and the surveyed area thereof ;</p> <p>(c) include a vertical section of each subdivided building showing—</p> <p>(i) the floors and ceilings of each storey ; and</p> <p>(ii) the height of each storey ;</p> | <p>Short title.</p> <p>Amendment of the long title of Law No. 11 of 1973.</p> <p>Amendment of section 2 of the principal enactment.</p> <p>Amendment of section 5 of the principal enactment.</p> |
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(d) include a description, as well as the vertical section and dimensions, of each building or parts thereof proposed to be erected within the Condominium Property as a separate tenement or an extension of any completed subdivided building, in accordance with building plans and subdivision plans approved by the authority for the time being responsible for the approval of such plans;

(e) delineate, subject to the provisions of subsections (1A) and (1B), each proposed unit and define the boundaries thereof by reference to floors and walls showing the horizontal dimensions, without it being necessary to show any bearing;

(f) identify the units into which each building is divided and distinguish such units by assessment numbers, numbers or other symbols;

(g) distinguish each storey by an index letter in relation to the survey lot number of the Condominium Property and specify the units in each storey in relation to the number of the storey;

(h) show the approximate floor area of each unit;

(i) delineate the external boundaries and show the horizontal dimensions without it being necessary to show any bearing of each building or parts thereof proposed to be erected within the Condominium Property as a separate element or an extension of any

completed subdivided building or buildings in accordance with building plans (if any) and subdivided plans approved by the authority for the time being responsible for the approval of such plans;

- (i) define the common elements of the Condominium Property;
- (k) bear an endorsement by the person preparing it to the effect that the building shown in the Condominium Plan is within the external horizontal boundaries of the Condominium Property; and
- (l) have attached to it a certificate of a qualified architect or a qualified civil or structural engineer to the effect that the units shown therein are the same as those existing on the Condominium Property; and"; and

(b) in paragraph (ii) of that subsection—

- (i) by the relettering of sub-paraphraphs (i), (j), (k), (l), (m) and (n) of that paragraph as sub-paraphraphs (k), (l), (m), (n), (o) and (p) of that paragraph;
- (ii) by the insertion, immediately after sub-paraphraph (h) of that paragraph, of the following new sub-paraphraphs:—
 - (i) a description of the accessory units of the Condominium Property, specifying the units they are made appurtenant to, irrespective of whether the accessory units are contiguous to the specified units or otherwise;
 - (j) the undivided share value of each unit in the common elements of the Condominium Property;"; and

(iii) by the substitution in relettered subparagraph (m) of that paragraph, for the expression "sub-paragraph (f)" ; of the expression "sub-paragraph (l)" ;

(2) by the insertion, immediately after subsection (1) of that section, of the following new subsections :—

"(1A) Where an accessory unit consists of a building or parts thereof and is bounded by external walls, floors and ceilings, the dimensions and boundaries of such accessory unit shall be shown in the Condominium Plan in accordance with the requirements of paragraph (i) of subsection (1).

(1B) Where an accessory unit does not consist of a building or parts thereof—

(a) the external boundaries of the accessory unit shall be ascertained from the building plans and the subdivision plans approved by the authority for the time being responsible for the approval of such plans, and the accessory unit shall be unlimited in its vertical dimension except to the extent of any projection above, or encroachment below, ground level by another part of the Condominium Property ; and

(b) the Condominium Plan shall show a diagram of the accessory unit with similar dimensions as those shown on the approved plans mentioned in paragraph (a).

(1c) Every Condominium Plan shall—

(a) show the share values in whole numbers of each unit and a number equal to the aggregate share value entitlement of all the units and in the case of any provisional unit or units the quantum of provisional share value shall similarly be shown therein for the provisional unit or units ;

(b) have endorsed upon it the address at which documents may be served on the management corporation in accordance with section 20N ; and

(c) contain such other particulars as may be prescribed." ; and

(3) by the addition, at the end of that section, of the following new subsections :—

“ (3) Unless otherwise stipulated in the Condominium Plan, the common boundary on any unit which another unit or with the common elements shall be centre of the floor, wall or ceiling, as the case may be.

(4) No plan lodged as a Condominium Plan shall be registered unless—

(a) the plan has been endorsed with a certificate of a licensed surveyor that all buildings and all units shown in the Condominium Plan in relation to the external surface boundaries of the Condominium Property are within the Condominium Property and are in compliance with building plans (if any) and subdivision plans issued by the authority for the time being responsible for the approval of such plans ;

(b) the plan is accompanied by a copy of the relevant Condominium subdivision plan approved by the authority for the time being responsible for the approval of such plan ; and

(c) the share value of each proposed unit has been entered in the plan in compliance with the provisions of section 20A.”

5. The following new section is hereby inserted immediately after section 7, and shall have effect as section 7A, of the principal enactment :—

Insertion
of new
section 7A
in the
principal
enactment.

‘Register of
Condominium
Property.

7A. (1) The Condominium Plan shall be deemed to be registered under the provisions of this Law when the Condominium Plan has been signed and sealed by the Registrar and has been marked with the serial number of the Condominium Plan register.

(2) The Registrar shall prepare and maintain for the purposes of this Law a series of records to be called the “ Register of Condominium Property ” and shall issue to the

owner of each unit shown on the Condominium Plan a certified true copy of the Condominium Plan.

(3) Upon registration of a Condominium Plan the owner of a unit in the Condominium Property shall be deemed to be the owner of his unit and his share in the common elements subject to the encumbrances, if any, registered or notified in the Condominium Property Register and on the Condominium Plan.'.

**Amendment
of section
9 of the
principal
enactment.**

6. Section 9 of the principal enactment is hereby amended as follows:—

(1) by the repeal of subsection (1) of that section and the substitution therefor, of the following subsection:—

"(1) Upon registration of the Condominium Plan, the Registrar shall enter a memorial in the land register on the volume and folio of the Condominium Property to the effect that a subsidiary register of Condominium Property has been created and each building depicted in the Condominium Property shall be deemed to be divided into units and indentified therein and thereupon the common elements shall be held by the owners of all the units as tenants in common proportional to their respective share units and for the same term and tenure as their respective units are held by them."; and

(2) by the insertion, immediately of the subsection (1) of that section, of the following new subsections:—

"(1A) The Registrar on registration of the Condominium Plan shall certify therein the share which the owner of a unit has in the common elements.

"(1B) The share value which each owner of a unit has in the common elements shall be given according to the user of such unit whether commercial or residential or otherwise, as the case may be.".

7. The following new section is hereby inserted immediately after section 11, and shall have effect as section 11A, of the principal enactment:—

“Accessory units.

11A. (1) No accessory unit or any share or estate or interest therein shall be dealt with independently of the unit to which such accessory unit has been made appurtenant as shown on the relevant registered Condominium Plan.

Insertion
of new
section 11A
in the
principal
enactment.

(2) Any person who deals with any accessory unit or any share, estate or interest therein independently and not made as appurtenant to the unit which such accessory unit is shown on the registered relevant Condominium Plan as being appurtenant shall be guilty of an offence under this Law.

(3) Any assurance made in contravention of the provisions of subsection (1) shall not be registered under this Law and any registration thereof shall be null and void and shall not pass any estate or interest in the accessory unit.

(4) Where such assurance has been registered, the Registrar on discovery thereof shall cancel the registration, and no person affected by such cancellation shall be entitled to any compensation.”.

