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Paddocks PRESS

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INSIDE THIS ISSUE:

Charles Baker

LEAKING BALCONIES IN SECTIONAL TITLE SCHEMES

By Jennifer Paddock

Sectional title living often sees people living above and below each other. This means that when there is a leak in a first floor or higher section, the section below it can be damaged. Balconies pose a particular difficulty in this regard as their waterproofing often seems to fail and the section below suffers damage as a result. It seems like the situation should be simple… if your section suffers damage as a result of the failure of the owner above to maintain his waterproofing, he should ensure that the balcony is properly waterproofed and pay for the costs of repairing the damage to your section, right? Well, unfortunately it's not that easy as balconies are not all created equal. In this article we examine three different balcony situations / classifications and explain in each case who is liable for what.

The balconies form part of the owners sections

Because of the 'median line' concept that applies to sectional boundaries, each owner owns his section to the midpoint of its floors, walls and ceilings. The sectional plan for a scheme shows each *...to page 2*

QUORUMS AND THE VALUE OF VOTES: PROPOSED CHANGES TO PRESCRIBED MANAGEMENT RULES 53, 57 AND 64

I was recently requested to chair the Annual General Meeting of a local KwaZulu-Natal sectional title body corporate. The members wanted a reliable and independent person to guide the meeting through some contentious issues and I was happy to assist. The proceedings at the meeting focused my attention on what I consider to be the inadequacies in the current prescribed management rules 53, 57 and 64.

At the meeting it was soon evident that my understanding of the minimum quorum requirements for the scheme, in terms of PMR 57, differed to that of the managing agent. My view is that minimum quorum requirements in terms of PMR 57 have to be achieved on the basis of the required percentage of the total participation quotas allocated to sections owned by members present or represented, alternatively on the basis of adjusted voting values in terms of section 32(4) of the Act. The managing agent believed that the correct basis was a one-for-one head count.

This was not the first time I have encountered a difference of opinion on this particular point. It may sound like an odd pastime, but I collect sectional title general meeting notifications prepared by others whenever I can. These often make for interesting reading and in many cases illustrate similar confusions. Some specify a particular number of owners who must be present or represented, with no *...to page 3*

LEAKING BALCONIES IN SECTIONAL TITLE SCHEMES...continued

from page 1... section and you can tell whether the balcony is or is not included in the section by checking what areas are enclosed within the solid line that delineates the boundary of the section. In the situation where the sectional plan shows that the balconies form part of the sections, which can happen even where there are open balconies, the balcony floors are part of the sections. So the higher owner will own and be responsible for his balcony floor, to the midpoint of that floor, while the underside of the balcony (in this case your ceiling) forms part of your section and is your responsibility. Here there is no common property between your section and the one above and therefore the body corporate is not obliged to involve itself in dealing with any complaints relating to the leaking balcony or initiate and oversee any repairs in this regard.

Each owner is obliged in terms of section 44(1)(c) of the Sectional Titles Act 95 of 1986 ("the Act") to repair and maintain his section in a state of good repair. Therefore if the waterproofing membrane of the higher owner's balcony has failed, that owner is obliged to repair it. Similarly, if your ceiling is damp and damaged as a result of the failed waterproofing, it is your responsibility as owner of the lower section to repair it. The law of delict allows a person who has suffered loss as a direct result of another's acts or omissions to claim compensation from that person. In this situation, if you could prove that your ceiling was damp as a direct result of the above owner's failure to adequately repair and maintain the waterproofing membrane forming part of his section, you would be entitled to reclaim the reasonable costs of repairing the damp in your section from him. Clearly it would make sense to first compel the higher owner to repair their balcony floor so that the repairs to your balcony ceiling will not be ruined by further water penetration.

The balconies are common property subject to exclusive use rights

The balcony above yours is, according to the sectional plan, part of the common property but the owner of the flat that gives access to the balcony has exclusive use rights to the balcony. In this situation one has to distinguish between the operational and financial responsibility for maintaining and repairing the balcony. The body corporate is responsible for maintaining and repairing all of the common property in terms of section 37(1)(j) of the Act, but the owner entitled to exclusive use of an area of common property is responsible to pay the maintenance and repair costs associated with that area.

