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Never since EC meeting on 17th of June 1998 has strata plan SP52948 properly managed or even run tenders for major contracts

The Chairman spoke to the Executive Committee providing some background on the tenders and the tender process along with the amount of work the Sub-Committee had put into this process.

Dr Edye addressed the Executive Committee outlining his concerns with regard to the letters suggesting impropriety that were being circulated by one Executive Committee member.

Mr Raichman responded to Dr Edye indicating that he believed that the Sub-Committee had exceeded their terms of appointment and that it was his belief that the Sub-Committee were appointed to open the Tender envelopes only.

J Crompton presented a report by the Tendering Sub-Committee giving details and costs of all tenders received, the process undertaken and a summary of companies interviewed.

The report made three scenarios:

- | | | |
|----|--|--|
| 1. | Caretaker
Gardens
Cleaning
Pool
Security | CFS Strata Maintenance
Strata-sphere
Strata-sphere
Strata-sphere
Bright Light Security |
| 2. | Caretaker
Gardens
Cleaning
Pool
Security | Advanced Building Management
Strata-sphere
Strata-sphere
Strata-sphere
Strata-sphere |
| 3. | Caretaker
Gardens
Cleaning
Pool
Security | Strata-sphere
Grandscapes
Strata-sphere
Strata-sphere
Bright Light Security |

In period from 1999 to 2016, BCS Strata Management was a strata agency for SP52948 without any competitive tender.

Since 2016, Waratah Strata Management, without disclosure of previous relationship with BCS Strata Management won and continued to run the strata management contract without competitive tender.

In 1999, Universal Strata Care won the caretaker's contract through employee job poaching (they were staff members of Strata Sphere). Legal case dragged until 2004, which was attended by Lot 147. Disclosure of the settlement was never provided to owners. Until 2014, Universal Strata Care were caretaker for SP52948 without any competitive tender.

In 2014, Uniquenco Property Services won the caretaker's contract through employee job poaching (they were staff members of Universal Strata Care).

Same occurred in 2017. Uniquenco Property Services renewed the contract without tender and with two unfinancial owners (E members from Lot 147 ad 181) increasing the contract value 4% per year (well above the CPI) without approval of the owners corporation and not disclosing it to owners:

Schedule 2 Prices		
GST is excluded from the prices shown below.		
<u>From 1 January 2018 to 31 January 2019</u>		
	Annual Price	Monthly Price
Day Caretaking	\$130,216.00	\$ 10,851.33
Pool Maintenance	\$ 11,849.00	\$,987.42
Gardening	\$ 55,980.00	\$ 4,665.00
Night Caretaking	<u>\$112,955.00</u>	<u>\$ 9,412.91</u>
Total	<u>\$311,000.00</u>	<u>\$ 25,916.66</u>
[Steven Carbone accepts that the initial <u>monthly</u> rates will run for <u>13 months</u> in the first year to avoid termination on the 31 st December, and the increased rate will commence on the 1 st of February 2019, as listed on page 25 of the contract document].		
<u>From 1 February 2019 to 31 January 2020</u>		
	Annual Price	Monthly Price
Day Caretaking	\$135,424.00	\$ 11,285.33
Pool Maintenance	\$ 12,323.00	\$ 1,026.92
Gardening	\$ 58,220.00	\$ 4,851.66
Night Caretaking	<u>\$117,473.00</u>	<u>\$ 9,789.41</u>
Total	<u>\$323,440.00</u>	<u>\$ 26,953.32</u>
<u>From 1 February 2020 to 31 January 2021</u>		
	Annual Price	Monthly Price
Day Caretaking	\$140,841.00	\$ 11,736.74
Pool Maintenance	\$ 12,816.00	\$ 1,068.00
Gardening	\$ 60,548.00	\$ 5,045.66
Night Caretaking	<u>\$122,172.60</u>	<u>\$ 10,181.05</u>
Total	<u>\$336,377.60</u>	<u>\$ 28,031.45</u>

Since 2014, they are Uniquenco Property Services is a building manager for SP52948 without any competitive tender.

Strata Management Contracts 1999 to 2018

Raine & Horne Strata Sydney became strata manager at the adjourned Extraordinary General Meeting held on 11th of May 1999

The selection of Raine & Horne Strata Sydney was done without tender or any additional quote from other service providers, which was in direct non-compliance with Strata Schemes Management Act (SSMA) Section 80B. The suggestion to engage Raine & Horne Strata Sydney was initiated by another long-serving member of the Executive Committee Mrs. Maureen MacDonald who strongly favoured them due to personal connections.

MOTION 2

That the resignation of MDA Strata Services Pty Ltd as managing agents for Strata Plan 52948 be accepted.

That pursuant to Section 26-29 of the Strata Schemes Management Act 1996 Body Corporate Management Services Pty Ltd trading as Raine & Horne Strata-Sydney be appointed as the Strata Managing Agents being delegated the powers, authorities, duties and functions of the Owners Corporation, it's Executive Committee, Chairperson, Secretary and Treasurer of such Committee.

The terms of this appointment and delegation are set out in an Agency Agreement tabled at the meeting which pursuant to Section 238 of the Act is to have the Common Seal affixed and to be signed by two Committee Members - Carried.

AGENCY AGREEMENT NUMBER: 2671

ISTM

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

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

(Strata Manager)

(Address) 54 Beecroft Road, Epping NSW 2121

License No. 151141

This agreement comprises:

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

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.....*Uf. Urd. D. ...*.....

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. _____ was affixed to the 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]



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

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

Signed..... *U. G. 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.

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

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	Yes	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.		

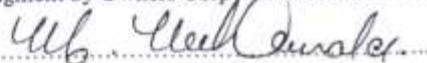
8. NOTES

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

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

Signed..... 

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 *

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

Signed.....*U. Heath*.....

IN ATTENDANCE J Fry from Raine & Horne Strata-Sydney (acting Chairman).

MOTION 1 That the minutes of the last general meeting be confirmed
- Carried.

MOTION 2 That the Owners Corporation resolve and acknowledge that Goods and Services Tax at the rate of 10% is payable on the portion of levies due to the Administrative Fund and Sinking Fund for the period from 1 July 2000 to 31 August 2000 and resolve that an additional charge equivalent to the amount of the Goods and Services Tax shall be payable by the Owners to the Strata Scheme on the 14 September 2000 by way of Special Contribution - Carried.

