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APPOINTMENT OF A STRATA MANAGER

Institute of Strata Title Management Ltd

Institute of Strata Title Management Ltd

Strata Schemes Management Act 1996 & Property Stock & Business Agents Act 1941

AGREEMENT DATE 26 May 1999

BETWEEN

THE OWNERS - STRATA PLAN NO. 52948

(Address) 1-15 Fontenoy Road, North Ryde NSW 2113

AND

(Strata Manager)

Body Corporate Management Services Pty Ltd
T/A Raine & Horne Strata - Sydney

(Address) 54 Beecroft Road, Epping NSW 2121

License No. 151141

This agreement comprises:

- | | |
|-------------------------|-------------------------|
| 1. This Sheet | 4. Schedule of Services |
| 2. Fee Agreement | 5. Schedule of Charges |
| 3. Terms and Conditions | |

Member of the Institute of Strata Title Management: The Strata Manager is entitled to use this agreement as a member of the Institute of Strata Title Management.

Professional Indemnity: The Strata Manager holds professional indemnity insurance with the insurer nominated below and will maintain that or comparable insurance while the agreement is in force.

Insurer: HIH Winterthur Insurance

This agreement has been designed to protect the interests of both the Owners Corporation and the Strata Manager. Its use is approved and recommended by Institute of Strata Title Management Ltd (CAN 001 767 997) which is the owner of the copyright.

COPY FOR YOUR INFORMATION

Acknowledgment by Owners Corporation of attachment to Agency Agreement Number: 2671

Signed.....*W. J. [Signature]*.....

STRATA MANAGEMENT AGREEMENT
Fee Agreement

STRATA PLAN NUMBER:

TERM: One YEARS COMMENCING ON _____
After the term, successive periods each equal to the term, until termination of the agreement.

MANAGEMENT FEE: \$18,700 FIRST YEAR

THE FEE HAS BEEN NEGOTIATED BETWEEN THE PARTIES TO THIS AGREEMENT

MANAGEMENT FEE TO BE PAID QUARTERLY IN ARREARS
Fees and charges will be paid to the Strata Manager in accordance with clause 4 and 5.

If any new tax, charge or impost is payable in respect of the services provided under this agreement, the Owners Corporation must pay the Strata Manager that tax, charge or impost.

REVIEW DATE FOR FEES AND CHARGES:
Each anniversary of the date of this agreement or Each Annual General Meeting

EXECUTED AS AN AGREEMENT

THE COMMON SEAL OF THE OWNERS - STRATA PLAN NO. _____
presence of the following on 16.06.99. (Date)

Print Name: KEITH JONES

and

Print Name: MAUREEN McDONALD.

being the persons authorised by Section 238
of the Act to attest the affixing of the seal.

Signature: [Signature]

Signature: [Signature]

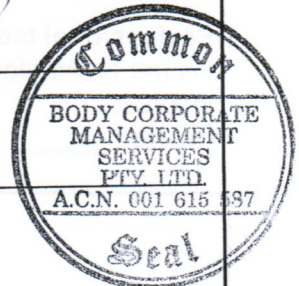
SIGNED FOR AND ON BEHALF
OF THE STRATA MANAGER

Signed [Signature]

Serviced of Copy of Agreement
The Owners Corporation acknowledges receipt of
a copy of this agreement within 48 hours of execution
by the Owners Corporation .

Signed [Signature]

was affixed in the



COPY FOR YOUR
INFORMATION

Acknowledgment by Owners Corporation of attachment to Agency Agreement Number: 2671

Signed [Signature]

Terms and Conditions

1. APPOINTMENT OF STRATA MANAGER

The Owners Corporation appoints the Strata Manager under Section 26 of the Act to be its Strata Managing Agent, as defined in the Agents Act.

2. DELEGATION OF OWNERS CORPORATION FUNCTIONS TO STRATA MANAGER.

2.1 The functions of the Owners Corporation, its Executive Committee and its chairperson, secretary and treasurer are delegated to the Strata Manager.

2.2 This delegation does not allow the Strata Manager:

- (a) to make a delegation under section 28 of the Act;
- (b) to make a decision that is required to be decided by the Owners Corporation;
- (c) to make a determination relating to the levying or payment of contributions.

3. FUNCTIONS OF STRATA MANAGER

3.1 The Strata Manager will do the things specified in the Schedule of Services as included, with the frequency specified in that Schedule.

3.2 The Strata Manager may also do other functions for the proper management of the scheme, subject to any directions of the Owners Corporation.