So if the higher balcony in this situation is leaking into your exclusive use balcony or your section and causing damp problems for you, you can approach the body corporate as the party responsible to repair and maintain it. The body corporate must carry out the repairs to the balcony and then recover the costs of doing so from the owner entitled to exclusive use of the balcony. You could claim the costs of repairing the damp in your section from the body corporate and insist that it carries out the repairs to the balcony ceiling in your exclusive use area.

But in this situation you should look at the scheme's rules to check whether they have been amended to provide that the owner entitled to exclusive use will actually carry out the repairs and maintenance of the balcony. If this is the case, you should approach the owner above directly and ask him to see to the repairs. If he does not comply you can request that the body corporate use its power under prescribed management rule 70 to send the owner a letter giving him 30 days to effect the repairs, failing which the body corporate can effect the repairs and reclaim the reasonable costs of doing so from the owner.

The balcony is unregulated common property

In some schemes the balconies, although only used by the residents of the sections attached to them, form part of the common property and are not subject to any exclusive use rights whatsoever. These balconies should be treated like any other area of common property and be maintained and repaired by the body corporate which must also fund the maintenance and repairs of these balconies from the levy fund.

If a balcony forming part of the unregulated common property is leaking into your section or balcony or causes leaks or damp you should approach the body corporate in this regard.

I would recommend that in a situation like this you suggest that the body corporate should legally “connect” the balconies to their adjacent sections by conferring rule-based exclusive use rights on the owners from time to time of the sections adjacent to the balconies. The reason for this *...to page 3*

LEAKING BALCONIES IN SECTIONAL TITLE SCHEMES...continued

from page 2... recommendation is to make sure that the people who actually use the balconies will be responsible for the costs of their maintenance and repair. Such rule-based exclusive use rights can be conferred in terms of the provisions of section 27A of the Act which requires the body corporate to make appropriate rules, either management rules by unanimous resolution or conduct rules by special resolution. The rules must have a layout plan to scale attached to them clearly indicating the size of the area and the purpose for which it is to be used. These rules must be filed in the scheme's file held at the Deeds Registry before they become enforceable.

RELATED ARTICLE: Read the article entitled "**Waterproofing unenclosed balconies 101"** on page 7 written by Rob Paddock.

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QUORUMS AND THE VALUE OF VOTES...continued

from page 1... reference to number of units owned or voting values. On my interpretation of PMR 57, this makes no sense unless all the sections in the scheme are the same size, the value of owners' votes have been adjusted so that they are all of equal value or the scheme has amended PMR 57.

After the AGM I checked all my reliable reference material and realised that the wording of PMR 57 is arguably capable of supporting different interpretations. The important part of the text, for this discussion, is *"A quorum at a general meeting shall be the number of owners holding at least (number) per cent of the votes"*. It is not clear from this wording whether the votes are to be counted, for this purpose, in number or value. If one looks for guidance to PMR's 60 to 67, dealing with owner voting one sees that in the default voting process, the 'show of hands', votes are valued according to the number of sections owned while on a poll, which is always available, votes are valued according to their values, either according to participation quotas or adjusted values in terms of rules made under section 32(4).

In my view this very important provision should be worded in a way that leaves no room for the confusion that currently exists in regard to interpretation.

PMR 57 also provides that owners, either present in person, or by proxy, or by representative recognised by law, must be *"entitled to vote"*. PMR 64 is the only provision that removes an owner's entitlement to vote at a general meeting. This applies to voting for ordinary (not special or unanimous) resolutions when levies are not duly paid and when, despite a written warning from the trustees or managing agent, an owner persists in breaching a conduct rule. The provision allows a bondholder to exercise the defaulting owner's vote.