8. Section 12 of the principal enactment is hereby amended in subsection (2) of that section as follows:—

(a) by the substitution for paragraph (f) of that subsection, of the following paragraph:—

Amendment
of section
12 of the
principal
enactment

“(f) the undivided share value of each unit in common elements appurtenant to the undivided or amalgamated unit;”;

(b) by the substitution, in paragraph (g) of that subsection, for the words “local authority”, of the words “authority for the time being responsible for approval of plans of redivision or amalgamation,”; and

**Replacement
of section
13 of the
principal
enactment.**

(c) by the substitution, in paragraph (h) of that subsection, for the words "survey plan (by a licensed surveyor)", of the words "survey plan (by a licensed surveyor or by or under the authority of the Surveyor-General)".

9. Section 13 of the principal enactment is hereby repealed and the following section substituted therefor:—

"Servitudes. 13. (1) In respect of each unit there shall be implied—

(a) in favour of the owner of a unit and as appurtenant thereto, a servitude for the subjacent and lateral support thereof by the common elements and by every unit capable of affording support;

(b) as against the owner of each unit and to which the unit shall be subject, a servitude for the subjacent and lateral support of the common elements and of every other unit capable of enjoying support.

(2) The servitude of support created by subsection (1) shall entitle the owner of the dominant tenement to enter on the servient tenement to replace, renew or restore any support.

(3) Every owner of a unit shall be entitled to have his unit sheltered by all other parts of the subdivided building that are capable of affording shelter.

(4) The right created by subsection (3) shall be a servitude to which the aforesaid parts of the subdivided building are subject.

(5) The servitude of shelter created by this section shall entitle the owner of the dominant tenement to enter on the servient tenement to replace, renew or restore any shelter.

(6) In respect of each unit there shall be implied—

(a) in favour of the owner of a unit, and as appurtenant thereto, servitudes for the passage or provision of

water, sewerage, drainage, gas, electricity, garbage, artificially heated or cooled air and other services (including telephone, radio and television services) through or by means of any pipes, wires, cables or ducts to the extent to which those sewers, pipes, wires, cables or ducts are capable of being used in connection with the enjoyment of the unit ; and

(b) as against the owner of a unit, and to which the unit shall be subject, a servitude for the passage or provision of water, sewerage, drainage, gas, electricity, garbage, artificially heated or cooled air and other services (including telephone, radio and television services) through or by means of any sewers, pipes, wires, cables or ducts, as appurtenant to the common elements and also to every other unit capable of enjoying such servitudes.

(7) In respect of each unit and the common elements, there shall be implied in favour of the owner of the dominant tenement and against the owner of the servient tenement—

(a) a servitude for uninterrupted access and use of light to or for any windows, doors or other apertures existing and enjoyed at the date of registration of the relevant Condominium Plan ; and

(b) the right to maintain and use overhanging eaves and other projections existing at the date of registration of the relevant Condominium Plan.

(8) There shall be implied as appurtenant to the common elements and subservient to any unit affected—

(a) a servitude for the provision of any service through any installation in any unit; and

(b) a servitude for support by any unit capable of providing support.

(9) The servitudes implied or created by this Law shall take effect and be enforceable without any memorial or notification on the folios of the register of Condominium Property.”.

10. Section 14 of the principal enactment is hereby amended by the substitution for the words “shall attach servitudes conferred by this Law, including the right of an owner of a dominant tenement, with the permission of the Board,”, of the words “shall be implied whenever servitudes are created or implied by or under this Law, including the right of an owner of a dominant tenement, with the permission of the management corporation.”.

11. Sections 15 to 20 of the principal enactment are hereby repealed and the following sections substituted therefor :—

'Execution &c. of grants of servitudes. 15. (1) The owners of all the units may by unanimous resolution at a meeting convened by the management corporation direct the corporation—

(a) to execute on their behalf a grant of servitude or a restrictive covenant burdening the Condominium Property; or

(b) to accept on their behalf a grant of servitude or a restrictive covenant benefiting the Condominium Property.

(2) The management corporation, if it is satisfied that the resolution was duly passed, and that all persons having registered interests in the Condominium Property have consented in writing to the manner of creating those interests in respect of the Condominium Property comprised in the proposed disposition, shall execute the appropriate instrument and that instrument shall

Amendment
of section 14
of the
principal
enactment.

Replacement
of sections 15
to 20 of the
principal
enactment.

be valid and effective without any execution by any person having an interest in the Condominium Property, and the receipt of the management corporation for moneys payable to the management corporation under the instrument shall be a sufficient discharge, and shall exonerate the person taking under the instrument from seeing to the application or being answerable for any loss or misapplication of the moneys expressed to have been so received.

(3) Every instrument creating the servitude or restrictive covenant lodged for registration shall be endorsed with or accompanied by a certificate under the seal of the management corporation that the resolution was duly passed and that all necessary consents were given, and the certificate shall in favour of a purchaser and the Registrar, be conclusive evidence of the facts stated therein.

(4) The Registrar shall register the instrument creating the servitude or restrictive covenant by noting it on the registered Condominium Plan.

**Transfer
of part
of common
elements.**

16. (1) The owners of all the units may by a special resolution at a meeting convened by the management corporation direct the management corporation to transfer a part of the common elements.

(2) The management corporation, if it is satisfied that the resolution was duly passed, and that all persons (other than the owners of all the units) having registered interests in the Condominium Property have consented in writing to the release of those interests in respect of the Condominium Property comprised in the proposed transfer, and that the authority for the time being responsible for the approval of plans for the subdivision or amalgamation of any land and the Registrar have consented in writing to the proposed transfer so far as it affects subdivision and amalgamation of the land comprised therein, shall execute the appropriate instrument and

such instrument shall be valid and effective without execution by any person having an interest in the common elements, and the receipt of the management corporation for any moneys payable to the management corporation under the instrument shall be a sufficient discharge, and shall exonerate the purchaser from seeing to the application or being answerable for any loss or misapplication of the moneys expressed to have been so received.

(3) Every instrument of such transfer lodged for registration shall be endorsed with or accompanied by a certificate under the seal of the management corporation that the resolution was duly passed and that all necessary consents were given, and the certificate in favour of the purchaser and the Registrar shall be conclusive evidence of the facts stated therein.

(4) Upon registration of the transfer by the Registrar the part of the common elements transferred shall be free from such subsisting servitudes created or implied under this Law and the Registrar shall—

(a) enter a memorial of the transfer on the folio of the land register comprising the Condominium Property; and

(b) amend the registered Condominium Plan in such manner as the Registrar may think fit so as to show thereon the part of the common elements which has been transferred.

Transfer of lands and units.

17. (1) The owners of all the units may by a special resolution at a meeting convened by the management corporation direct the management corporation to accept a transfer—

(a) of any land or part thereof, free from any encumbrances except those created by statute and subsisting servitudes so that such land or part thereof shall form part of the common elements in favour of all the owners of the units; or

(b) of any unit, including the undivided share in the common elements appurtenant to that unit, free from any encumbrances except those created by statute and subsisting servitudes so that such unit shall form part of the common element in favour of the owners of the other units shown in the same registered Condominium Plan.

(2) The transfer lodged for registration shall contain a request to the Registrar that such land or part thereof, or the unit transferred, as the case may be, be included as part of the common elements.