MOTION 3 That the Owners Corporation resolve that an additional charge will be added to all future approved levy contributions due to the Administration and Sinking Fund such charge being equivalent to the rate of Goods and Services Tax that applies from time to time in accordance with any relevant Goods and Services Tax Law - Carried.

CLOSURE There being no further business the meeting closed.

SP52948 - Minutes of AGM increased strata management contract for Raine & Horne Strata Sydney value to \$21,947.20 (plus GST) and added management expenses without tender on 5th of October 2000

It is worth noting Special Levies and increase of Strata Management contract from \$18,700.00 (signed on 16th of June 1999) to \$21,947.20 (plus GST of 10% that was introduced on 1st of July 2000), plus management expenses (postage, photocopying) in amount of 218 lots x \$1.80 per month x 12 months = \$4,708.80, totalling \$26,656.00 (plus GST).

This makes the strata management fees increase in one year by staggering 42.5%. Again, no competitive quotes were sought from other strata agencies.

MOTION 8 That ~~Body Corporate Management Services Pty Limited t/a Raine & Horne Strata-Sydney~~ continue as managing agents for a fee of ~~\$21947.20~~ management expenses (Postage, photocopying etc) of ~~\$1.80 per lot per month~~ - Carried.

MOTION 9 That a Special Levy of \$100,000 which includes GST be raised due and payable on the 1 December 2000 to improve the balance of the Sinking Fund - Carried subject to the levy being payable four equal instalments on 1 December 2000, 1 February, 1 May and 1 August 2001.

SP52948 – Paper EC meeting without agenda or minutes sent to owners undated in 2002 set Raine & Horne Strata Sydney contract value at \$21,500.00 (plus GST) with management expenses of \$4,700.00

The alleged meeting, which was “attended” by email by six members of the EC and the strata manager, where two EC members were unfinancial due to unpaid levies for second gas connection and one was recipient of secret water and gas reimbursements for private use without Special Resolution or Special By-Law, made the following decision:

MINUTES OF PAPER COMMITTEE MEETING OF STRATA SCHEME 52948, 1-15 FONTENOY ROAD NORTH RYDE, HELD IN THE OFFICES OF RAINE & HORNE STRATA SYDNEY AT 53 BEECROFT ROAD EPPING AT 10.00AM

- MOTION 1** That the minutes of the last Committee Meeting be confirmed.
– Carried
- MOTION 2** That the attached end of year financial accounts be adopted subject to final approval at the forthcoming Annual General Meeting. - Carried
- MOTION 3** That the attached schedule of levies be presented to the forthcoming Annual General Meeting. – Carried
- MOTION 4** That the management fee for the financial year ending 31 August 2003 be agreed at \$21,500.00 with the charges for postage, photocopying, stationery etc be set at \$4700.00. – Carried

SP52948 – Angry note from EC members to BCS Strata Management about their poor services on 9th of October 2011

We are fast getting to the end of our tether with your organization. The level of service is poor and SP52948 EC members cop it in the neck from 219 owners who want answers.

We go to an AGM on 19 October and the current feedback from owners is not good and a number of owners are requesting a change of managing agent. We are struggling to get fast accurate information and the last straw is out of office email messages from our nominated manager.

We are quite literally fed up with the amount of time we have had to spend querying errors, slapdash accounting and correcting simple basic notices to owners. We now find the manager concerned is on leave till two days before our AGM. There are a number of outstanding legitimate queries that we need answers in detail well before the AGM.

We have put your local office on notice (see below) - we need an immediate fee reduction, service level agreements and adherence and real commitment or there will be very certain unrest and a move to change managing agents at the AGM.

Greg Freeman from Pica Group (parent company of BCS Strata Management) agreeing contract renewal without tender by offering alleged loyalty discount from \$33,499.00 to \$29,900.00 per annum on 10th of October 2011

*From: Greg Freeman
Sent: Monday, 10 October 2011 7:45 PM
To: SP52948 EC member
Cc: Jason Starr-Thomas; Paul Banoob
Subject: RE: SP 52948 Action items relating to the upcoming AGM immediately
Attachments: SP 52948 Proxy.doc; sp52948 trial balance at 29-9-2011.pdf*

Thank you for your time today.

Confirming Paul Banoob is arranging and sending you:

- 1. The full financial statement FYE 30-8-2011 including notes. FYI, The full notes were provided by BCMS to the external auditor however their report sent back to BCMS excluded these items and only provided limited financial information??*
- 2. A Full cash payments book report for both the administrative fund and sinking fund that will show all expenditure and charges from each fund for your financial year just ended*
- 3. Copies of the most recent tax return including An explanation from BCMS regarding the tax expenditure (income tax paid) in the financial accounts. Apparently your scheme had 3 years term deposit / investment account*
- 4. A complete set of registered by laws*
- 5. report on insurances claims lodged and claim amounts*

Paul advises the report on insurances claims lodged and claim amounts received may take a few days.

Proxies

As agreed all proxies need to be received by BCS (as delegated secretary) 24 hours prior to the meeting and Paul Banoob's team will vet them.

I have attached

- the preferred proxy BCMS uses for its large strata schemes.*
- The levy arrears report as at 30th September 2011. This includes adjustments to 4 further lots that owed less than \$3*

As agreed once you have checked the above financials and provided Paul with your explanatory note on the financials that you wish to accompany to Paul, he will send this proxy, the more comprehensive financials and your note and proxy to your owners as a meeting addendum.

Rebate on the contractual management(Agreed Services) fee between BCMS and The Owners of SP 52948

As your current management between Body Corporate Management Services Pty Ltd (BCMS) and The Owners of SP 52948 will stay on foot.

On behalf of Body Corporate Management Services Pty Ltd (BCMS) (one of the PICA Group of companies), as NSW state manager we hereby agree to provide the Owners of SP 52948 a loyalty discount in effect reducing the agreed services fee (base management fee) from its current \$33499.00 +GST per annum to \$29,900 +GST per annum for the financial year commencing on 1st September 2011.