4. FEES AND CHARGES

4.1 For the functions referred to in Clause 3.1, the Owners Corporation will pay the Strata Manager:-

- (a) The Management Fee, according to the Fee Agreement
- (b) The amount due for any Administrative Services performed, according to the Schedule of Charges

4.2 For the functions referred to in Clause 3.2, the Owners Corporation will pay the Strata Manager according to the Schedule of Charges.

4.3 The Owners Corporation will pay amounts due according to the Schedule of Charges within one month of receipt of a written statement setting out the amount claimed and the services performed for which payment is claimed.

4.4 The amount payable by the Owners Corporation under clause 4.1 or 4.2 may be varied from time to time in accordance with clause 5.

4.5 The Owners Corporation will pay to the Strata Manager an additional amount equal to the amount received by the Owners Corporation in respect of requests under Sections 108 and 109 of the Act. The amount must be paid to the Strata Manager when the payment is received by the Owners Corporation.

5. CHANGES TO FEES AND CHARGES

5.1 On a Review Date, the amount payable by the Owners Corporation under Clauses 4.1 or 4.2 is, for the next year:-

(a) the amount agreed by the parties (not being less than the amount payable at the Review Date), or

(b) if there is no agreement, increased to the greater of the amount payable at the Review Date plus 5%, or the amount calculated by multiplying the amount payable at the Review Date by:-

(i) any fraction agreed by the parties, or

(ii) if there is no agreement, the fraction $\frac{B}{N}$ where

"B" equals the CPI for the quarter ending immediately before the Review Date and "N" equals the CPI for the quarter immediately before the date of this agreement in the case of the first review, and the date of the last review in the case of subsequent reviews

5.2 If a disbursement to be paid by the Strata Manager in performing a function under the agreement increases after the date of the agreement, the amount payable by the Owners Corporation to the Strata Manager for the performance of the function will increase by the amount of the increase.

6. DISCLOSURE OF INSURANCE COMMISSIONS

6.1 The Strata Manager has an arrangement with the insurance companies and brokers specified in the Schedule of Services (referred to in this clause as "the insurers"), and is authorised to make agreements with the insurers on behalf of the Owners Corporation, so that if the Owners Corporation places insurance business with any of the insurers, the Strata Manager or the Owners Corporation will receive a commission from that insurer.

6.2 The Strata Manager is entitled to retain any such commission paid to it by way of further remuneration for the performance of the functions under this agreement.

6.3 The Owners Corporation will pay to the Strata Manager an amount equal to any commission received by the Owners Corporation. The amount must be paid to the Strata Manager when the commission is received by the Owners Corporation.

6.4 The Strata Manager is authorised to make such arrangements with insurance companies and brokers of which the Owners Corporation is notified in writing by the Strata Manager.

7. CONDUCT OF THE STRATA MANAGER

7.1 The Strata Manager will comply with the Act, the Agents Act and Regulations including the Rules of Conduct, as well as the Code of Conduct of the Institute of Strata Title Management.

7.2 The Strata Manager may only disclose information that is confidential to the Owners Corporation if:

- (a) it is necessary according to the law
- (b) it is authorised by the law

- (c) it is for the purposes of the Strata Manager making a return or a report required by a Government Agency, or
- (d) it is authorised by the Owners Corporation.

8. ENDING THIS AGREEMENT

- 8.1 This agreement may be terminated by the mutual consent of the parties.
- 8.2 Either party may terminate this agreement by giving to the other at least three months' written notice before the end of the term or of a succeeding period equal to the term.
- 8.3 The Owners Corporation may, without affecting any other rights it may have, terminate this agreement at any time if:
 - (a) The Strata Manager is in breach of this agreement and the Owners Corporation has notified the Strata Manager in writing of that breach and the breach has continued for thirty (30) days after that notice;
 - (b) A receiver is appointed to any trust account of the Strata Manager under the Agents Act;
 - (c) Where the Strata Manager is an individual, the Strata Manager is declared bankrupt, or enters into an arrangement with creditors;
 - (d) Where the Strata Manager is a corporation, the Strata Manager is wound up or is presented with a petition for its winding up or resolved to go into liquidation or enters into a scheme of arrangement; or
 - (e) The Strata Manager's licence or membership of the Institute of Strata Title Management is suspended or cancelled.
- 8.4 The Strata Manager, without affecting any other rights it may have, may terminate this agreement at any other time if:
 - (a) The Owners Corporation fails to pay fees or other amounts owing to the Strata Manager according to this agreement after the Strata Manager has given the Owners Corporation at least thirty (30) days notice that the fees or other amounts have not been paid;
 - (b) The Owners Corporation acts in such a way as to prevent the Strata Manager from carrying out any duties under this agreement; or
 - (c) The Strata Scheme is terminated by the Supreme Court or the Registrar General.
- 8.5 Termination of this agreement will not affect the outstanding liabilities of a party at the date of termination.