(3) Upon registration of such transfer the Registrar shall—

(a) enter a memorial of the transfer on the folio of the land register and the registered Condominium Plan comprising the Condominium Property ; and

(b) amend the registered Condominium Plan in such manner as the Registrar may think fit so as to show thereon the transferred land or part thereof or the unit transferred as forming part of the common elements, and in the case where the unit is transferred, to delete the share value of that unit shown on the registered Condominium Plan and decrease the total number of share value equal to the aggregate share entitlement by amending such aggregate number shown on the registered Condominium Plan ; and

(c) upon such amendment being made, notify the management corporation of the aggregate share entitlement and the consequent share entitlement of each owner of a unit.

(4) The registered transfer shall have the following effect:—

(a) the owners of all the units shall hold the common elements (including the transferred land or unit) as tenants in common proportional to their respective share value shown on the Condominium Plan amended pursuant to subsection (3), and for the same term and tenure and subject to the same covenants, conditions and encumbrances which the owner of all the units held immediately prior to the registration of the transfer, and where any unit is then subject to a registered mortgage, charge, lease or sub-lease, or any other encumbrances, the undivided share in the transferred land or transferred unit forming the additional common elements held by the owner of the said unit shall in all respects be subject to the same mortgage, charge, lease or sub-lease or any other encumbrances without any further assurance ; and

(b) the transferred land or part thereof, or the transferred unit, as the case may be, shall form part of the common elements and the provisions of this Law applicable to common elements as varied by this section shall apply to such transferred land or unit.

**Amalgamation
of common
elements &c.**

18. (1) Where there are two or more management corporations established upon the registration of separate Condominium Plans by the Registrar, the owners of all units being members of those management corporations (hereinafter in this section referred to as "the transferor management corporations") may by their respective special resolutions at the meetings convened by the transferor management corporations direct that for the purpose of amalgamating the common elements within the Condominium Property which are of the same tenure and held by them as tenants in common in un-

divided shares the relevant transferor management corporations shall execute an instrument of transfer of the common elements of those Condominium Properties so that such common elements shall become vested as common elements in all the owners of the units as tenants in common in so far as those transfers affect the common elements, and upon registration of the instrument of transfer such common elements shall be amalgamated and held in the shares proportionate to their respective share units subject to the same covenants, conditions and encumbrances, and for the same term and tenure then held by the owners of all the units in respect of their respective units prior to the date of the registration of the transfer by the Registrar.

(2) Such transfer shall show the undivided proportionate share to be held by each owner of a unit named therein and shall be executed by the relevant transferor management corporations.

(3) The procedure laid down in subsections (2), (3) and (4) of section 16 shall apply, *mutatis mutandis*, to the transferor management corporations and the owners of all the units of the Condominium Properties to be amalgamated under this section.

(4) Upon the amalgamation of the common elements pursuant to the registration of the transfer by the Registrar—

(a) the transferor management corporations shall be amalgamated into a single management corporation (hereinafter in this section called "the transferee management corporation") which shall be responsible for all matters relating to the management of the subdivided buildings and the common elements relating thereto;

(b) all the members of the transferor management corporations shall be the members of the transferee management corporation;

- (c) all the members of the management councils of the transferor management corporations shall, until a new management council is elected for the transferee management corporation, be deemed to be the members of the management council of the transferee management corporation;
- (d) all the properties of the transferor management corporations shall be deemed to be transferred to and vest in, and all the liabilities of the transferor management corporations shall be transferred to and become the liabilities of, the transferee management corporation; and
- (e) all legal proceedings pending by or against the transferor management corporations may be continued by or against the transferee management corporation.

(5) in this section—

(a) "liabilities" includes duties; and

(b) "properties" includes rights and powers of every description.

Application
to court.

19. (1) Notwithstanding the provisions of sections 16, 17 and 18, an owner of a unit may make an application to the District Court of the district in which the registered Condominium Property is situated (hereafter in this section, section 20 E, section 20 M and section 20 Q referred to as "the court") for an order to direct the management corporation or management corporations to—

(a) transfer a part of the common elements; or

(b) accept a transfer of any land or part thereof or any unit so that the land or part thereof or unit shall form part of the common elements; or

(c) amalgamate the common elements of two or more management corporations.

(2) When an application has been made to the court pursuant to subsection (1), the court, on being satisfied that it is impracticable to convene a meeting to pass a special resolution and that having regard to the rights and interests of the owners of all the units and the persons having registered interests in the common elements as a whole it is just and equitable that—

(a) the transfer of the part of the common elements should be made ; or

(b) any land or part thereof or unit should form part of the common elements ; or

(c) the common elements of two or more management corporations should be amalgamated,

may make an order directing the management corporation or management corporations to transfer such part of the common elements, accept the transfer of the land or part thereof or unit, or execute an instrument of transfer of two or more Condominium Properties so that such Condominium Properties shall become vested as one Condominium Property in the owners of all the units as tenants in common in so far as those Condominium Properties affect the common elements, as the case may be, and lodge the transfer with the Registrar.

(3) Every instrument of such transfer or acceptance of a transfer lodged for registration shall be accompanied with a certified true copy of the order of court directing such transfer or acceptance of a transfer.

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(4) Upon the registration of the transfer by the Registrar—

(a) in the case of a disposition of all or part of the common elements, the owners of all the units and other persons having registered interests in the common elements shall be bound to accept the terms of the order of the court and the provisions of subsection (4) of section 16 shall apply *mutatis mutandis* to such transfer;

(b) in the case of any addition to the common elements, the provisions of subsections (3) and (4) of section 17 shall apply *mutatis mutandis* to such transfer; and

(c) in the case of the amalgamation of the common elements of two or more management corporations, the provisions of subsection (4) of section 16 and subsections (2), (4) and (5) of section 18 shall apply *mutatis mutandis* to such amalgamation.

**Unity of
seisin.**

20. Unity of seisin in two or more units shall not destroy servitudes or restrictions implied or created by this Law, but on the cessation of such unity they shall continue in full force and effect as if the seisin had never been united.

Share units.

20A. (1) The share value of each unit (except in the case of an accessory unit where no share value shall be allotted) shown in every plan lodged for registration as a Condominium Plan shall be taken as share units.

(2) The share units shall determine—

(a) the voting rights of the owners of all the units;

(b) the quantum of the undivided share of each owner of a unit in the common elements; and

(c) the proportion payable by each owner of a unit of contributions levied by the management corporation pursuant to section 20H.

Constitution of 20B. (1) The owners of the units shall, by virtue of this Law, upon registration of the corporations &c. Condominium Plan be a body corporate with

perpetual succession and a common seal and shall be called "the management corporation".

(2) The management corporation may—

(a) sue and be sued on any contract made by it;

(b) sue and be sued in respect of any matter affecting the common elements; and

(c) be sued in respect of any matter connected with the Condominium Property for which the owners of all the units are jointly liable.

(3) The management corporation shall elect a council which, subject to any restriction imposed or direction given by the management corporation at a general meeting, shall perform the management corporation's duties and conduct the management corporation's business on its behalf and may for that purpose exercise any of the management corporation's powers.

(4) The provisions of the First Schedule to this Law shall have effect in relation to the management corporation and its council.

(5) If the management corporation makes default in complying with any requirements of, or duties imposed upon it by, any of the provisions of the First Schedule to this Law the management corporation and every member of its council, or every owner of a unit, who is knowingly a party to the breach or default, shall be guilty of an offence under this Law.