SP52948 – EC members complaining about loyalty discount not applied for two years on 31st of January 2013

They miscalculated the losses to owners corporation:

Agreed discount was from \$33,499.00 (plus GST) to \$29,900.00 (plus GST) per annum, making it \$7,198.00 (plus GST) for two years, not \$1,500.00.

Sent: Thursday, 31 January 2013 12:47 AM
To: Peter Bone
Cc: Paul Banoob
Subject: RE: QUOTES AND ESTIMATES REQUESTED: SP52948 projects in 2013 and forward

Peter,

I agree with Paul that my understanding was the fees should have remained the same for two years (ie the annual increase was waived) but then applied in subsequent years. That's what I reported to owners and while its small biscuits (the amount is around \$1500) will

*Full Name of Tenderer: BCS Body Corporate Services
Request for Tender Number (if applicable):*

I/We,

Being an authorised representative offer to supply/provide/perform the Services, as specified in the SP52948 Request for Tender, at the prices, fees, rates & charges tendered in Services, Fees, and Charges, and in accordance with the Conditions set out in the Strata Management Agency Agreement listed in Notice for Annual General Meeting 2014.

I/We also declare that all the information contained in the submitted Strata Management Agency Agreement are true and correct in every respect.

I/We also warrant that I/We are duly authorised by our business entity to complete, sign and lodge Strata Management Agency Agreement for and on behalf of our business entity.

1. *The Tender remains open for acceptance by SP52948 for the Offer Period, or until ____ (which is beyond the expiry of the Offer Period).*

2. *I/We warrant that:*

Ethical Dealing:

- a. The Tenderer has not engaged in misleading or deceptive conduct in relation to its Tender or the Tender Process;*
- b. there are no false or misleading statements in the Tender;*
- c. the Tender has not been prepared using improper assistance of any SP52948 owner, employee, contractor, agent, or member of the Executive Committee, or using information obtained unlawfully or in breach of an obligation of confidentiality to SP52948;*
- d. neither the Tenderer, nor any related entity, including their respective officers, employees, agents and subcontractors have engaged in any collusive tendering, anti-competitive conduct or any similar behaviour with any other Tenderer or any other person in relation to the preparation or lodgement of Tenders;*
- e. neither the Tenderer, nor any related entity, including their respective officers, employees, agents or subcontractors has attempted or will attempt to improperly influence an officer, employee, adviser, owner, or agent of SP52948 in connection with the evaluation of Tenders, nor has any such person approached any member of the Executive Committee, employee, contractor, agent, or owner concerning the Tender process, other than the owners corporation representative;*

Conflict of Interest:

- f. no conflict of interest existed in the past or currently, or is likely to arise in relation to the Tenderer, any related entity, or their respective officers, employees, agents or subcontractors which would affect the performance of the Services by the Tenderer, and the Tenderer will immediately inform the OC in writing of any such actual or potential conflict of interest upon becoming aware of such conflict;*
- g. no conflict of interest existed in the past or currently, or is likely to arise in relation to offering improper or privileged services to any SP52948 owner, employee, contractor, agent, or member of the Executive Committee;*

Confidential Information:

- h. the Tenderer and its officers, employees, agents and subcontractors involved in preparing the Tender have not and will not disclose to any other person Confidential Information of SP52948 acquired or obtained in the course of preparing the Tender, other than for the purpose of preparing its Tender; and*

Anti-competitive Conduct:

- i. the Tenderer, any related entity, or their respective officers, employees, agents and subcontractors, are not currently, and have not in the previous 10 years, been subject to or involved in any investigations, sanctions, court proceedings, audits and the like in relation to anti-competitive conduct, bribery, or corruption. Except as detailed below (if applicable).*

Signed on Behalf of BCS

SP52948 – EC members complaining to BCS Strata Management about secret insurance commissions that were not disclosed to owners or logged in financials on 7th of November 2014

Sent: Friday, November 07, 2014 11:38 AM

To: Russell Young

Cc: John Ward

Subject: Rebate of insurance commission

Russell,

I note that the draft AGM notice discloses that BCS received a commission for placing our insurance in the last year. Please arrange to have this credited to the Owners Corporation insurance expense account immediately. It is a feature of our current management agreement that no commissions are payable as we increased the fees to accommodate this.

I am disappointed that we should discover that a commission has been received as the management representation letter and accounts did not disclose this.

The amount is \$1,700.00.

Please confirm that this will be attended to before issue of AGM notices as this is a very sore point with many owners and I will require to explain that the recovery will happen in the present financial year.

MOTION 6: That in accordance with Section 40A of the Act, Uniqueco Pty Ltd is appointed as a caretaker on terms and conditions to be converted to a legally binding contract for a minimum period of two years commencing 1st January 2015 ("Caretaker Agreement") that give effect to the tender submitted (with a cost for calendar 2015 of \$289,000) and such reasonable commercial arrangements determined by the Executive Committee regarding payment and delivery of these services. – **Carried.**

MOTION 7: That in accordance with Section 40A of the Act Universal Strata Services Pty Ltd is reappointed as a caretaker on terms and conditions to be converted to a legally binding contract for a minimum period of two years commencing 1st January 2015 ("Caretaker Agreement") that give effect to the tender submitted (with a cost for calendar 2015 of **\$322,560**) and such reasonable commercial arrangements determined by the Executive Committee regarding payment and delivery of these services. – **Defeated.**

MOTION 8: That the terms and conditions of the Caretaker Agreement be amended to not require personnel to be on-site during the hours of 3 am to 5 am nightly (with a consequent reduction in tender price in the case of Uniqueco Pty Ltd to **\$270,000** or in the case of Universal Strata Services Pty Ltd to **\$272,256**). – **Defeated.**

MOTION 9: (a) That the Owners Corporation engage a solicitor to draw up a legally binding contract to give effect to the commercial terms of the Caretaker Agreement as amended by preceding motions, the costs of which are to be shared between the Owners Corporation and the company determined by preceding motions. The Executive Committee shall direct the Solicitor in the engagement in relation to the acceptability of commercial and legal terms of the contract to be executed.
(b) That the Owners Corporation execute the Caretaker Agreement to give effect to the appointment of the company selected and at the tender price determined by the outcome of preceding motions.
(c) That the common seal of the Owners Corporation be fixed by Body Corporate Services, in accordance with Section 238 of the Act to the Caretaker Agreement. – **Carried.**

The new contract was awarded to a member of the staff of the Universal Strata Care, who had full knowledge of the expenses charged by his employer. In essence, it was insider-bidding. Since May 2014, by new caretaker's own admission, BCS Strata Management had been aware of the intent by him to tender against his employer and made no effort to run independent tendering that includes companies not involved in the management of the complex. The increase of the contract amounted to well above 16%.