I see no reason why an owner who is not entitled to vote but remains entitled to attend and to speak at a meeting should not be included in the calculation of the quorum. And how does one deal with the situation where the trustees consider that an owner has not "duly paid" a levy, but the owner believes that the levy was not correctly raised. What if the owner has been given notice to stop breaching a conduct rule and he argues that he has not breached the rule in the first place or that he has not persisted in the breach, while the trustees are satisfied that there was a breach and are not satisfied that the breach has been cured? ("Forget the past! Can you see any washing on my balcony now?")

Any managing agent will have many examples of situations where owners have what they consider to be a legitimate reason for withholding a levy payment and in which there is disagreement as to whether an owner is in breach of a scheme conduct rule. It is not sensible to exclude these owners from the meeting or deny them a vote when their presence and participation may be the only thing that can cure the problem. The meeting, rather than the text of lawyers' letters, is the place for trustees to explain their view of the matter to the owner concerned. If the necessity for a special levy or the problem being caused by a dog is to be debated, it makes no sense to put one of the *...to page 4*

QUORUMS AND THE VALUE OF VOTES...continued

from page 3... parties to the dispute at a substantial disadvantage in the context of a scheme meeting.

In my opinion some of the items on an AGM agenda are so important that no owner should be excluded from voting, even if the owner is alleged to be in arrears or in breach of a conduct rule. Items such as the election of trustees and the approval of a budget are examples of issues where all owners should be entitled to vote whether the body corporate considers that they are "in good standing" or not. In fact all the mandatory business of the AGM fall into this category.

The only time I have seen bondholders attend a general meeting and exercise their right to vote on behalf of owners is where the scheme overall is in financial trouble, never where a particular owner is hit by the provisions of PMR 64.

An owner who is alleged to be in arrears with levies is not prevented from being nominated for election as a trustee and from accepting that nomination, but he will be prevented from voting in the election. A number of owners who are alleged to be in persistent breach of the conduct rules can request a general meeting in terms of PMR 53. And if the trustees fail to call the meeting those owners are entitled to call it themselves, but they will not be allowed to vote at the meeting, even if it has been called specifically to remove from office the current trustees with whom the owners are in dispute. Where the obligation to pay a levy or the ongoing breach of a conduct rule is in dispute, the owner should not be disqualified from voting until the matter has been resolved.

Based on these criticisms, I suggest that the prescribed texts for Management Rules 53, 57 and 64 should be amended as follows (proposed deletions are bracketed and insertions are underlined):

PMR 53

The trustees may whenever they think fit and shall upon a request in writing made either by owners entitled to 25 per cent of the total <u>values of the votes allocated to</u> [of the quotas of] all sections or by any mortgagee holding mortgage bonds over not less than 25 per cent in number of the units, convene a special general meeting. If the trustees fail to call a meeting so requested within fourteen days of the request, the owners or mortgagee concerned shall be entitled themselves to call the meeting.

PMR 57

(1) No business shall be transacted at any general meeting unless a quorum of persons is present in person or by proxy at the time when the meeting proceeds to business.

(2) A quorum at a general meeting shall be-

(a) the number of owners holding at least 50 per cent of the <u>value of the</u> votes, present in person or by proxy or by representative recognised by law and entitled to vote, in schemes where there are ten units or less;

(b) the number of owners holding at least 35 per cent of the <u>value of the</u> votes, present in person or by proxy or by representative recognised by law and entitled to vote in the case of schemes with less than 50 but more than 10 units; and the number of owners holding at least 20 per cent of the <u>value of the</u> votes present in person or by proxy or by representative recognised by law and entitled to vote, in the case of schemes with 50 or more units.