(6) Any member of the management council and any owner of a unit who makes default in complying with any of the provisions of the First Schedule to this Law or makes default in complying with any requirements of, or duties imposed upon it by, any of the provisions of the First Schedule to this Law shall be guilty of an offence under this Law.

(7) In this section "owners of all the units" includes the persons entitled to the Condominium Property upon destruction of the subdivided building pursuant to section 20Q.

Duties, &c.,
of manage-
ment
corporations.

20c. (1) The duties of the management corporation shall include the following:—

(a) to manage and properly maintain the common elements and keep them in a state of good and serviceable repair;

(b) unless otherwise directed by unanimous resolution, to insure and keep insured the subdivided building to the replacement value thereof against fire and such other risks as may be prescribed under this Law;

(c) to effect such other insurance of the subdivided building as may be required by law;

(d) to insure against such other risks as the owners of all the units may by special resolution direct;

(e) to forthwith apply insurance moneys received by it in respect of damage to the subdivided building in rebuilding and reinstating it so far as it may be lawful to do so;

(f) to pay premiums on any policy of insurance effected by it;

- (g) to comply with any notice or order made by any Government, public or statutory authority requiring the abatement of any nuisance on the common elements or ordering repairs or other work to be done in respect of the common elements or any building or other improvement on the Condominium Property;
- (h) to comply with any such notice or order as is referred to in paragraph (g) given or made in respect of any of the units, if the owner of a unit fails to do so within a reasonable time; and
- (i) to pay the rent (if any) on the land on which the subdivided building is erected.

(2) The powers of the management corporation shall include the following:—

- (a) to take lawful steps to recover from any owner of a unit any sum expended by the management corporation in respect of that owner's unit in complying with any such notice or order as is referred to in paragraph (h) of subsection (1);
- (b) to purchase, hire or otherwise acquire movable property for use by the owners of all the units in connection with their enjoyment of the common elements;
- (c) to borrow moneys required by it in the exercise of its powers or the performance of its duties;
- (d) to secure the repayment of moneys borrowed by it and the payment of interest thereon, by negotiable instrument or by a charge of unpaid contributions to the management fund, whether already levied or not; and

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(e) to take lawful steps necessary for the performance of its duties under this Law and for the enforcement of the by-laws set out in the Second Schedule to this Law.

(3) The management corporation shall be deemed—

(a) for the purpose of effecting any insurance under paragraph (b) or (c) of subsection (1), to have an insurable interest in the subdivided building equal to its replacement values; and

(b) for the purpose of effecting any insurance under paragraph (d) of subsection (1), to have an insurance interest in the subject-matter of the insurance.

(4) A policy of insurance taken out by the management corporation under this section in respect of the subdivided building shall not be liable to be brought into contribution with any other policy of insurance, except another policy taken out under this section in respect of the same subdivided building.

(5) Where the management corporation performs any repairs, work or act (whether or not the repairs, work or act were or was performed consequent upon the service on it by any Government or statutory authority of any notice or order), and the repairs, work or act were or was wholly or substantially the liability or the responsibility of the owner of a unit only or wholly or substantially for the benefit of some of the units only or wholly or substantially the liability or the responsibility of the owners of some of the units only, any money expended by the management corporation in performing the repairs, work or act shall—

- (a) in the case where the repairs, work or act were or was wholly or substantially the liability or the responsibility of the owner of a unit only, be recoverable by the management corporation in an action in any court of competent jurisdiction as a debt due to it jointly and severally from—
- (i) the relevant owner of the unit at the time when the repairs, work or act were or was performed ; and
 - (ii) the relevant owner of the unit at the time when the action was commenced; or
- (b) in the case where the repairs, work or act were or was wholly or substantially for the benefit of some of the units only or wholly or substantially the liability or the responsibility of the owners of some of the units only, be recoverable by the management corporation in an action in any court of competent jurisdiction as a debt due to it jointly and severally from—
- (i) the relevant owner of each of such units at the time when the repairs, work or act were or was performed ; and
 - (ii) the relevant owner of each of such units at the time when the action was commenced,
the amount payable by any owner and former owner in respect of any unit being not more than the proportion of the debt which the share unit of the unit then bears to the aggregate share units of all those units.
- (6) An owner of a unit who is not the owner of the unit at the time when the repairs, work or act referred to in subsection (5) were or was performed shall not be liable to pay to the management corpora-

tion any amount due under that subsection if he has, at any time on or within twenty-one days before the date he acquired the title or interest in the unit, made a requisition in writing to the management corporation to inquire about the amount (if any) recoverable by the management corporation under that subsection in respect of the unit and the management corporation has—

(a) certified that no amount is then recoverable by the management corporation in respect of the unit pursuant to subsection (5); or

(b) not given a reply to the requisition at any time within fourteen days of the date of the service of the requisition,

and where the management corporation has certified that any amount is due under subsection (5), the liability of such owner shall be limited to the amount so certified.

(7) Where the management corporation incurs any expenditure or performs any repairs, work or act (whether or not the expenditure was incurred or the repairs, work or act were or was performed consequent upon the service on it by any Government or statutory authority of any notice or order) and the expenditure or the repairs, work or act were or was rendered necessary by reason of any wilful or negligent act or omission on the part of, or breach of any provision of its by-laws by any person or his tenant, lessee, licensee or invitee, the amount of that expenditure of any money expended by it in performing the repairs, work or act shall be recoverable by it from that person as a debt in an action in any court of competent jurisdiction.

(8) The generality of this section shall not be prejudiced by any other provisions of this Law conferring a power or imposing a duty on the management corporation.

Policies of
insurance.

20D. (1) Notwithstanding any existing policy of insurance effected on a subdivided building the owner of a unit may effect a policy of insurance in respect of damage to his unit in a sum equal to the amount secured by a subsisting mortgage thereon and owing as at the date of the damage or loss caused to the unit.

(2) Where any such policy of insurance is in force—

(a) payment shall be made by the insurer under the policy to the registered mortgagees in order of their respective priorities, subject to the terms and conditions of the policy;

(b) subject to the terms and conditions of the policy, the insurer shall be liable to pay thereunder—

(i) the value stated in the policy;

(ii) the amount of the damage or loss; or

(iii) the amount sufficient, at the date of the damage or loss, to discharge the mortgage charged upon the unit,

whichever is the least amount;

(c) where the amount so paid equals the amounts necessary to discharge a mortgage charged upon the unit the insurer shall be entitled to a transfer of the mortgage; and

(d) where the amount so paid by the insurance is less than the amount necessary to discharge a mortgage charged upon the unit the insurer shall be entitled to secure the amount so paid on terms and conditions agreed upon as provided in subsection (3) or, failing agreement, on the same terms and conditions as those contained in the mortgage.

(3) For the purposes of paragraph (d) of subsection (2) any insurer and mortgagee may at any time, whether before or after a policy of insurance has been effected by the owner of a unit, agree upon the terms and conditions of the submortgage.

(4) Nothing in this section shall limit the right of the owner of a unit to insure against risks other than damage to his unit.

(5) The policy of insurance authorized by this section and taken out by the owner of a unit in respect of damage to his unit shall not be liable to be brought into contribution with any other policy of insurance save another policy taken out under this section in respect of damage to the same unit.

(6) The provisions of this section shall apply notwithstanding the provisions of any law relating to insurance.

**Appointment
of
administrator
by court.**

20E. (1) The court on the application of the management corporation, the owner of a unit or any other person or body having a registered interest in a unit may appoint an administrator for the management corporation for a fixed or indefinite period and on such terms and conditions as to remuneration or otherwise as the court thinks fit.