9. INDEMNITY AND ACKNOWLEDGEMENT

The Owners Corporation indemnifies the Strata Manager for all costs, expenses and liabilities (including legal costs on a solicitor and client basis) properly incurred in performing functions under this agreement.

10. STRATA MANAGING AGENT'S LICENCE

- 10.1 The Strata Manager warrants in favour of the Owners Corporation that the Strata Manager is the holder of a Strata Managing Agent's licence under the Agents Act and that such licence will be maintained while this agreement is in force.

11. DISPUTES

- 11.1 If the Strata Manager and the Owners Corporation are unable to resolve a dispute about this agreement, either of them may ask the President of the Institute of Strata Title Management (or the Vice President if the President declines) to appoint an appropriate expert to determine the dispute, and to determine the expert's remuneration.
- 11.2 The expert may determine the rules for the conduct of his determination, without being bound to observe the rules of evidence.
- 11.3 The determination of the expert about the dispute and about the payment by the parties of the costs of the determination, will be final and binding on the Strata Manager and the Owners Corporation.

12. SERVICE OF NOTICES

Any notice to be served on the Owners Corporation or the Strata Manager under this agreement may only be served, either personally or by post or by facsimile, at the address of that party appearing in this agreement, or at any other address subsequently notified by that party in writing to the other party.

13. DICTIONARY

- 13.1 In this agreement, the following words have these meanings, unless the contrary intention appears:

Act means the Strata Schemes Management Act 1996

Agents Act means the Property Stock and Business Agents Act 1941.

CPI is the Consumer Price Index for Sydney (all groups) published by the Australian Bureau of Statistics.

Management Fee means the management Fee set out in the Fee Agreement

Review Date means the Review Date specified in the Fee Agreement

Strata Scheme means the strata scheme in respect of which the Owners Corporation is established.

Term means the term specified in the Fee Agreement

- 13.2 Words used in this agreement, which are defined in the Act or the Agents Act, have the defined meaning unless it is clear that that defined meaning is not intended.
- 13.3 A reference to:
 - (a) a thing includes the whole or each part of it;
 - (b) a document includes any variation or replacement of it;
 - (c) a law, ordinance or code includes regulations and other instruments under it and consolidations, amendments, reenactments or replacements of them; and
 - (d) a person includes their executors, administrators, successors, substitutes (including but not limited to, person taking by novation) and assigns.
- 13.4 The singular includes the plural and vice versa.
- 13.5 Headings do not affect the interpretation of a term of the Agreement.

STRATA MANAGEMENT AGREEMENT

Schedule of Services

DETAILS

INCLUDED FREQUENCY

1. ACCOUNTING, LEVYING, PAYING OF MONIES AND REPORTING

A. TRUST ACCOUNTS - ESTABLISH AND MAINTAIN

Trust account in the name of the Owners Corporation	Yes	
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B. LEVYING

Issue levy notices to each owner for periodic contributions	Yes	Quarterly
Issue levy notices to each owner for special levies	Yes	As Required
Demand letters sent to owners in arrears	Yes	As Required
Instructions given for debt collection	Yes	As Required
Summons initiated against owners	Yes	As Required

C. BUDGETS

Prepare administrative fund budgets	Yes	Annual
Prepare sinking funds budgets	Yes	Annual
Engage consultant (at Owners Corporation cost to assist in preparation of sinking fund budget	Yes	As Required

D. PAYMENTS OF MONIES

Make payment on behalf of the Owners Corporation	Yes	As Required
Receive invoices for Owners Corporation	Yes	As Required
Approve invoices for payment	Yes	As Required
Arrange payment of approved invoices	Yes	As Required
Maintain payments journal	Yes	As Required

E. PAYROLL RECORDS

Maintain payroll records including time sheets, PAYE and FBT returns, sick and other leave schedules	Yes	As Required
Pay Owners Corporation employees, prepare and submit reports to government agencies, superannuation for one employee	Yes	As Required

F. Income Tax

Arrange for the preparation of income tax returns	Yes	Annual
Sign and submit tax returns	Yes	Annual
Make application for tax file number	Yes	As Required

G. Financial Reports

Provide accounts paid listing	Yes	Monthly
Provide Statutory reports	Yes	Bi-Annual
Provide balance sheet	Yes	Annual
Provide income and expenditure statements	Yes	Annual
Provide year end accounts	Yes	Annual