PMR 64

Except in cases where a special resolution or unanimous resolution is required under the Act <u>and in respect of any business that must be transacted at an annual general meeting</u>, an owner shall not be entitled to vote at any general meeting if-

(a) any contributions payable by him in respect of his section and his undivided share in the common property have not been duly paid; or

he persisted in breach of any of the conduct rules referred to in section 35 (2) (b) of the Act, notwithstanding written warning by the trustees or managing agent to refrain from breaching such rule:

Provided that any mortgagee shall be entitled to vote as such owner's proxy at any general meeting, even though paragraph (a) or <u>(b)</u> [the aforegoing provisions of this paragraph] may apply to such owner; <u>provided further that the sanction provided in this rule shall not apply to an owner who has given notice to the body corporate in terms of PMR 71(2) of a dispute in regard to the relevant payment or breach</u>.

The author acknowledges with sincere thanks the contribution of Prof. Paddock who commented on the first draft of this article. ▪

IN MEMORY OF CHRIS FARLEY

Mandy, Sam, Rob, Robyn and I went to Chris Farley's funeral yesterday.

For those readers who did not know Chris, he was a senior employee with Trafalgar, having worked there for about eighteen years. He specialised in the administration of sectional title schemes as well as shareblock developments and homeowners associations. Chris leaves his wife, Diane, his daughters Angela and Elise and his sons Michael and Roger.

Chris was passionate about his work, but he was also a devoted family man and outdoor enthusiast. Living in Fishhoek, he swam in the sea every day, whatever the weather. Apart from swimming and walking on the beach, he counted tennis, golf, the bush, birding and fishing amongst his leisure activities

We worked with Chris on complex scheme management issues he encountered and he participated as a lecturer in some of our sectional title development and management training courses.

Those who knew Chris will remember him, each for their own reasons. My enduring memory of Chris will be that of a man of absolute integrity who cared for people and was loved and admired by them. He was a credit to our industry and we will miss him.

Graham Paddock

Above: Chris on the rooftop of Cinnabar sectional title complex in Muizenburg with the Botswana Housing Corporation Task Team during their training session in Cape Town. This was one of the many schemes Chris grew to love during his past years.

Above: Graham and Chris share some humour and a glass of wine at the Paddocks' Client Appreciation Function last year.

Chris Farley was a consummate gentleman and professional whom we are extremely proud to have worked alongside as a colleague and friend.

His enduring care, warmth, values and kindness were not only appreciated by numerous clients and service providers to Trafalgar's managed property portfolio, but also by many staff who were coached and mentored by Chris in a generous, patient and positive way.

Chris had a deep interest and appreciation for sectional title and residential property management and the intensive interaction with people that go with the territory. These rare traits resulted in Chris displaying a special affinity for his work which served as a wonderful example to many. Chris will be deeply missed and very fondly remembered by many, many Trafalgar staff and clients.

Andrew Schaefer, Trafalgar

IN MEMORY OF CHRIS FARLEY

...continued

Whilst the passing of Christopher Farley is sad, he will live on in terms of his work and service to the property management industry; achievements which must be celebrated. I had the privilege of working with Chris as both a colleague and a client; a task-master of note, but full of passion and a keen sense of what is fair and right.

He loved his work, from his days of managing commercial property to his days of managing sectional title. He buried himself in making sure that he knew all that there was to know, a professional approach for a consummate professional. He also loved giving back to the industry, not only giving of himself to train, but also to serve, such as being a director of the Claremont City Improvement District and being a NAMA committee member.

He loved life and the industry in which he worked and his passion and energy affected us all; and as much as he will be missed, he will always be remembered even though he has a new domicilium (and knowing Chris he would have advised the Registrar of Deeds).

Clint Riddin

Above: Chris with current colleagues at the UCT Advanced Scheme Management Course. **Below:** Chris training the BHC Task Team at Kelvin Grove in 2007.

Above: Chris leading the BHC Task Team on Boyes Drive, near Fish Hoek. **Left:** Franz Holm; Chris Farley; Graham Paddock and Sam Paddock at the Third Generation Sectional Titles Conference in 2008.

WATERPROOFING UNENCLOSED BALCONIES 101

Rob Paddock

There is a definite love/hate relationship that exists between owners and their unenclosed balconies in the Sectional Title community. The Paddocks offices are located opposite a mixed use Sectional Title Scheme that has sweeping mountain views and lovely open balconies built to take advantage of these views. The scheme was completed early last year. To this day, there is a constant stream of contractors in and out of those balconies; plastering, screeding, tiling, painting and so on. I won't even mention the amount of activity going on beneath the penthouse suites private pools.