(2) The remuneration and expenses of the administrator shall be charged upon the management fund of the management corporation.

(3) The administrator, to the exclusion of the management corporation, shall have the power and shall perform the duties of the management corporation, or such of them as the court may order:

Provided that the provisions of this subsection shall not prevent an application by the management corporation under subsection (4) for the removal or replacement of the administrator.

(4) The court on the application of the administrator or any person or body entitled to apply under subsection (1) may remove or replace the administrator.

(5) An administrator when appointed shall forthwith lodge with the Registrar and the Common Amenities Board an office copy of the order of court making his appointment.

(6) Where an order of court for removal or replacement of an administrator has been granted to any person, such person shall forthwith lodge with the Registrar and the Common Amenities Board an office copy of such removal or replacement.

(7) On any application made under this section the court may make such order for the payment of costs as it thinks fit.

Common Amenities Board to perform duties of management corporation until administrator is appointed. 20F. (1) Where the Common Amenities Board is satisfied that the management corporation is not carrying out its duties or performing its business satisfactorily and is of the opinion that certain duties must be carried out urgently or immediate action must be taken with respect to matters of concern to the management corporation and the owners of all the units, the Common Amenities Board shall have the power and may perform the duties of the management corporation until such time an administrator is appointed under section 20E.

(2) The expenses incurred by the Common Amenities Board for and on behalf of the management corporation shall be a charge upon the management fund of the management corporation.

(3) When the Common Amenities Board has exercised the powers conferred upon it under this section it shall as soon as possible notify the management corporation concerned or every member thereof or the person responsible for the management of the subdivided building and the common elements.

By-Laws for regulating the control, management &c., of subdivided buildings.

20G. (1) Every subdivided building shown in a Condominium Plan shall be regulated by by-laws which shall provide for the control, management, administration, use and enjoyment of the units and the common elements.

(2) The by-laws shall include the by-laws set out in Second Schedule to this Law which shall not be amended or replaced by the management corporation.

(3) The by-laws set out in the Second Schedule to this Law, shall, as and from the registration of a Condominium Plan, be in force for all purposes in relation to every subdivided building.

(4) The management corporation may, subject to the provisions of this Law and any other written law, by special resolution make additional by-laws, not inconsistent with the by-laws set out in the Second Schedule to this Law, for regulating the control, management, administration, use and enjoyment of the subdivided building.

(5) The by-laws for the time being in force in respect of the subdivided buildings shall bind the management corporation and the owners of all the units to the same extent as if they constituted properly executed agreements—

(a) on the part of the management corporation with the owners of all the units; and

(b) on the part of each owner of a unit with the management corporation.

(6) The management corporation shall—

(a) keep a record of the by-laws in force from time to time;

(b) on receipt of an application in writing made by the owner of a unit or by a person duly authorized to apply on behalf of the owner of a suit for a copy of the by-laws in force, supply to such owner or duly authorized person at a reasonable cost a copy of the by-laws; and

(c) on the application of any person who satisfies the management corporation that he has a proper interest in so applying, make available for inspection the by-laws.

(7) No by-law shall be capable of operating—

(a) to prohibit or restrict the assurance of any unit; or

(b) to destroy or modify any servitude expressly or impliedly created by or under this Law.

(8) A copy of every by-law made by the management corporation and every modification or amendment of any by-law for the time being in force, certified as a true copy under the seal of the management corporation, shall be lodged by the management corporation with the Common Amenities Board.

(9) The management corporation or any owner of a unit shall be entitled to apply to the court—

(a) for an order to enforce the performance of or restrain the breach of any by-law by; or

(b) to recover damages for any loss or injury to any person or property arising out of the breach of any by-law from,

any person bound to comply therewith, the management corporation or the administrator, and the court may make such order against any such person, the management corporation or the members of its council, or the administrator, as the court thinks fit.

(10) Every owner or occupier of a unit who commits a breach of any of the by-laws in the Second Schedule to this Law or makes default in complying with the provisions of the said by-laws, and every owner of a unit who is knowingly a party to the breach or default, shall be guilty of an offence under this Law.

Establish-~~ing~~ 20H. (1) The management corporation shall establish a fund for administrative expenses (hereinafter referred to as "the management fund") sufficient in the opinion of the management corporation for the purposes of controlling, managing and administering the common elements, paying rent, rates and premiums of insurance and discharging any other obligation of the management corporation.

(2) The management corporation may by unanimous resolution invest as it thinks fit any moneys in the management fund provided that a unanimous resolution shall not be required for investment in a fixed deposit account with a bank.

(3) For the purposes of establishing and maintaining the management fund the management corporation may at a general meeting—

(a) determine from time to time the amounts to be raised for the purposes mentioned in subsection (1);

(b) raise the amounts so determined by levying contributions on the owners of all the units in proportion to the share units of their respective units; and

(c) determine the amount of interest payable by the owner of a unit in respect of late contributions.

(4) On application by or on behalf of a person who is the owner of a unit or by or on behalf of a prospective purchaser of a unit that is offered for sale or by or on behalf of the mortgagee or prospective mortgagee of a unit, the management corporation shall issue to that person a certificate certifying—

(a) the amount determined pursuant to subsection (3) as the contributions of that owner;

(b) the time and manner of payment of the amount determined by it pursuant to that subsection;

(c) the extent (if any) to which the contribution has been paid;

(d) the amount (if any) then recoverable by the management corporation in respect of the unit pursuant to subsection (5) of section 20c;

(e) the sum or the respective sums standing to the credit of the fund or funds kept and maintained by the management corporation pursuant to subsection (1), and the amount or respective amounts out of that fund or those funds committed or earmarked for any expenses already incurred by the management corporation; and

(f) whether or not the management corporation has incurred any expenditure or performed or is about to perform any repairs, work or act in respect of which a liability is likely to be incurred by the owner of a unit under any provision of this Law and, if so, the estimated amount of the expenditure or the general nature of the repairs, work or act,

and as against the management corporation and in favour of any person (including the member) relying in good faith on such certificate, that certificate shall be conclusive evidence of the matters certified therein.

(5) Any contribution levied under subsection (3) in respect of a unit shall be due and payable on the passing of a resolution to that effect by the management corporation, and in accordance with the terms of that resolution, and may be recovered as a civil debt from the owner of, or his successor in title to, the unit.

(6) For the purposes of subsection (5) "owner of a unit" includes the person for the time being receiving the rent of the unit whether as agent or trustee or as receiver, and who would receive the same if the unit were let to a tenant.

Recovery of contributions. (1) Where—

- (a) any contribution has been levied under subsection (3) of section 20H in respect of a unit; or
- (b) any amount is recoverable by the management corporation in respect of a unit pursuant to subsection (5) of section 20c,

and such contribution or amount remains unpaid on the expiry of a period of fourteen days after the management corporation has sent a written demand for the contribution or amount, that contribution or amount including any interest due thereon (if any) shall constitute a first charge on the unit in favour of the management corporation.

(2) The management corporation shall, subject to the provisions of subsection (3), have the power of sale and all other powers relating or incidental thereto as if such management corporation was a registered mortgagee and the amount of contribution due (including any interest thereon) shall be subject to all statutory rights and charges of any Government or statutory authority over the unit and to all encumbrances registered or notified prior to the date of lodgement of the said instrument of charge.

