



Information pack

This document details the Home Owners' Association Management course presented by Paddocks.



Paddocks is pleased to offer the **Home Owners' Association Management Course**.

Need for the course:

The management of home owners' associations (HOAs), whether they are companies established in terms of section 21 of the Companies Act or common law associations, is a complex task. It requires an overall understanding of the South African legal system, the role of HOAs generally, an understanding of the applicable governance documents and, in most cases, a knowledge of the applicable provisions of the Companies Act.

Failing to know and apply the legal requirements for scheme governance may result in serious consequences, particularly for professional managing agents.

About Paddocks:

Paddocks is a specialist sectional title training firm, headed by sectional title expert Prof Graham Paddock.

About the course:

This 10-week course, offered in English through online distance learning, will introduce students to the legal aspects of home owners' association management and equip them to manage HOAs established in terms of section 21 of the Companies Act and common law associations. The course is compiled and presented by Prof Graham Paddock.

Who should attend?

Anyone involved in the management of HOAs and particularly those who render management services to HOAs, including managing agents, portfolio managers, estate managers, directors, chairpersons, estate agents, scheme auditors and accountants, attorneys, dispute resolution service providers and trustees.

Course modules:

The following modules are covered during the course:

- Module 1: Basic principles of home owners' associations
- Module 2: Formation of an HOA development
- Module 3: Governance documentation
- Module 4: Members, their meetings and decisions
- Module 5: Executive committee members, their meetings and decisions
- Module 6: Finances, accounting, disclosure and auditor
- Module 7: HOA administration
- Module 8: Members remedies
- Module 9: Judicial management
- Module 10: Termination of HOAs

*See Appendix A for a detailed overview of each module.



Entry requirements:

Students must have a current email account, must have access to a computer, and must be able to read documents in Adobe PDF, create documents in Microsoft Word and access the internet. A matric certificate is recommended, but is not required.

Course delivery:

The course is conducted online through the **Paddocks Learning** website. (<http://www.paddocks.co.za/learning>)

Each module is divided into the following components:

- Course notes
- Discussion forum
- Online multiple-choice quiz
- Module assignment
- Further reading and references

For the duration of the 10-week course, a new module is released to the student group each Monday. Students complete each week's module by working through all of the components listed above. Proactive support is provided to all students by the Course Convener, Prof Graham Paddock, and the Course Coordinator, Sarah Ciapparelli.

Award of the certificate:

Certificates can only be awarded to those students who obtain a combined final mark of at least 50% for the assignments. Successful students will receive the Paddocks Home Owners' Association Management certificate.

All individual assignment marks will be communicated privately to students and final marks will be communicated to students in terms of distinction, pass or fail categories.

Course dates:

Registrations close: 27 August 2010
Course starts: 6 September 2010

Payment details:

Course fee: R6,100 (excl. VAT)
Payment deadline: 27 August 2010

A 10% discount is offered to groups of 3 or more when arranged with Paddocks staff.



How to register:

Four-step registration process

1. Visit www.paddocks.co.za.
2. Click "HOA Management" on the left menu and then click "Register Now".
3. Complete the online registration form.
4. You will receive confirmation of registration by email and SMS within 24 hours.

Payment details:

The following payment options are available:

- 1. Once-off payment**
R6,954 on registration or by 27 August 2010
- 2. Two-month payment plan**
R3,600 on registration or by 27 August 2010
R3,600 by 30 September 2010

Paddocks accepts payments by direct deposit, electronic funds transfer (EFT) and credit card (Mastercard and Visa). Students opting to pay by credit card will be contacted by phone to obtain their credit card details. Students opting to pay by direct deposit and EFT are required to use their name and surname as a reference.

Non-South African students should contact Paddocks for payment details.

Banking details:

Account name: Paddocks Learning
Bank: Standard Bank
Branch: Claremont
Branch code: 025109
Account number: 07 253 0103
SWIFT Code: SBZAZAJJ

Contact details:

Should you have any queries, please contact Kate at Paddocks:

Contact: Kate
Tel: 021 685 4775
Fax: 021 685 4883
Email: kate@paddocks.co.za

Appendix A

The table below provides a detailed description of each of the 10 modules covered in the course.

Module 1: Basic principles of home owners' associations
This module gives a brief overview of the fundamental issues in home owners' associations, including the lack of specific national legislation. There is some historical background and a comparison between home owners' associations, sectional title schemes and share block companies. The module introduces some specific terminology and shows how a home owners' association can be used as the management body for a development made up of other home owners' associations, sectional titles schemes and share block companies.
Module 2: Formation of an HOA development
Module 2 explains how different types of land and different classes of property may be included in a home owners' association development. The module identifies and compares the two types of legal entities most commonly used as home owners' associations, and describes some unusual applications of this development methodology. An example of a sub-divisional approval requiring the establishment of a home owners' association is included.
Module 3: Governance documentation
This module identifies the usual content of the governance documentation of a home owners' association. Examples of clauses from the governance documentation of two actual associations are used to illustrate how the provisions are made in common law associations and non-profit home owners' association companies.
Module 4: Members, their meetings and decisions
This module details the formalities of becoming and ceasing to be a member of a home owners' association and how this process is necessarily entrenched in the association's governance and ancillary documentation. The provisions of the Companies Act applicable to the meetings of owners in a non-profit HOA company are detailed and compared to the equivalent provisions in a common law association's documentation. Examples from real associations are used as illustration.
Module 5: Executive committee members, their meetings and decisions
Module 5 examines the requirements of the Companies Act regarding the appointment and functions of directors of non-profit companies. A comparison is made with similar provisions in the constitution of a common law association.
Module 6: Finances, accounting, disclosure and auditor
This module details the provisions in the Companies Act that apply to accounting and keeping financial records in a non-profit HOA company. As many of these processes are used

in common law associations, the module illustrates how these principles are provided for in a real common law HOA's constitution.

Module 7: HOA administration

Module 7 examines administrative practices in HOAs. Included is how to manage the collection of arrear levies, interest and fines on arrear levies and how the National Credit Act and the Debt Collectors Act apply to HOAs. The module also provides guidance on record keeping, rendering the required returns, the physical management of the communal and individually owned property and how to deal with service providers such as attorneys and managing agents.

Module 8: Members remedies

Conflict between members and between members and the executives is an inevitable part of communal residential schemes. This module explains the various dispute resolution options available to HOA members and how to address the infringement of member's and the HOA's rights under the governance documentation. The provisions of the Companies Act regarding the inspection of companies are also examined.

Module 9: Judicial management

Module 9 explains the process of placing a non-profit HOA company under judicial management. There is a hypothetical case study showing how a HOA could be put in the position of needing outside management assistance. The module explains how a provisional judicial manager is appointed by the High Court, his or her duties and what happens if the company is placed under final judicial management.

Module 10: Termination of HOAs

There are various reasons why a home owners' association might be terminated. This module gives an overview of the consolidation, conversion and collective sale of HOAs and the processes of winding up and de-registering a company.

We hope to welcome you to the course!