In last month's Paddocks Press I wrote about the principles of waterproofing an internal concrete floor. The principles of waterproofing an external concrete floor are the same as waterproofing an internal concrete floor, however, the materials differ considerably.

So why are waterproofing problems so widespread when it comes to unenclosed balconies? Simple wear and tear of materials is a common and expected reason that older balconies exposed to the elements for many years start giving problems. But most problematic balconies have water problems "built in" from the very beginning due to poor design and drainage, incorrect membrane selection and installation.

An effective waterproofing system could be best described as a membrane acting as a water collection vessel that funnels water to an adequate drainage system. Any structure or surface above the level of the membrane (usually tiles) must be designed to direct and discharge moisture onto the membrane where it can be led to and removed via the drainage system. All moisture should be prevented from penetrating through or behind the membrane.

Water certainly has a life of its own and can find its way into the most unexpected of places, but it also follows two very simple laws of nature, "gravity and the path of least resistance". So your first consideration when looking at a problematic balcony should be to check that the water that comes into contact with the balcony floor is being directed by the slope of the floor towards an appropriate drainage system, and not stagnating or pooling on the floor and waiting for gravity to do what it does best, often waiting for the concrete slab to suck it up.

Most external tiling systems will benefit from the application of a penetrating repellent sealer, but this should not be relied upon as the sole method of waterproofing.

The type of membrane used for waterproofing an open balcony is extremely important, there are numerous advantages and disadvantages to each type of membrane. We recommend that you obtain advice from a professional waterproofing contractor before selecting or applying waterproofing materials.

Avoid any contractor who tells you that the one product he obtains in a 100 litre drum will be suitable for absolutely everything. Here's a brief rundown of the membranes available:

1. Bonded membranes
-Torch applied bituminous membrane
-Adhesive fixed membranes
- Hot roll and pour

2. Loose laid membranes – generally either sheet PVC or sheet rubber

3. Liquid membranes
- Rigid resin-based or water-based epoxies
- Flexible acrylic or bitumen-based membranes
- Elastomeric water-based polyurethane, solvent-based polyurethane, spray-applied urethane

If you want to minimise the "hassle-factor" later on, your proposed external waterproofing system should:

- Last at least the service life of the overlaid finish
- If the membrane is exposed, ensure that it will withstand exposure to UV rays and will withstand anticipated foot traffic
- Be compatible with all the other building components it will be in contact with
- Bridge minor irregularities and accommodate anticipated building movement

Like a good argument, the design and installation of a waterproofing system should always (if necessary) hold water. Make sure you hire a reputable waterproofing contractor, and don't cut corners. ▪

Q & A WITH THE PROFESSOR

Taking control of adjoining open land for security purposes

Q1. I live in one of thirteen separate sectional title schemes built in a cluster. Most of the schemes border on a "green belt" that is owned by the local authority and serves as a drainage area. In recent years this area has become a haven for vagrants and criminals. Thieves break into schemes from this area and residents using the green belt for recreation have been attacked, injured and robbed.

The local authority is prepared to consider an application by the adjoining schemes to fence and maintain the green belt so as to remove the danger. The proposal is that these schemes enter into an 'encroachment agreement' with the local authority and then fund palisade fencing. The first thought was to use PMR 33 to fund the works, but we have been advised that we cannot consider the securing of the greenbelt as an "improvement to common property".

The costs involved include a very small monthly fee to the local authority, the costs of erecting palisade fencing with an access system and the ongoing costs of grass cutting and vegetation management. It seems fair that each owner in each scheme should contribute the same amount to the costs.

Have you come across something similar and how can we handle this?

A1. I agree with that the process set out in PMR 33 cannot be applied in these circumstances, first because the area is not in fact 'common property' and because a number of schemes are involved.