(3) The management corporation shall not proceed under subsection (2) to sell the unit unless—

- (a) a special resolution has been passed by the management corporation to have the unit sold;
- (b) a notice of the intended sale has been published once in one or more daily newspapers;

- (c) during the period of six weeks after the date of such publication no payment has been made for the amount of contribution including interest thereon due and the cost of publication specified in paragraph (b) as well as any other necessary incidental charges; and
 - (d) there is no legal action pending in court to restrain the management corporation from proceeding with the sale.
- (4) Where a transfer of any unit has been made by the management corporation in the exercise of its power of sale as a charge pursuant to the provisions of subsection (3) and lodged with the Registrar for registration—
- (a) such transfer shall not be accepted for registration unless there has been lodged with the Registrar—
 - (i) a certified true copy of the special resolution of the management corporation authorizing the exercise of its power of sale with the seal of the management corporation affixed thereto in the presence of two members of the council of the management corporation;
 - (ii) a copy each of the notice of the publication specified in paragraph (b) of subsection (3); and
 - (iii) a statutory declaration made by two members of the council of the management corporation referred to in sub-paragraph (i) of this paragraph jointly stating that the contribution and interest due thereon including all necessary incidental charges have not been

paid and that there is no legal action pending in court to restrain the management corporation from proceeding with the sale of the unit; and

(b) neither the purchaser of the unit from the management corporation nor the Registrar shall be concerned to enquire into the regularity or validity of the sale or transfer.

(5) Where the management corporation has wrongfully or otherwise exercised its power of sale in contravention of the provisions of this section every member of the council of the management corporation present when the special resolution was passed or in whose presence the seal of the management corporation was affixed to the certified true copy of the special resolution passed and lodged with the transfer pursuant to subsection (4) of this section shall be guilty of an offence under this Law.

(6) The unit shall, upon payment of the amount of contribution due including all interest thereon and any necessary incidental charges, be discharged by the management corporation upon the receipt of such payment.

(7) The provisions of this section shall be without prejudice to the rights and powers conferred on the management corporation by subsection (5) of section 20c or subsections (5) and (6) of section 20H to recover the contribution or amount due and all interest thereon including any legal costs and incidental charges necessarily incurred for the recovery of such contribution or amount in respect of any unit as a civil debt from the owner of, or his successor in title to, the unit.

(8) In this section "Government or statutory authority" shall include any person, corporation or body, authorized or empowered by any written law to attach, sell or acquire land compulsorily.

Liability of members of management corporation.

20K. (1) The payment of any amount lawfully incurred by the management corporation in the course of the exercise of any of its powers or functions or the carrying out its duties or obligations shall, by virtue of this section, be guaranteed by the persons who, for the time being and from time to time, are the members of the management corporation, the member who is or the members who are the owner or owners of each unit being liable under such guarantee only for such proportion of the money so incurred as the share unit of that unit bears to the aggregate share units of all the units.

(2) Where—

(a) by reason of any liability of a member or former member of the management corporation under subsection (1) that member or former member has, in respect of any matter, been obliged to pay, and paid, more than the proportion for which he was liable in respect of that matter under subsection (3) of section 20H; and

(b) any other member or members of the management corporation has or have not discharged or fully discharged his or their liability under that subsection in respect of that same matter,

the member or former member referred to in paragraph (a) of this subsection shall be entitled to recover from the member or members referred to in paragraph (b) of this subsection in any court of competent jurisdiction, as a debt due to him from that member or those members, an amount not exceeding the amount by which the aggregate amount paid by him in respect of that

matter exceeded the amount of the proportion for which he was liable in respect of that matter under subsection (3) of section 20H, but no member referred to in paragraph (b) of this subsection shall be held liable to pay under this subsection more than the amount remaining undischarged of his liability in respect of that matter under subsection (3) of section 20H.

Powers of
voting of
owners
unable to
control his
property.

20L. (1) Where the owner of a unit is for any reason unable to control his property, the powers of voting conferred on him by the First Schedule to this Law shall be exercisable by the person who is for the time being authorized by law to control that property.

(2) Where the owner's interest is subject to one or more registered mortgages, the powers of voting conferred on him by the First Schedule to this Law—

(a) shall, in any case where an unanimous resolution is required, be exercised by the mortgagee first entitled in priority either personally or by proxy unless such mortgagee has at any time prior to the general meeting given notice in writing to the management corporation that he does not intend to exercise the said powers of voting;

(b) in any other case, may be exercised by the owner unless the mortgagee first entitled in priority has at any time prior to the general meeting given written notice to the management corporation of his intention to exercise the said powers of voting and in such event the powers of voting shall be exercised by the mortgagee when the mortgagee is present personally or by proxy at the general meeting and if the mortgagee or his proxy is not present at the general meeting, then the powers of voting may subject to the provisions of paragraph (c) be exercised by the owner;

(c) in any case where the mortgagee first entitled in any priority does not wish to exercise his powers of voting, the registered mortgagee entitled next in priority or his proxy may exercise the powers of voting conferred upon the mortgagee first entitled in priority and if the registered mortgagee entitled next in priority or his proxy is not present at the said general meeting then such powers of voting may be exercised by the owner.

(3) A registered mortgagee shall not be entitled to exercise his powers of voting conferred by subsection (2) unless he has notified his interest to the management corporation.

Power of court to appoint Public Trustee to exercise voting powers in certain cases.

20M. Where the court, on the application of the management corporation or the owner of a unit, is satisfied that there is no person or body able to vote in respect of a unit, the court—

(a) shall, in cases where an unanimous resolution is required by this Law; and

(b) may, in any other case,

appoint the Public Trustee or some other fit and proper person or body for the purpose of exercising such of the powers of voting attached to the unit under this Law as the court may determine.

Service of notice and documents.

20N. (1) The management corporation shall at or near the front building alignment of the Condominium Property—

(a) cause to be continuously displayed a notice showing the name of the management corporation and the address for service of documents shown on the registered Condominium Plan; and

(b) where the address for service of documents shown on the registered Condominium Plan is the postal address of the building erected within the Condominium Property, cause to be continuously available a receptacle suitable for purposes of postal delivery with the name of the management corporation clearly shown thereon.

(2) Where the address for service of documents is altered the management corporation shall forthwith notify the Registrar and the Common Amenities Board of the alteration, and the Registrar shall amend the registered Condominium Plan accordingly.

(3) A document may be served on the management corporation by sending it by registered post addressed to the management corporation at the address shown on the registered Condominium Plan or any amendment thereto.

(4) Any notice sent by registered post to the last recorded address of the management corporation shall be deemed to be duly served on the management corporation at the time when a letter would in the ordinary course of post be delivered, and notwithstanding the fact that the letter may be returned through the post office undelivered.

(5) For the purposes of this section "document" includes summons, notice, order and other legal process.

Procedure
when
subdivided
building is
damaged.

20 P. Where a subdivided building shown in a Condominium Plan is damaged but is not totally destroyed the management corporation shall in the following priority:—

(a) reinstate the damaged portion of the subdivided building and provide a scheme for the continued use of the subdivided building in whole or in part;

- (b) apply the insurance moneys received by the management corporation in respect of damage to the subdivided building towards the scheme of reinstatement and continued use of the subdivided building referred to in paragraph (a);
- (c) direct the payment of the insurance moneys received by the management corporation to the owners of the units or some or one or more of them whose units were damaged or destroyed.