SP52948 – Ryan Strata offered superior strata management services on 10th of May and 27th of June 2016

Competitive tender for renewal contract for Strata Management was received by Ryan Strata in May and June 2016, which were officially submitted to BCS Strata Management and EC members for the next general meeting. They offered improved services, at an all-inclusive price of \$32,500.00, or at lower base rate of \$25,000.00 per year (with a schedule of reasonably priced disbursements).

Based on partially disclosed invoices by BCS Strata Management in FY 2015/2016, owners corporation paid them \$50,700.02.



STRATA MANAGEMENT PROPOSAL



SP 52948
1-15 Fontenoy Road, Macquarie Park NSW

www.ryanstrata.com.au | 0400488004
Suite 18/9-11 Abel St, Jamisontown, NSW 2750

elise@ryanstrata.com.au
ABN 25390864166



\$100.00;

- We charge a set fee of \$10.00 to supply a certificate of currency, whereas BCS charge \$33.00;

- Not to mention the many items which they charge for, which are included in our fees.

We appreciate your consideration, and are happy to answer any further questions you may have either in person, via phone or email. Feel free to contact us on 0402488864 or elise@ryanstrata.com.au.

Yours Sincerely,



Elise Ryan
Managing Director

At Ryan Strata Management we guarantee

- To be contactable daily and have your calls and emails returned within 24 hours.
- No lock in contracts
- No hidden charges
- Transparency in all of our services that we provide.
- To tailor our approach to the needs of your building
- We arrange a minimum 3 quotes for all work, especially any items over \$5,000.00
- We price many of our disbursements, which other companies charge varying rates for, at cost price and are happy to provide receipts for these items
- We will help you through the changeover process

Summary of Offering for SP:

- We are offering a strata management fee of \$32,500.00 per annum all inclusive of disbursements.
- Our schedule of fees are attached, and we price many items at cost price or included where other companies charge, which brings down the overall disbursements cost considerably
- We are happy to provide either a fixed term contract, or one which can be terminated at any time given 90 days written notice

SCHEDULE OF FEES AND CHARGES

Item	Charge	Units
Maintenance / Repairs		



Issue work order	Included	
Arrange OH&S report	Included	
Arrange fire safety inspection	Included	
Arrange sinking fund forecast	Included	
Arrange building inspection and reports	Included	
Arrange minimum 3 quotes for repair and maintenance	Included	
Manage building defects	\$58	Per hour
Maintenance of Administrative & Sinking Funds		
Arrange for preparation of sinking fund budgets	Included	
Prepare information for submission of BAS statements by a registered tax agent (if scheme registered for GST)	Included	
Liaise with Tax Agent in relation to preparation of annual tax return	Included	
Rectifying deficiencies in records at takeover of management	Included	
Provide monthly financial statements	Included	
Provide non-current year financials	Included	
Processing stop payments, dishonoured cheques or direct debit for levy payments	\$15	Per payment
Levies		
Issue levy reminder notice	\$10	Per notice (recoverable from lot)
Issue final levy notice	\$25	Per notice (recoverable from lot)
Instruct debt collection agencies and/or legal service providers to seek recovery of outstanding levy contributions	Included	
Insurances		
Prepare and lodge insurance claims	Included	
Arrange valuation for insurance purposes	Included	
Source and supply certificate of currency	\$10	Per certificate (recoverable from lot)
Records		
Store archives and electronic archiving	Included	
Retrieve archives	Included	
Affixing common seal in accordance with relevant meeting minutes	Included	
Meetings		
Prepare and distribute notices of additional meetings	Included	
Attend AGM and 3 ECMs	Included	Per annum
Attend additional meetings	\$100	Per meeting
Monthly site visits	Included	
Disbursements		





Ryan Strata Management

Standard disbursements (local telephone calls and routine postage, photocopying, printing, faxing and stationary)	Included	
Courier	At cost	Per item
Express and registered postage	At cost	
Laminating	Included	Per page
Minute books	Included	Per book
Photocopying and printing (additional)	Included	Per page
Email	Included	
Scanning	Included	
Electronic document management	Included	
Secretarial		
Replacement certificate of title	At cost	Per certificate
Certificate under Section 109	Statutory charge	Per certificate
Inspecting records	Statutory charge	Per inspection
Providing title or other searches	At cost	Per search
Register by-laws	At cost	Per registration
Issue notice to comply	Included	
Issue common property key / security device	At cost	Per key
Prepare and supply information at request of owner	Included	
Regulatory Compliance (where applicable)		
Annual cooling tower certificate	At cost	Per certificate
Annual fire safety certificate / fire orders	At cost	Per certificate Per certificate
Annual lift certification	At cost	
Swimming pool compliance certificate – register and arrange certification with council / private certifier	At cost	Per certificate
Registering for National Broadband Network Installation	At cost	



Full Name of Tenderer: BCS Body Corporate Services
Request for Tender Number (if applicable):

I/We,

Being an authorised representative offer to supply/provide/perform the Services, as specified in the SP52948 Request for Tender, at the prices, fees, rates & charges tendered in Services, Fees, and Charges, and in accordance with the Conditions set out in the Strata Management Agency Agreement listed in Notice for Annual General Meeting 2014.

I/We also declare that all the information contained in the submitted Strata Management Agency Agreement are true and correct in every respect.

I/We also warrant that I/We are duly authorised by our business entity to complete, sign and lodge Strata Management Agency Agreement for and on behalf of our business entity.