The trustees in each of the schemes involved should take and minute a decision that taking control of the adjacent open space is, in their opinion, necessary to provide security within their scheme and that this is something the body corporate is entitled to do under section 38(j) of the Sectional Titles Act, and then they should get owners to give them a S39(1) direction, based on a confirmation of these two principles, instructing them to enter into an agreement with the local authority and with the other schemes allowing the joint venture to take possession of the area and then fence/secure and manage it. I suggest that the use of the area for recreation purposes be seen as an incidental benefit, not the motivation for the project.

It would make sense for the schemes to have a written agreement regulating their rights and obligations in regard to this joint venture and to appoint someone to manage the initial improvements and subsequent gardening. If you try to get all owners in all the schemes to pay the same amount, schemes with more owners will pay more than those with fewer owners. And to have all the owners in any one scheme paying the same amount you will need special rules under section 32(4) of the Act unless the participation quotas of all owners are equal. To minimize the possibility of disputes in regard to the relative contributions of schemes and owners, I suggest an equal split of expenses between schemes and then recovery from owners on whatever basis (participation quota or special rule under S32(4)) currently applies to all other common expenses.

It is likely that some owners will disagree with the initiative or the financing proposal. Therefore the trustees in each scheme should publicise their intentions in advance to all owners, making it clear that as long as they get the S39(1) directive they seek, they intend to proceed with the initiative. The owners must be given sufficient opportunity, before the trustees actually commit the scheme to spending the money, not only to oppose the initiative at the owners meeting, but also to approach the court for an interdict restraining the trustees from proceeding on the basis they propose.

I have come across something similar, but it was a bit more complex because the development wanting to take control of the adjoining local authority land

Q & A WITH THE PROFESSOR ...continued

comprised a number of schemes and conventional properties all administered by a homeowners association. There was substantial disagreement between the various components of the development as to whether the initiative was necessary (the schemes had different levels of individual perimeter security). The initiative failed when it became clear that the homeowners association's constitution did not allow it to do anything but manage the internal infrastructure and control the properties within the development. There was nothing in the constitution similar to S38(j) in the Act that could be argued to open the door to this type of initiative and there was no reasonable prospect of getting the constitution amended to include the necessary powers.

Getting a 'new' scheme properly managed

Q2. We have since 2006 not had a initial General Meeting to choose trustees or be given Financial Statements by the Developer. Initially, when only two units only were registered. the developer called a meeting and asked for a levy of R200. These levies did not increase even when the next 14 units were completed and registered. The last phase of the complex is nearing completion. It seems that the developer has paid all outstanding accounts and still pays for repairs to common property of the complex and municipal rates were paid in full to date of the new rates regime.

I have spoken to the developers accountant about the fact that there are no trustees or body elected yet and asked for the full contactable addresses of the other owners, but he will not give them to me. What should I do?

A2. A body corporate does exist for the scheme and in terms of the prescribed rules all registered owners of units are trustees and the developer is the chairman, until the initial general meeting which the developer was obliged to call within 60 days of the first transfer.

It sounds as if the developer has been paying the bills, but the scheme is not being properly run. You need to get the other owners together and make sure that a proper budget is prepared, levies are properly raised, insurance is put in place et cetera. So you do need to contact the other owners/trustees,. But the rules entitling you to access all the scheme's records and to get details of other owners presuppose an operating body corporate.

From a practical perspective:

1. Look at your title deed to establish the scheme's Deeds Office Number. The format is "SS ----/200-".

2. Go to the Deeds Registry, have a search done to establish the names of the owners of all other units in the scheme. If you know an estate agent or conveyancer, this type of search can be done 'on-line'.

3. Go to each section to establish whether the occupants are owners or tenants. Where they are tenants, ask them for the owners' addresses.

In this way, get the names and addresses of all units. Then in your capacity as a trustee call a meeting by giving all other owners at least 7 days notice. At that meeting try to get other owners to understand the importance of having the scheme properly run and to do what is necessary to make sure this happens. Suggest that the trustees get an experienced managing agent to give them advice.