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Signed..... *Yf Yull*

STRATA MANAGEMENT AGREEMENT

Schedule of Services

DETAILS

INCLUDED FREQUENCY

H. Owners Corporation Auditor

Assist auditor in providing accounts and records for audit	Yes	As Required
Adjust year end accounts as requested by auditor.	Yes	As Required

I. Investment of excess funds

Strata Manager may determine and invest excess funds	Yes	As Required
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2. Insurances

Prepare and lodge routine insurance claims (ie. time limit 15 min per claim)	Yes	As Required
Arrange insurance valuations	Yes	As Required
Obtain insurance quotations	Yes	Annual
Renew insurances	Yes	Annual

Insurance Companies and Brokers with which the Strata Manager has a commission arrangement:

1. ...CIC Insurance.....
- 2...CHU Pty Ltd.....
- 3... Zurich Insurance Australia Ltd.....
- 4...Adept Insurance Brokers Ltd.....
- 5 REI (NSW) Insurance Brokers Ltd

3. COMMUNICATION, CORRESPONDENCE AND RECORDS

A. Mailing

Prepare routine correspondence specifically related to the administration of the scheme	Yes	As Required
Prepare non-routine correspondence	Yes	As Required

B. Maintain Strata Scheme records according to the Strata Scheme Management Act 1996

Record and retain Section 118,119 and 120 notices	Yes	As Required
Provide facilities for inspections under Section 108	Yes	As Required
Prepare and issue Section 109 certificates	Fee Charged to Applicants	
Maintain strata roll	Yes	As Required
Maintain minute book	Yes	As Required
Maintain correspondence file	Yes	As Required

C. Communication

Telephone attendance for committee members	Yes	As Required
Telephone attendance for owners	Yes	As Required
Telephone attendance for contractors	Yes	As Required
Telephone attendance for consultants/legal advisers	Yes	As Required
Telephone attendance for tenants/occupiers	Yes	As Required

D. Common Seal

Keep the common seal and attest to its affixation	Yes	As Required
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Signed.....*46. Ueck*.....

STRATA MANAGEMENT AGREEMENT

Schedule of Services

DETAILS

INCLUDED FREQUENCY

4. MEETINGS.

A. Annual General Meetings

Prepare notices of Annual General Meeting (including attachments)	Yes	Annual
Distribute notices of Annual General Meetings to owners	Yes	Annual
Attend Annual General Meeting	Yes	Annual
Take minutes of Annual General Meetings	Yes	Annual
Prepare minutes of Annual General Meeting	Yes	Annual
Distribute minutes of Annual General Meetings to owners	Yes	Annual
Provide venue for meeting	Yes	Annual

B. Extraordinary General Meeting.

Prepare notices of Extraordinary General Meeting (including attachments)	Yes	As Required
Distribute notices of Extraordinary General Meetings to owners	Yes	As Required
Attend Extraordinary General Meeting	Yes	As Required
Take minutes of Extraordinary General Meetings	Yes	As Required
Prepare minutes of Extraordinary General Meeting	Yes	As Required
Distribute minutes of Extraordinary General Meetings to owners	Yes	As Required
Provide venue for meeting	Yes	As Required

C. Executive Committee Meetings

Prepare notices of Executive Committee Meetings	Yes	As Required
Place copy of notice on notice board	Yes	As Required
Distribute notices of Executive Committee Meetings to members	Yes	As Required
Attend Executive Committee Meetings	Yes	As Required
Take minutes of Executive Committee Meetings	Yes	If Present
Prepare minutes of Executive Committee Meetings	Yes	As Required
Distribute minutes of Executive Committee Meetings to owners	Yes	As Required
Place copy of minutes on noticeboard	Yes	As Required
Provide venue for meeting	Yes	If Required

D. Meetings General

Issue notices of adjourned meeting	Yes	As Required
Attend adjourned meetings	Yes	As Required
Attend meetings on Public Holidays	No	
Attend meetings on weekends	No	
Attend meetings at venues other than Strata Manager's office	Yes	As Required
Attend meetings outside of normal business hours (ie. Monday to Friday 9am to 5pm)	Yes	As Required

Special Notes Regarding Meetings

- a) Attendance at meetings beyond a specified time will be charged in accordance with the Schedules of Charges forming part of this Agreement.
- b) Notice for and attendance at adjourned meetings will be charged in accordance with the Schedule of Charges forming part of this Agreement.
- c) Attendance at additional meetings not included in this Schedule will be charged in accordance with the Schedule of Charges forming part of this Agreement.
- d) Additional charges may apply for meetings held at locations other than the Strata Manager's office.

This agreement provides for attendance at each Annual General Meeting and if required one other meeting.

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Signed..... 