1. The Tender remains open for acceptance by SP52948 for the Offer Period, or until ____ (which is beyond the expiry of the Offer Period).
2. I/We warrant that:

Ethical Dealing:

- a. The Tenderer has not engaged in misleading or deceptive conduct in relation to its Tender or the Tender Process;
- b. there are no false or misleading statements in the Tender;
- c. the Tender has not been prepared using improper assistance of any SP52948 owner, employee, contractor, agent, or member of the Executive Committee, or using information obtained unlawfully or in breach of an obligation of confidentiality to SP52948;
- d. neither the Tenderer, nor any related entity, including their respective officers, employees, agents and subcontractors have engaged in any collusive tendering, anti-competitive conduct or any similar behaviour with any other Tenderer or any other person in relation to the preparation or lodgement of Tenders;
- e. neither the Tenderer, nor any related entity, including their respective officers, employees, agents or subcontractors has attempted or will attempt to improperly influence an officer, employee, adviser, owner, or agent of SP52948 in connection with the evaluation of Tenders, nor has any such person approached any member of the Executive Committee, employee, contractor, agent, or owner concerning the Tender process, other than the owners corporation representative;

Conflict of Interest:

- f. no conflict of interest existed in the past or currently, or is likely to arise in relation to the Tenderer, any related entity, or their respective officers, employees, agents or subcontractors which would affect the performance of the Services by the Tenderer, and the Tenderer will immediately inform the OC in writing of any such actual or potential conflict of interest upon becoming aware of such conflict;
- g. no conflict of interest existed in the past or currently, or is likely to arise in relation to offering improper or privileged services to any SP52948 owner, employee, contractor, agent, or member of the Executive Committee;

Confidential Information:

- h. the Tenderer and its officers, employees, agents and subcontractors involved in preparing the Tender have not and will not disclose to any other person Confidential Information of SP52948 acquired or obtained in the course of preparing the Tender, other than for the purpose of preparing its Tender; and

Anti-competitive Conduct:

- i. the Tenderer, any related entity, or their respective officers, employees, agents and subcontractors, are not currently, and have not in the previous 10 years, been subject to or involved in any investigations, sanctions, court proceedings, audits and the like in relation to anti-competitive conduct, bribery, or corruption. Except as detailed below (if applicable).

Signed on Behalf of BCS

27. REAPPOINTMENT OF MANAGING AGENT:

Motion

That in accordance with section 27(1) of the *Strata Schemes Management Act 1996 (Act)* that:

- (a) BCS Strata Management Pty Ltd trading as Body Corporate Services be appointed as strata managing agent of Strata Scheme No. 52948, total cost being \$29,000.00 plus \$6,996.00 (disbursements) Total = \$35,996.00 INCL. GST ;
- (b) the Owners Corporation delegate to the Agent all of the functions of:
 - (i) the Owners Corporation (other than those listed in section 28(3) of the Act); and
 - (ii) its chairperson, treasurer, secretary and Executive Committee, necessary to enable the Agent to carry out the 'agreed services' and the 'additional services' as defined in the written agreement, a copy of which was attached to the notice of the meeting at which this resolution was passed (Agreement);
- (c) the delegation to the Agent is to be subject to the conditions and limitations in the Agreement; and
- (d) the Owners Corporation execute the Agreement to give effect to this appointment and delegation; and
- (e) authority be given for the common seal of the Owners Corporation to be affixed to the Agreement in accordance with Section 238 of the Act.

Explanatory Note

The motion above is the standard motion for the Owners Corporation to appoint BCS as the managing agent for the strata scheme. The motion includes those functions that are to be delegated to the managing agent. A copy of the proposed Management Agreement is attached.

28. APPOINTMENT OF WARATAH STRATA:

Motion

The Owners Corporation consider the appointment of Waratah Strata Management at \$21,800.00 + Disbursements \$13,300.00 = \$35,100.00 inclusive of GST.

Comments: Please note the third proposal (lowest quote of the lot) has just recently commenced business and does not have the infrastructure to manage a complex of our size and therefore has not been considered.

AGM 2016 was conducted without valid quorum.

27. REAPPOINTMENT OF MANAGING AGENT:

27.1 That in accordance with section 27(1) of the Strata Schemes Management Act 1996 (Act) that:

- (a) BCS Strata Management Pty Ltd trading as Body Corporate Services be appointed as strata managing agent of Strata Scheme No. 52948, total cost being \$29,000.00 plus \$6,996.00 (disbursements) Total = \$35,996.00 INCL. GST ;
- (b) the Owners Corporation delegate to the Agent all of the functions of:
 - (i) the Owners Corporation (other than those listed in section 28(3) of the Act); and
 - (ii) its chairperson, treasurer, secretary and Executive Committee, necessary to enable the Agent to carry out the 'agreed services' and the 'additional services' as defined in the written agreement, a copy of which was attached to the notice of the meeting at which this resolution was passed (Agreement);
- (c) the delegation to the Agent is to be subject to the conditions and limitations in the Agreement; and
- (d) the Owners Corporation execute the Agreement to give effect to this appointment and delegation; and
- (e) authority be given for the common seal of the Owners Corporation to be affixed to the Agreement in accordance with Section 238 of the Act.

Explanatory Note

The motion above is the standard motion for the Owners Corporation to appoint BCS as the managing agent for the strata scheme. The motion includes those functions that are to be delegated to the managing agent. A copy of the proposed Management Agreement is attached.

DEFEATED

10 voted Yes, 50 voted No

28. APPOINTMENT OF WARATAH STRATA:

28.1 The Owners Corporation consider the appointment of Waratah Strata Management at \$21,800.00 + Disbursements \$13,300.00 = \$35,100.00 inclusive of GST.

Comments: Please note the third proposal (lowest quote of the lot) has just recently commenced business and does not have the infrastructure to manage a complex of our size and therefore has not been considered.

APPROVED

49 voted Yes, 11 voted No

CLOSURE: There being no further business, the chairperson declared the meeting closed at 10:10pm.