**Destruction
of sub-
divided
buildings.**

20q. (1) For the purposes of this Law, a subdivided building shown in a Condominium Plan shall be deemed to be destroyed when the owners of all the units by unanimous resolution resolve that the subdivided building be destroyed.

(2) Upon destruction of the subdivided building the management corporation shall forthwith lodge with the Registrar a notice of its destruction.

(3) On receipt of that notice the Registrar shall enter a notification of the destruction of the subdivided building and a memorial of the vesting of the Condominium Property in the owners as tenants in common in the registered Condominium Plan and in the volume and folio of the land register comprising the Condominium Property.

(4) Upon the entry of that memorial—

(a) each owner shall cease to be the owner of the unit and shall be entitled to the Condominium Property as a tenant in common with the other owners in the shares proportional to his share units and for the same term and tenure held by him in respect of his unit;

(b) any subsisting encumbrance registered against his unit shall be an encumbrance on his share in the land comprising the Condominium Property, and a memorial or notification of the encumbrance entered in the volume and folio of the land register comprising that land shall bear the same date as the date of registration of that encumbrance against his unit; and

(c) all statutory servitudes implied under this Law shall cease to affect the land comprising the Condominium Property or any part thereof.

(5) The former owners may by unanimous resolution direct the management corporation to transfer the Condominium Property or any part thereof.

(6) The management corporation, if it is satisfied that the resolution was duly passed and that all persons having registered interests in the Condominium Property have consented in writing to the release of their respective interests in the land comprising the Condominium Property or any part thereof, intended to be transferred, shall execute the appropriate transfer, and the transfer shall be valid and effective without execution by any person having a registered interest in the Condominium Property, and the receipt of the management corporation for any moneys payable to the management corporation under the transfer shall be a sufficient discharge, and shall exonerate the person taking under the transfer from seeing to the application or being answerable for any loss or misapplication of the moneys expressed to have been so received.

(7) A transfer executed by the management corporation pursuant to the last preceding subsection shall not be accepted for registration unless accompanied by a certificate under the seal of the management corporation that the resolution was duly passed

and that all necessary consents were given, and such a certificate shall, in favour of a purchaser of the Condominium Property and in favour of the Registrar, be conclusive evidence of the facts stated therein.

(8) When land or any part thereof is transferred by a former owner or the management corporation after a notice of destruction of the subdivided building has been lodged with the Registrar—

(a) the former owner, if he is transferring, shall surrender to the Registrar his title deeds relating to his unit;

(b) the management corporation, if it is transferring on behalf of all the former owners, shall surrender to the Registrar on behalf of all the former owners their title deeds; and

(c) the Registrar, on receipt of the title deeds relating to the unit or units, as the case may be, shall cancel the relevant folios of the subsidiary register of Condominium Property, and thereafter the transferee shall deal with the land in accordance with the provisions of the Registration of Documents Ordinance.

(9) Notwithstanding the termination of a subdivision under this section the relevant record of the subsidiary register of Condominium Property may be used in evidence as a record of matters relating to the subdivision before its termination so long as the management corporation continues in existence.

(10) Where a transfer of the Condominium Property pursuant to subsection (5) has been lodged with and registered by the Registrar, the management corporation shall be continued in existence for the purpose of winding up its affairs.

(11) The court may, on the application of the management corporation or its administrator, a former owner or a former mortgagee, by order make provision for the winding up of the affairs of the management corporation and for the appointment of a liquidator to carry out the winding up.

(12) Unless and until a liquidator has been appointed by the court for the purpose of carrying out the winding up of the management corporation, the council of the management corporation shall continue to perform the management corporation's business for the purpose of winding up its affairs. On the appointment of a liquidator all the powers of the council of the management corporation shall cease and the liquidator shall have the power to carry on the management corporation's business for the purpose of winding up its affairs.

(13) On the management corporation being wound up—

(a) every former owner shall be liable to contribute to the assets of the management corporation to an amount sufficient for the payment of its debts and liabilities and the costs, charges and expenses of the winding up; and

(b) the assets of the management corporation, if any, shall be distributed among the former owners,

in the same proportion as the proportion of contribution which such former owners would have been liable for in accordance with section 20A.

(14) The court may, on the application of a former owner, a former mortgagee or the liquidator and on being satisfied that the affairs of the management corporation have been wound up, make an order that the liquidator be released and that the management corporation be dissolved and on lodgement of such order for registration under

this Law, the Registrar shall then register and cancel the relevant record of the subsidiary register of Condominium Property.

(15) In this section—

(a) “former mortgagee” means a person who, or a body which, immediately before the subdivision of a subdivided building is terminated under this section, was the registered mortgagee of a unit, forming part of the subdivided building;

(b) “former owner” means a person who, or a body which, immediately before the subdivision of a subdivided building is terminated under this section, was the owner of a unit, forming part of the subdivided building.’

12. Section 26 of the principal enactment is hereby amended as follows:—

Amendment
of section
26 of the
principal
enactment.

(a) by the insertion immediately before the definition of “building”, of the following new definitions:—

“accessory unit” means a unit intended for separate ownership and was with any other specified unit or units for any purpose;

“assurance” includes any transfer, lease, charge, mortgage or any other application for vesting made under this Law ;’;

(b) by the substitution for the definition of “building”, of the following definition:—

“building” includes any building partially completed or, where applicable, any building to be erected within a storey shown or specified in any Condominium Subdivision Plan for approval to the authority for the time being responsible for granting such approval ;’;

(c) by the substitution for the definition of “common elements”, of the following definition:—

"common elements"—

- (a) in relation to any Condominium Property which is comprised in any plan approved by the authority for the time being responsible for the approval of such plan, means so much of the land for the time being not comprised in any unit shown in a Condominium Plan ; and
- (b) unless otherwise described specifically as comprised in any unit in a Condominium Plan and shown as capable of being comprised in such unit includes :—
 - (i) foundations, columns, gardens and external beams, supports, main walls, roofs, walls, lobbies, corridors, stairs, stairways, fire escapes, entrances, exits of the building or buildings ;
 - (ii) car parks, recreational or community facilities, gardens, parking areas, roofs and storage spaces ;
 - (iii) central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration and air-conditioning, telephone, radio, rediffusion, garbage disposal and incinerators ;
 - (iv) escalators, lifts, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use ;
 - (v) premises for use by security guards, caretakers and watchmen ;
 - (vi) all facilities described as common elements in any plan for a condominium development approved by the authority for the time being responsible for such approval, and all facilities which

may be shown in a legend of a Condominium Plan as common elements; and

(vii) all other parts of the land not comprised in any unit necessary or convenient to the existence and maintenance and for the reasonable common use and safety of the common elements including the roads and access drains and ditches, lanes, parks, playgrounds and other open spaces appurtenant to the Condominium Property ; ;

(d) by the insertion, immediately after the definition of "common elements", of the following new definitions :—

"Condominium Plan" means a plan of registered land which :—

- (a) is described in the title or heading thereto as a Condominium Plan ;
- (b) shows the whole or any part of the land comprised therein as being divided into two or more storeys whether or not any storey is divided into two or more units ; and
- (c) contains the particulars set out in section 5 ;

"condominium subdivision" includes subdivision of land to comprise one or more units whether or not any unit is on the same storey as any other unit ; ;

(e) by the insertion, immediately after the definition of "encumbrance", of the following new definition :—