STRATA MANAGEMENT AGREEMENT

Schedule of Services

DETAILS

INCLUDED FREQUENCY

5. COMMON PROPERTY

A. Repairs and Maintenance

Attend to routine day-to-day maintenance, repair and replacement of Owners Corporation property	Yes	As Required
Attend to non-routine day-to-day maintenance, repair and replacement of Owners Corporation property	No	
Obtain quotations for maintenance, repair and replacement of Owners Corporation property.	Yes	As Required
Liaise with consultants/builders about work to be carried out in the scheme.	Yes	As Required
Attend scheme at request of Owners Corporation	Yes	As Required
Liaise with contractors and execute contracts pursuant to the Home Building Act	Yes	As Required
Provision of after hours emergency telephone service	Yes	As Required
Strata Manager attend scheme after hours emergencies.	No	

6. BY-LAWS

Generally advise the Owners Corporation regarding By-Laws	Yes	As Required
Liaise with solicitors and place instructions in accordance with resolutions of the Owners Corporation regarding amendments to the By-Laws	Yes	As Required
Arrange for registration of By-Laws	Yes	As Required
Provide copies of By-Laws to owners	Ye	As Required
Provide a copy of By-Laws to tenants and/or letting agents	No	
Attend the scheme for By-Law enforcement	No	
Prepare and issue notices under Section 45	Yes	As Required
Personal service of notices under Section 45	No	
Attend court, tribunal or mediation	No	

7. OTHER

1.	No	
2.		
3.		
4.		
5.		

8. NOTES

1. Items marked "Y" are included in the Management Fee
2. Items marked "N" are not included in the Management Fee but are available upon payment of the additional charged as identified in the Schedule of Charges
3. Items marked "N/A" are not available
4. Frequency - some suggested frequencies are: Annually, 6 monthly, quarterly, monthly, fortnightly, weekly, daily, as required.

Signed

Page 4 of 4

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Signed..... *Ulf Ulf Ulf Ulf Ulf*.....

STRATA MANAGEMENT AGREEMENT

Schedule of Charges

Schedule of Services as completed within this agreement details the services included for the fee in the Fee Agreement. For work performed which is not included in the Schedule of Services the following additional fees and charges will apply. In addition this schedule sets the amounts recoverable by the Strata Manager for disbursements.

Management Services

Hourly rate for principal/director	\$ 100	per hour
Hourly rate for Strata Managers	\$ 100	per hour
Hourly rate for administrative staff	\$ 100	per hour
Hourly rate for accounting staff	\$ 100	per hour
Adjourned meeting charges	\$ 100	per hour
Attend scheme on weekends or public holidays	\$ N/A	per hour

Administrative Services and Charges

Provide address labels for Executive Committee members	\$ *	per label
Provide address labels for owners and/or mortgagees	\$ *	per label
Issue levy notices	\$ *	per levy notice
Issue special levies	\$ *	per lot per levy
Issue notice of overdue levy	\$25 for first reminder \$50 for second reminder owners cost	
Place instructions for recovery outstanding levies	\$ *	per owner
Provide client payment history	\$ *	per owner
Provide list of owners	\$ *	per listing
Provide occupants listing	\$ *	per listing
Provide copies of minutes	\$ *	Per copy plus photocopying charges
Word processing	\$ *	per hour/per page
Additional financial reports	\$ *	per report
Owners Corporation creditors approval system	\$ *	per month
Payment of creditors	\$ *	per cheque
Payroll attendance fee	\$ *	per month per employee
Archive records storage fee	\$ *	per month per box
Provide minute books	\$ At cost	per book
Provide strata roll	\$ *	per strata roll
"No Parking" stickers	\$ At cost	per 20 stickers
Process stop payments, dishonoured cheques	\$ *	per transaction
Rectification of Owners Corporation records as at take over	\$ 100	per hour
Photocopying, collating, stapling and enveloping	\$ *	per copy
Delivery of mail	\$ *	per envelope
Facsimile inwards	\$ *	per page
Facsimile local outwards	\$ *	per page
Facsimile long distance outwards	\$ *	per page plus phone charge
Telephone charge	\$ *	
Accounting fee	\$ *	per month
Computer fee	\$ *	
Mailing charges	\$ *	per envelope per postage
Courier charges	\$ At cost	
Provide common seals	\$ At cost	per seal
Provide copy of By-Laws for tenant and/or letting agent	\$ 20	per copy
Provide copy of By-laws owner	\$ *	
Register By-Laws	\$ At cost	per registration
Maintain key register	\$ *	

Note: A fixed fee of \$1.60 per lot per month is charged to cover the above marked with *

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Signed.....*U. Heald*.....