SP52948 – Contract with Waratah Strata Management signed by two EC members who could not prove they were financial owners and increased base value from \$21,800.00 to \$23,110.00 without owners knowledge on 14th of December 2016

Mr. Moses Levitt (Lot 147) and Mr. Stan Pogorelsky (lot 181), who did not offer evidence that they were financial, increased its value to \$23,110.00 (GST inclusive), without owners corporation knowledge:



STRATA MANAGEMENT AGENCY AGREEMENT

DATE 14 DECEMBER 2016		
The Owners – Strata Plan 52948 “Owners Corporation”		
Attention: The Secretary Address: 1-15 FONTENOY ROAD MACQUARIE PARK Phone: ABN: Facsimile: Email:		
The Agent – WARATAH STRATA MANAGEMENT PTY LTD		
Attention: The Licensee Address: P.O. Box 125, Eastwood NSW 2122 Phone: 02 9114 9599 ABN: 75 161 033 745 Facsimile: 02 9114 9598 SCA (NSW) Membership No: 11539 Email: enquiry@waratahstrata.com.au Licence No: 10006316		
Particulars		
Item 1	<i>Professional indemnity</i>	Amount Insured \$2,000,000
Item 2	<i>Commencement date</i>	1 February 2017
Item 3	<i>Term</i>	14 Months
Item 4	<i>Review date</i>	In relation to <i>agreed services</i> – At each AGM following <i>Commencement date</i> In relation to <i>additional services rates</i> - At each AGM following <i>Commencement date</i> In relation to <i>charges</i> - At each AGM following <i>Commencement date</i>
Item 5	<i>Percentage increase p.a</i>	5% or as agreed at each AGM
Item 6	<i>Agreed services fee p.a</i>	(complete one of the below options) Option 1 – \$23,110.00 plus rebates, discounts and commissions in Disclosure Schedule C1 and C2 – Agent retains all commissions (refer to clause 3.3(a)) or Option 2 – \$ _____ plus rebates, discounts and commissions in Disclosure Schedule C2 – Agent retains some commissions (refer to clause 3.3(b)) or Option 3 – \$ _____ Agent not entitled to commissions or the fee as described in clause 3.3(c) All fees under this agreement are GST INCLUSIVE (clause 9)
Item 7	<i>Fee payment method</i>	Monthly In Advance
Item 8	<i>Manner of accounting</i>	Financial Statements – Trust Account Statements as required by Act Frequency of Accounting – Monthly Provided Online or Upon Request

STRATA MANAGEMENT AGENCY AGREEMENT

Signatures

Owners Corporation

The common seal of the *owners corporation* was affixed on 14 December 2016 in the presence of:

Bogorelsky
Signature

M. Levitt
Signature

STANLEY POGORELSKY
Name

M. LEVITT
Name

CHAIRMAN
Designation

Committee Member
Designation



Being the person(s) authorised by section 272 of the Act to attest the affixing of the seal.

Agent

Executed by the agent in accordance with Section 126 or 127 of the *Corporations Act 2001* (Cth) in the presence of:

[Signature]
Signature of Authorised Person

Signature of Authorised Person

Robert Crosbie
Name of Authorised Person

Name of Authorised Person

Service

The *owners corporation* acknowledges receipt of a copy of this agreement within 48 hours of execution by the *owners corporation* (refer to page 8 for IMPORTANT NOTES to the parties when executing this agreement).

STANLEY POGORELSKY
Name of Signatory

Bogorelsky
Signature

STRATA MANAGEMENT AGENCY AGREEMENT

Agreement

1. Warranties and acknowledgment

- 1.1 The *owners corporation* warrants that it has resolved and has authority to enter into the *agreement*.
- 1.2 The *agent* warrants that the *agent* holds:
- (a) a strata managing *agent's* licence under the *Agents Act* and that such licence will be maintained while the *agreement* is in force; and
 - (b) professional indemnity insurance as indicated in *Item 1*.

2. Appointment of and delegation to *agent*

- 2.1 The *owners corporation*:
- (a) appoints the *agent* as the strata managing *agent* for the strata scheme; and
 - (b) subject to clause 2.2 and 2.3, delegates the *agreed services* and *additional services* to the *agent*,
- from the commencement date for the *agreed services fee* and the *additional services fee*, until the *agreement* is terminated in accordance with clause 5 or at the end of the *term* whichever is the earlier.
- 2.2 The extent of authority for *agreed services* and *additional services* that has been delegated is stated in schedule A1, being either:
- (a) full authority with no limitations;
 - (b) full authority subject to limitations as disclosed in schedule A2; or
 - (c) no authority, in which case there is no delegation.

Where a selection has not been indicated on schedule A1 of either (a), (b) or (c), then the extent of authority that has been delegated is FULL AUTHORITY WITH NO LIMITATIONS.

2.3 The parties acknowledge that:

- (a) the delegation to the *agent* in clause 2.1 does not:
 - (i) constitute a delegation by the *owners corporation* of its power to make:
 - (A) a delegation under section 52 of the *Act*; or
 - (B) a decision on a matter required by the *Act* to be decided by the *owners corporation*; or
 - (C) a determination relating to the levying or payment of contributions; or
 - (ii) prevent the *owners corporation* or the *strata committee* from performing all or any of the *agreed services* or *additional services* (if any); and
- (b) the *agent* does not have and may not exercise any of the powers, authorities, duties or functions of the *owners corporation* that are conferred on another strata managing *agent* appointed for the *owners corporation* under section 237 of the *Act* once being notified of any such appointment by the *Tribunal* or the *owners corporation*.

3. Fees and charges

- 3.1 The *owners corporation* must pay to the *agent* in accordance with the fee payment method:
- (a) the *agreed services fee*; and
 - (b) the *additional services fee* for any *additional services* performed by the *agent*; and
 - (c) the *charges* associated with the performance of the *agreed services* and any *additional services*.
- 3.2 The *owners corporation* authorises the *agent* to retain any fees paid to the *agent* for supplying to third parties information that the *owners corporation* must supply under the *Act* and retain any fees paid to the *agent* for supplying to third parties information that is not required under the *Act*, provided that such fees are charged in accordance with those set out in schedule B.
- 3.3 In addition to the fees and charges in clause 3.1 and 3.2, the *agent* is entitled to remuneration for its services in the form of rebates, discounts and commissions disclosed in schedule C1 and schedule C2 as follows:
- (a) If the first option in *item 6* is selected, the *agent* may retain rebates, discounts and commissions paid to it by the providers of goods and services to the *owners corporation* described in the disclosure schedule C1 or schedule C2 or as otherwise notified

STRATA MANAGEMENT AGENCY AGREEMENT

in writing to the *owners corporation* from time to time and agreed in writing by the *owners corporation*.