"land" includes land of any tenure, any building or parts thereof, so much of the air-space above the surface as may be reasonably used or enjoyed by any owner, and all substances under the surface, (excluding minerals within the meaning of the Mines and Minerals Law, No. 4 of 1973), whether or not held apart from the surface and any estate or interest therein ; ;

(f) by the insertion, immediately after the definition of "local authority", of the following new definitions:—

"management corporation", in relation to any one or more subdivided buildings shown on a Condominium Plan, means the management corporation established for those buildings;

"owner" means the owner of the land immediately before the subdivision thereof;

"owner of the unit" means the registered owner for the time being of a unit having a freehold estate in the unit or where a leasehold estate in the unit has been created a leasehold estate in the unit having an unexpired term of not less than twenty years computed as from the date of registration of such creation of leasehold estate; ;

(g) by the omission of the definition of "public corporation";

(h) by the insertion, immediately after the definition of "Registrar", of the following new definitions:—

"share units" in respect of a unit means the share units determined for that unit according to its share value and shown as such in the Schedule endorsed on the Condominium Plan;

"special resolution" means a resolution passed at a meeting of the management corporation, of which at least fourteen days' notice specifying the proposed special resolution has been given, by those persons entitled to exercise the powers of voting conferred by or under this Law either personally or by proxy who are together entitled to, or represent those entitled to, not less than three-quarters of the share units and who together constitute or represent those constituting not less than three-quarters of the membership;

"storey" means any part of land consisting of a space of any shape below, on, or above the surface of the land, or partly below and partly above the surface of the land, the dimensions of which are delineated;

"subdivided building" means any one or more buildings comprised in a Condominium Plan approved by the local authority;

"unanimous resolution" means a resolution unanimously passed at a duly convened meeting of the management corporation at which all persons entitled to exercise the powers of voting conferred by or under this law are present either personally or by proxy at the time of motion; ; and

(i) by the substitution for the definition of "unit", of the following definition :—

"unit" means a defined space which is shown as an independent unit on a Condominium Plan and which is designed for independent use consisting of one or more rooms whether occupying the entirety or part of one or more storeys in a building of more than one storey and which is shown as a separate unit on a Condominium Plan and includes a unit specified as an accessory unit on any such plan provided that such defined space has a direct exit to a road or a common area leading to a road and access cannot be had through it to any enclosed space of like description; .

13. The principal enactment is hereby amended by the addition, immediately after section 26 thereof, of the following Schedule :—

Addition of
schedules
to the
principal
enactment.

FIRST SCHEDULE

(Sections 20B and 20L)

MANAGEMENT CORPORATION

1. In the application of this Schedule to any particular management corporation :—

“corporation” means the management corporation in question;

“council” means the council of the corporation;

“general meeting” means a general meeting of the corporation;

“owner” means the owner of a unit who is a member of the corporation.

2. The corporate name of the corporation shall be “The Management Corporation Condominium Plan No. ”, the number to be specified being the serial number of the relevant Condominium Plan.

3. (1) Subject to the provisions of this paragraph and to any regulations made under the Law, the council shall consist of not less than three and not more than fourteen owners, who shall be elected at each annual general meeting and shall cease to hold office at the next annual general meeting.

(2) Where—

(a) the first annual general meeting has not yet been held; or

(b) there are not more than three owners,

the council shall consist of all the owners.

(3) Except where the council consists of all owners, the corporation may at any time by resolution at an extraordinary general meeting remove any member of the council from office and appoint another owner in his place to hold office until the next annual general meeting.

(4) A member of the council may resign his office at any time by writing under his hand addressed to the corporation.

(5) Where a vacancy in the membership of the council occurs otherwise than by the operation of sub-paragraph (1) or (3) of this paragraph, the remaining members may appoint another owner to be a member until the next annual general meeting.

(6) Members of the council shall be eligible for re-election or re-appointment.

4. The council shall meet at such times and places and at such intervals as it thinks fit:

Provided that any member of the council may convene a meeting by appointing a date for the meeting and giving the other members not less than seven days' notice of the date appointed.

5. (1) Except where there is only one owner, a quorum at meetings of the council shall be—

- (a) two, where there are not more than four members;
- (b) three, where there are five or six members;
- (c) four, where there are seven or eight members;
- (d) five, where there are nine or ten members;
- (e) six, where there are eleven or twelve members; and
- (f) seven, where there are thirteen or fourteen members.

(2) Questions arising at meetings shall be decided by simple majority vote.

(3) Every meeting of the council shall be presided over by a Chairman, who shall be elected from among themselves by the members of the council present at the meeting and who shall have a casting as well as an original vote.

(4) Subject to this paragraph, the council may regulate its own procedure at meetings.

6. Subject to any restriction imposed or direction given by the corporation at a general meeting, the council may—

- (a) delegate to any one or more of its members the exercise of any of its powers or the performance of any of its duties; and
- (b) revoke the delegation at any time.

7. The council may employ for and on behalf of the corporation such agents and servants as it thinks fit in connection with the exercise of the powers and the performance of the duties of the corporation.

8. (1) The council shall keep minutes of its proceedings and shall cause minutes to be kept of general meetings.

(2) The council shall—

- (a) cause proper books of account to be kept in respect of all sums of money received and expended by it, specifying the matters in relation to which the receipts and expenditure take place; and
- (b) on the application of an owner or mortgagee of a unit (or any person authorized in writing by him) make the books of account available for inspection at all reasonable times.

(3) The council shall prepare for each annual general meeting proper accounts relating to all moneys of the corporation and the corporation's income and expenditure.

(4) The accounts of the corporation shall be audited annually by auditors appointed by the council.

(5) The council shall after its general meeting file with the Common Amenities Board certified true copies of—

(a) the audited accounts of the corporation which has been presented to the general meeting, if any;

(b) the resolution passed at the general meeting; and

(c) the minutes of the general meeting.

(6) The council shall permit the Common Amenities Board or any person authorized by him to act on his behalf at all reasonable times full and free access to accounting and other records of the corporation and permit the Common Amenities Board or such person to make copies of or make extracts from any such accounting or other records.

(7) The Common Amenities Board or any person authorized by the Board to act on its behalf may require any member to furnish the Board with such information which such member possesses or has access to as the Board or any such duly authorized person considers necessary for the purposes of discharging the functions of the Board under this Law.

9. (1) The Corporation shall hold an annual general meeting for the consideration of accounts, the election of the council and the transaction of such other business as may arise.

(2) The first annual general meeting shall be held within six months after registration of the Condominium Plan and subsequent annual general meetings shall be held once in each year:

Provided that not more than fifteen months shall elapse between the date of one annual general meeting and the next.

10. (1) A general meeting other than the annual general meeting shall be known as an extraordinary general meeting.

(2) The Council—

(a) shall convene an extraordinary general meeting upon a requisition in writing made by the owners who are together entitled to at least twenty-five per centum of the share units;

(b) may convene an extraordinary general meeting on such other occasions as it thinks fit.

11. Seven days' notice of any general meeting, specifying the place, date and hour of the meeting and the general nature of the business to be transacted, shall be given to every owner and every first mortgagee of a unit in the subdivided building (being a registered mortgagee who has notified his interest to the corporation):

Provided that accidental omission to comply with this paragraph in respect of an owner or mortgagee shall not invalidate the proceedings at the meeting.

12. (1) One-half of the persons entitled to vote shall constitute a quorum at a general meeting.

(2) If within half an hour after the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place.