Q3. Scheme joining a CID?

In our suburban area someone is trying to start a City Improvement District. The Organiser / Chairman wants the town house complexes in the area to just simple accept the formation without consultation with our Bodies Corporate. He needs to prove to the municipality that he has 25% support before he can go ahead. Attached is a copy of the document that he wants us to sign.

The chair people of some of the complexes are willing to do this, on the grounds that they have members of their Bodies Corporate who live overseas, and it will take too long to canvas them.

My Chairman and I (the Secretary of our complex) insist that we cannot do this, as there are likely to be expenses of an as yet unknown value, in the future. For this reason we feel that the Act stipu-

Q & A WITH THE PROFESSOR ...continued

lates it is necessary to call a special meeting and get the input of the Body Corporate.

A3. An individual owner of a sectional title unit could choose, as an individual, to join the CID and to undertake personally an obligation to pay contributions to fund its operations. But no individual owner can bind the body corporate to join or contribute to a CID.

The sphere of influence of a body corporate is limited to the development itself, so spending body corporate funds on operations outside the area of the scheme could be problematic. But if the majority of owners believe that the operations of the CID will improve the security of scheme residents within the scheme and the value of individual units, it could be argued that the effect of the CID's operations will be within the borders of the scheme itself.

The financial aspect is, of course, very important. And I am not at all sure that a positive vote at a special general meeting can give you the authority to undertake these expenses. Clearly the owners at your scheme's last AGM did not approve a budget that included payments to the CID. So I do not think that the trustees have the power to commit the body corporate to this expense on the basis that it will be paid from amounts collected for other purposes. Even if the scheme is in a healthy financial position, none of those funds have been paid or collected on the basis that they can be applied to this purpose.

Trustees who think that this is a good idea should include the proposed disbursements in their proposals to the next AGM and let owners take the decision by approving the budget. Even then you may find owners who object in principle and object to being forced to contribute on the basis of a majority vote which they opposed. And I can see that they might have a point in objecting to what is arguably a discretionary expense relative to activities outside the borders of the scheme, with very little prospect of proving any direct benefit to owners.

When trustees consider spending body corporate funds on an initiative such as this CID, they need to make sure they are fullsquare within the borders of their statutory mandate and the financial instructions given them by owners in the form of budget approved at the last AGM. ▪

Classifieds

ABOUT PADDOCKS

Paddocks is a specialist sectional title firm providing a range of products and services through its **Learning, Consulting, Development, Publishing,** and **Software** divisions.

Prof. Graham Paddock is the head of Paddocks, an authority on Sectional Title law and practice and an adjunct Professor at the University of Cape Town. He is the Project Manager and one of the lead consultants to the Department of Housing in the restructuring of the Sectional Titles Act and the establishment of an Ombud Service.

Learning

Together with the Universities of Cape Town and Stellenbosch as well as the National Association of Managing Agents and other professional organisations, Paddocks Learning offers several sectional title certificate courses, seminars and conferences.

Consulting

Graham Paddock leads the consulting division and is assisted by Judith van der Walt and Jennifer Paddock. Paddocks Consulting deliver consulting, drafting and representation services, primarily to sectional title bodies corporate, but also to developers, owners and others involved in schemes. They consult to various levels of central and local government and act as mediators and arbitrators of sectional titles disputes. The consulting team also offers conveyancing services.

Development

Paddocks Development leverages the firm's sectional title expertise to complete niche sectional title property developments in the Western Cape.

Publishing

Since 1983, Graham Paddock has written sectional title books, pamphlets and training manuals for trustees and managing agents. Paddocks Publishing sets, prints and publishes a range of electronic and 'hard copy' sectional title publications by Graham and other authors which make Sectional Title expertise easily accessible to the South African population at large.

Software

Paddocks Software designs and manages the production and distribution of a variety of software tools which provide substantial efficiency gains to those involved in sectional title management and consulting.

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