- (b) If the second option in *item 6* is selected, the *agent* must pay to the *owners corporation* any rebates, discounts and commissions paid to it by providers of goods and services to the *owners corporation* within 30 days of receipt except for any rebates, discounts and commissions described in the disclosure schedule C2 which may be retained by the *agent*.
- (c) If the third option in *item 6* is selected, the *agent* must pay to the *owners corporation* any rebates, discounts and commissions paid to it by providers of goods and services to the *owners corporation* within 30 days of receipt.
- (d) If the *owners corporation*:
 - (i) delegates the *agent* to arrange insurance cover;
 - (ii) selects the first or second option in *item 6*; and
 - (iii) later takes steps to arrange its own insurance or directs, instructs or passes a resolution that has the effect that the *agent* does not receive a commission or rebate for the placement of insurance,

then the *agreed services fee* shall be increased by an amount equivalent to the commission the *agent* would have received had the *agent* arranged the insurance cover.

- 3.4 The *agent* must account to the *owners corporation* for money received by the *agent* on behalf of the *owners corporation* in the manner and with the frequency set out in *item 8*.
- 3.5 At any time, by written *agreement* between the parties, *items* may be added to or deleted from the *additional services rates* and/or charges.

4. Review of fees and charges

- 4.1 The *agreed services fee*, the *additional services rates* and the *charges* will be reviewed on the review date by the *agent*.
- 4.2 Unless otherwise agreed before the review date, the *agreed services fee*, the *additional services rates* and the *charges* payable on and from the review date will be increased in accordance with *item 5*.
- 4.3 The *agent* will notify the *owners corporation* of the new *agreed services fee*, the *additional services rates* and the *charges* as soon as practicable after the review date.

5. Terminating the agreement

- 5.1 After the expiry of the *term*, the *agreement* will automatically end unless the *owners corporation* extends the *agreement* in accordance with section 50(4) of the *Act*.
- 5.2 The *agreement* may be terminated at any time with the mutual consent of the parties.
- 5.3 Any notice to terminate under this *agreement* can only be given by the *owners corporation* if authorised by a resolution of the *owners corporation* at *general meeting*.
- 5.4 Despite this clause 5 and without affecting any of its other rights, the *agreement* may be terminated with immediate effect by written notice given by:
 - (a) the *owners corporation*:
 - (i) if the *agent* is in breach of the *agreement* and fails to remedy that breach within 28 days after the *owners corporation* serves a written notice on the *agent* providing particulars of the breach; or
 - (ii) where the *agent* is an individual, the *agent* is declared bankrupt; or
 - (iii) where the *agent* is a corporation, the *agent* is wound up or placed in administration or liquidation; or
 - (iv) if the *agent* ceases to hold a strata managing *agent's* licence; or
 - (b) the *agent* if:
 - (i) the *owners corporation* is in breach of the *agreement* and fails to remedy that breach within 28 days after the *agent* serves a written notice on the *owners corporation* providing particulars of the breach; or
 - (ii) an order by a Court is made for the variation or termination of the *strata scheme* under Part 9 or 10 of the *Development Act*; or
 - (iii) the *owners corporation* fails to pay any moneys owed under this *agreement* after the *agent* serves a written notice on the *owners corporation* providing particulars of the amount outstanding; or

STRATA MANAGEMENT AGENCY AGREEMENT

(iv) the *owners corporation* fails to comply with any law or fails to provide adequate instructions or prevents the *agent* from carrying out its obligations under this *agreement* after the *Agent* serves a written notice on the *owners corporation* providing particulars of the breach.

5.5 The *agreement* is terminated on the appointment of a strata managing *agent* under section 237 of the *Act* to exercise or perform all the functions of the *owners corporation* and, if so terminated, the *agent* will not be entitled to:

- (a) any remuneration by way of commission, *agreed services fee*, *additional services fee*, *charges* or otherwise in respect of any period after the termination; or
- (b) any payment (in the nature of a penalty or otherwise) by reason of the early termination.

5.6 In the event of termination, the *agent* must provide all books, records, accounts, funds and property of the *owners corporation* in the *agent's* possession to the secretary of the *owners corporation*, or persons nominated by the secretary of the *owners corporation*, within seven (7) business days.

6. Liability of the *agent* and exclusions

6.1 The *agent* is liable to the *owners corporation*:

- (a) only for *services* actually supplied or that should have been supplied under this *agreement*; and
- (b) on the terms of this clause 6.

6.2 The *agent* is excluded from all liability for any claim, liability or *loss* arising directly or indirectly out of the *services* or *additional services* or arising from any cause of action whatsoever except to the extent that the claim, liability or *loss* is caused or contributed to by the *agent's* wilful breach of this *agreement*, gross negligence, dishonesty or fraud. The *owners corporation* agrees that it will at all times indemnify the *agent* against all actions, suits, proceedings, costs, claims, expenses or demands which may arise in the course of or as a result of the *agent's* management of the scheme, including all legal expenses incurred by the *agent* in defence of or initiation of any legal proceedings as well as any excess payable under the *agent's* professional indemnity insurance;

- (a) by third parties against the *agent*;
- (b) by the *owners corporation* against the *agent* arising before, during or after this *agreement*.

6.3 The *agent's* maximum liability to the *owners corporation* for any breach of this *agreement*, or arising out of the provision or non provision of the *agreed services* or the *additional services* or by taking steps contrary to this *agreement*, whether under law of contract, tort or otherwise, is limited to the amount of the *agreed services fees* for the year in which the liability arose.

6.4 The *agent* is deemed to be discharged from all liability in respect of the *agreed services* and the *additional services*, whether under the law of contract, tort or otherwise, at the expiration of two years from the date of the act or omission giving rise to the liability, and the *owners corporation* (and persons claiming through or under the *owners corporation*) shall not be entitled to commence any action or claim against the *agent* in respect of that act or omission after that date.

6.5 Clauses 6.1, 6.2, 6.3, 6.4 and 6.5 apply to the extent permitted by law.

6.6 The *owners corporation* must indemnify the *agent* immediately on demand against any matter for which the *agent* has no liability to the *owners corporation* including in respect of the matters referred to in clause 6.2 and 6.3.

7. Transfer of the *agreement*

7.1 The *agent* cannot transfer the *agreement* without the written consent of the *owners corporation*, which consent shall not be unreasonably withheld if the *agent* satisfies the *owners corporation* that the proposed transferee and *related persons* are fit and proper persons and have the qualifications, competence and experience to perform the *agreed services* and *additional services* at an *agreed services fee* and an *additional services fee* not greater than the current *agreed services fee* and *additional services fee*.

