



## Information Pack



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 established as non-profit companies or common law associations, is a complex task that 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.

A failure to know and apply the legal requirements for scheme governance may involve serious consequences, particularly for professional managing agents.

### **About Paddocks:**

Paddocks is a specialist sectional title and home owners' association firm, headed by sectional title and HOA 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 as non-profit companies or common law associations, in terms of the legal requirements. 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 preliminary modules are covered during the course:

- Module 1: Basic principles of HOAs
- Module 2: Design and formation of an HOA
- 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: Remedies
- Module 9: Business rescue
- Module 10: Termination of an HOA

\*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
- Video lectures
- Discussion forum
- Online multiple-choice quiz
- Module assignment
- Reading material

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 Conveners, Prof Graham Paddock and Anton Kelly, and by the Course Coordinator, Che-lee Mauritz.

### Award of the certificate:

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

### Course dates:

**Registrations close:** 27 July 2012  
**Course starts:** 6 August 2012

### Payment details:

**Course fee:** R7,200 (excl. VAT)  
**Payment deadline:** 27 July 2012



### How to register:

#### Four-step registration process

1. Visit [www.paddocks.co.za](http://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 and are inclusive of VAT:

Payment option	Amount and payment date
1. Regular once-off payment	R8,208 by 27 July 2012
2. Regular payment plan	R2,800 by 27 July 2012 R2,800 by 31 August 2012 R2,800 by 28 September 2012

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: GetEducated  
Bank: Standard Bank  
Branch: Constantia  
Branch code: 025309  
Account number: 07 251 0684  
SWIFT code: SBZAJJ

### Contact details:

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

**Contact:** Emma  
**Tel:** 021 447 4130  
**Fax:** 021 447 8344  
**Email:** [emma@paddocks.co.za](mailto:emma@paddocks.co.za)

## Appendix A

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

<b>Module 1: Basic principles of HOAs</b>
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.
<b>Module 2: Design and formation of an HOA</b>
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.
<b>Module 3: Governance documentation</b>
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. The module demonstrates how a memorandum of incorporation form is completed to tailor the governance provisions of a company for use as an HOA.
<b>Module 4: Members, their meetings and decisions</b>
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.
<b>Module 5: Executive committee members, their meetings and decisions</b>
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 HOAs 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 Collector's 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: Remedies

Module 8 explains the various options that members of HOAs have to seek redress if their rights in terms of the governance documentation of the HOA have been infringed. The least formal methods of dispute resolution, negotiation and conciliation, as well as the more formal course of arbitration are explained. The Companies Act provides additional avenues to members of non-profit HOA companies. The Act describes actions that are offences and this module explains how members can use the Companies and Intellectual Property Commission, the Companies Tribunal and the courts under the specific circumstances detailed in the Act.

#### Module 9: Business rescue

Sometimes, companies encounter financial difficulties so great that it seems the only outcome can be the liquidation and winding up of the company. This module introduces a procedure designed to save companies in major financial trouble. The module explains how the process is begun and what its legal effects are on the company, its members and its employees. It also explains that a specific person is tasked with managing the rescue process, what approvals that person needs to perform the function, what his or her powers and duties are and that the rescue is completed by the implementation of that person's plan to rescue the company.

#### Module 10: Termination of an HOA

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!