

BODY CORPORATE MANAGEMENT AGREEMENT

This Agreement is intended to assist Body Corporate officers, committee members and Managers by providing an easy to understand, fair set of conditions, duties and fees.

INTERPRETATION

In this Agreement, unless a contrary intention is apparent:-

"the Corporation", "the Manager", "the Term", "the Duties", "the Professional Fees", "the Additional Professional Fee", and "the Expenses" are as identified in this Agreement or in the Schedule; "the Act" means the Strata Titles Act 1988 or the Community Titles Act 1996 where applicable; any word used but not defined in this Agreement has the meaning attributed to the word in the Act for the purposes of this Agreement;

the singular includes the plural and vice versa;

the Agreement means Contract for the purposes of the "the Act";

"GST" means any goods and services or similar or comparable tax imposed by and defined in the GST Law;

1: APPOINTMENT

1.1 The Corporation hereby appoints the Manager as the Body Corporate Manager to perform the Duties and the Additional Duties specified in the Schedule and to advise and assist the Corporation, its Officers and Management Committee, if any, in the performance of their responsibilities under the Act for the Term and upon and subject to the terms, conditions and provisions of this Agreement and the Schedule hereto.

1.2 The Manager accepts this appointment, undertakes to act in the best interests of the Corporation, to use its best endeavours at all times and to comply with any reasonable direction given by the Corporation as provided for in the form of minutes of General or Committee meetings.

2: DUTIES

The duties are (unless specified to the contrary in the Schedule).

2.1 INFORMATION

To supply the Treasurer with monthly financial and activity reports or as requested;

To supply all owners with an annual financial statement;

To provide new owners with a Unit Owner Kit and associated corporation documents;

To provide owners the quarterly Unit Update newsletter with levy notices to owner/agents;

To provide a web site containing help for officers, committee members and owners;

To provide online access for officers and committee members to their corporation's records;

To supply the Treasurer with the annual Trust Account audit; and

2.2 ACCOUNTING

To collect, bank and account for maintenance contributions, levies, interest accruing or other amounts due to the Corporation. Such bank account to be located as specified in the Schedule;

To prepare and distribute notices levying maintenance or other contributions;

To pay all accounts, expenses and liabilities properly incurred;

To supply a copy of any irregular accounts, expenses and liabilities to officers/committee for review;

To pay irregular accounts, expenses and liabilities after 10 days if no objections are received from officers/committee;

To, if necessary, transfer funds between the Sinking and Administration accounts to pay expenses;

To prepare annual statements of account of the Corporation and associated annual budget/statement of expenditure for presentation to the next ensuing Annual General Meeting of the Corporation;

To arrange for the preparation and lodgement of income tax returns on behalf of the Corporation;

To act as the public officer of the Body Corporate for taxation purposes;

To invest monies as instructed by the Corporation in accordance with statutory requirements; and

2.3 MEETINGS

To arrange General and Committee Meetings;

To prepare and distribute notices including notices and agendas of meetings;

To attend General and Committee meetings as needed and to assist the Presiding Officer in the conduct of meetings (PrimeCare & SelectCare only);

To assist the Secretary in the preparation of minutes and to distribute such minutes within 14 days of the meetings; and

2.4 MAINTENANCE (PrimeCare & SelectCare only)

To advise upon maintenance repair and replacement of the common property;

To arrange for such works as have been approved in the Corporation budget, or the cost of which can be contained within budget limit, to be carried out as soon as practicable;

Any required works other than in paragraph 2 shall be approved by the Corporation before commencement except for emergency repairs where in the opinion of the Manager there is a perceived threat to the security or integrity of any building or person. In that event provided that the Manager has first made reasonable endeavour to consult with an Officer or a member of the Management Committee the Manager is hereby authorised to arrange to carry out such works; and

To provide an after hours emergency maintenance service; and

2.5 INSURANCE

To place and renew insurances;

To have all claims promptly processed;

To liaise with a qualified valuer to assess the Corporation's replacement value if instructed; and

2.6 SECRETARIAL

To handle incoming/outgoing correspondence and requests for search statements;

To regularly inform officers of the nature and importance of correspondence;

To keep all records of the Corporation secure and confidential;

To hold and use the Common Seal in accord with the Corporation's resolutions; and

3. ADDITIONAL DUTIES

Unless specified otherwise the following are Additional Duties for which extra fees may apply as per the Schedule:-

3.1 Legal Proceedings

To attend and report upon as soon as practicable any hearing or legal proceedings conducted by a Tribunal or Court as a witness or on behalf of the Corporation as instructed by the Corporation;

To instruct Solicitors, attend conferences and generally supervise legal proceedings involving the Corporation as instructed by the Corporation; and

3.2 Additional Attendances

To attend at the property or to do anything that is additional to the Duties in Clauses 2.1 to 2.6 hereof.

To liaise with Architects, Engineers, Surveyors, Builders, Loss Adjustors and Assessors, neighbours and the like in relation to any work carried out or to be carried out by the Manager; and

3.3 Additional Accounting

To keep any wage, income tax or other records required by any law, from time to time, in respect of any employees or contractors of the Corporation and to complete and submit any returns in respect thereof;

To prepare upon request by the Corporation, financial statements, budgets and statements of expenditure other than the Annual Budget; and

3.4 Meter Readings

To attend to the reading of meters, recovery of electricity or other utility charges and any other ancillary work associated with the supply of services to individual units; and

3.5 Additional Correspondence

Receiving, considering and addressing correspondence, emails and telephone calls from individual unit owners regarding matters that fall outside the scope of the services provided in Clauses 2.1 to 2.6.

3.6 Site Visits

To attend the property and provide a written photographic report.

4. PROFESSIONAL FEES AND EXPENSES

The Corporation must pay to the Manager, the Professional Fees, the Additional Professional Fee, the Expenses and any other monies which may be payable pursuant to this Agreement immediately upon completion unless specified to the contrary in the Schedule.

The Corporation authorises the Manager to deduct any monies due and payable to the Manager from its funds on the due dates.

The Manager may in addition to monies paid pursuant to the above clauses herein, retain for its own use and benefit, fees paid to the Manager or Corporation for the supply of information or matter under Section 41 of the Strata Titles Act 1998 or Sections 11, 44, 51, 139 of the Community Titles Act 1996 and Regulation 26 of the said Act.

5. INSPECTION OF RECORDS

The Manager will on request make the Corporation's records available for a requesting unit/lot holder to inspect within 10 business days of the request and provide the unit holder with a copy of any of the records on payment of a fee. The regulations state that the applicant may be charged a maximum of \$1.20 per page. The Manager will only charge at cost and will provide all documents as images on compact disk for a fee of \$25 if so requested. Requests can be made to the Manager's office in business hours by calling (08) 8333 5200. Records are at all times available on line to officers and by request from owners.

6. CORPORATION AND MANAGER INDEMNITIES / ACKNOWLEDGEMENT

Save in the event of default by the Manager, the Corporation will indemnify and hold indemnified the Manager from and against all actions, claims, demands, losses, costs, damages and expenses properly incurred by the Manager in carrying out its duties and obligations as instructed by the Corporation from time to time.

The Manager shall not in any way whatsoever be liable to the Corporation if the Manager fails or omits to do any act, matter or thing it is obliged to do hereunder if such failure or omission arises from the Corporation's failure to make the appropriate decision in relation to such act, matter or thing or to have sufficient monies available to the Manager to enable the Manager to carry out its obligations hereunder.

The Manager will as required by legislation maintain Professional Indemnity Insurance of at least \$1.5 million at all times and for the life of this agreement. A copy of the current policy is posted to your Treasurer upon renewal and is available upon request.

The Manager may assign its rights and obligations under this Agreement.

The Manager is an authorised representative/distributor of CHU Underwriting Agencies Pty Ltd (CHU/QBE Distributor No 269578), Strata Unit Underwriters (SUU/CGU), Strata Community Insurance (SCI/Allianz) and an agent for Expert/Vero and an agent for the insurers, QBE Insurance (Australia) Ltd, CGU Insurance and Allianz Insurance. The Manager is qualified to give general advice and information about insurance, not personal advice. If the Body Corporate requires specialist insurance advice the Manager can refer the Body Corporate to an insurance advisor. If the Manager recommends that your Corporation's building insurance should be placed with the insurer CHU/QBE or SUU/CGU or SCI/Allianz, the Body Corporate acknowledges and agrees that the recommendation is general and not personal advice. The manager may receive a commission from CHU/QBE or SUU/CGU or SCI/Allianz or Expert/Vero up to a maximum of 20% of the base premium.

7. TERMINATION

The appointment of the Manager can only be terminated by resolution of the members of the Corporation made at a general meeting with the motion to terminate having been listed on the formal notice of the meeting.

On termination of the delegations detailed in this Agreement the Manager will pay to the Corporation or its nominee, all moneys held on behalf of the Corporation and deliver to the Corporation or its nominee all records, keys, and other property of the Corporation in the possession of the Manager, after deducting any moneys due to the Manager under this agreement prior to termination.

The Corporation may revoke management delegations with the Manager at any time.

If either party intends not to renew this Agreement at the end of the Term then it must give at least one month's written notice of such intention to the other party.

Upon Termination of this appointment the Manager must at that time:-

Pay to the Corporation or its nominee, or cause control and access to be given to the Corporation or its nominee, of all monies of the Corporation held or controlled by the Manager; and deliver to the Corporation or its nominee all records, keys, and other property of the Corporation in the possession of the Manager. This will be done within 10 business days of notification that the management delegations have been revoked.

8. This agreement includes such other terms and conditions as are specified in the Schedule.