7.2 The *owners corporation* must advise the *agent* of its decision whether to approve a proposed transfer within 28 days after receiving from the *agent* the information reasonably necessary to make the decision.

7.3 If the *owners corporation* approves the transfer, the *owners corporation*, the *agent* and the transferee must enter into a transfer *agreement*, or alternatively if the *agent* elects to enter into a new agency *agreement* then clause 7.4 will apply.

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7.4 After the transfer agreement has been entered into or, if an election has been made by the agent under clause 7.3, the new agent must request that the owners corporation enter into a new agency agreement and the owners corporation must advise the new agent of its decision to enter into a new agency agreement within 28 days after such request, such approval not to be unreasonably withheld if the new agency agreement is on the same terms as this agreement, or on terms not less favourable to the owners corporation as this agreement. The new agent must pay the reasonable cost of preparing the new agency agreement, preparing and holding the meetings of the strata committee and the general meeting of the owners corporation, however if the meeting relates to more than approval of the minutes of the last meeting and the resolution relating to the new agency agreement, then the new agent must pay the proportionate share of the total cost relating to approval of the new agency agreement.

8. Service of notices

8.1 Any notice to be served under the agreement:

- (a) must be served either personally, by post, facsimile or e-mail using the details provided on the front page of this agreement, or other notice details subsequently notified from time to time by a party in writing to the other party; and
- (b) is served the first time it is served if it is served more than once.

9. GST

9.1 Words or expressions used in this clause 9 or elsewhere in the agreement that are defined in the GST Act have the same meaning in the agreement.

9.2 The parties acknowledge that:

- (a) the agreed services fee, the additional services rates and the charges are inclusive of GST and are based on a GST rate of 10%; and
- (b) if the rate of GST increases or decreases, the agreed services fee, the additional services rates and the charges will simultaneously increase or decrease so that the agent receives the same GST exclusive payment as it received before the change in the rate of GST.

10. Work, health and safety

10.1 The parties mutually covenant and agree that they will each comply with their respective obligations under the Work Health & Safety Act 2011

(NSW) and the Work Health & Safety Regulation 2011 (NSW) (WHS Act 2011 and WHS Regulation 2011), as amended from time to time.

10.2 Subject to the provisions of the WHS Act 2011 and WHS Regulation 2011, the owners corporation's appointment of the agent under this agreement does not constitute the appointment of the agent as a principal contractor within the meaning of regulation 293 of the WHS Regulation 2011 (as amended from time to time).

STRATA MANAGEMENT AGENCY AGREEMENT

11. Definitions

The following words have these meanings in the *agreement* unless the contrary intention appears:

<i>Act</i>	<i>Strata Schemes Management Act 2015</i> (NSW).
<i>additional services</i>	the functions and duties of the <i>owners corporation</i> set out in schedule A1 or schedule A2.
<i>additional services fee</i>	the fee for the supply by the <i>agent</i> of the <i>additional services</i> calculated according to the <i>additional services rates</i> , as varied under the <i>agreement</i> .
<i>additional services rates</i>	the rates for carrying out the <i>additional services</i> set out in schedule B, as varied under the <i>agreement</i> .
<i>agent</i>	the person described on the front page of the <i>agreement</i> and, where appropriate, includes the <i>agent's</i> employees and contractors or any transferee under clause 7.
<i>Agents Act</i>	<i>Property, Stock and Business Agents Act 2002</i> (NSW).
<i>agreed services</i>	the functions and duties of the <i>owners corporation</i> set out in: a) schedule A1 other than those marked "No authority"; and b) schedule A2.
<i>agreed services fee</i>	the fee in <i>item 6</i> for the supply of the <i>agreed services</i> , as varied under the <i>agreement</i> .
<i>agreement</i>	this <i>agreement</i> including the particulars, schedules and attachments.
<i>charges</i>	the costs and associated fees set out in schedule B and/or schedule D, as varied under the <i>agreement</i> .
<i>CPI</i>	the All Groups consumer price index published by the Australian Bureau of Statistics for Sydney, or if that bureau stops publishing the <i>CPI</i> , then the index recommended by the Property Council of Australia as the index that most appropriately replaces the <i>CPI</i> .
<i>Development Act</i>	in relation to a freehold <i>strata scheme</i> , the <i>Strata Schemes Development Act 2015</i> (NSW).
<i>disclosure schedule</i>	schedules C1 and C2.
<i>strata committee</i>	the <i>strata committee</i> of the <i>strata scheme</i> .
<i>GST Act</i>	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<i>item</i>	an <i>item</i> in the Particulars.
<i>loss</i>	any damage or damages, <i>loss</i> , costs (including, without limitation, the costs of complying with any verdict, award or settlement of any dispute and legal costs on a solicitor and own client costs basis), expense, charge, payment of liability, in any case, whether accrued or paid but not indirect, incidental or consequential <i>loss</i> or damages.
<i>minimum term</i>	the period or event in <i>item 3</i> : a) commencing on the commencement date; and b) expiring at the duration of the period identified or event in <i>item 3</i> .
<i>non-standard work</i>	means any work not defined as <i>standard work</i> .
<i>owners corporation</i>	the <i>owners corporation</i> described on the front page of the <i>agreement</i> and, where appropriate, includes the <i>employees</i> , <i>agents</i> (other than the <i>agent</i>), contractors and invitees of the <i>owners corporation</i> .
<i>Regulation</i>	<i>Property, Stock and Business Agents Regulation 2014</i> (NSW).
<i>related persons</i>	in relation to a proposed transferee which is a: a) corporation, — a 'related entity' of the corporation within the meaning of section 9 of the Corporations Act 2011 (Cth); or b) partnership, — the partners and principal staff of the partnership.
<i>SCA (NSW)</i>	means Strata Community Australia (NSW).
<i>services</i>	the <i>agreed services</i> and <i>additional services</i> .

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<i>standard work</i>	<p>Means:</p> <ul style="list-style-type: none">a) construction work where there is no requirement to work above three (3) metres, including but not limited to, replacement of roofing, guttering;b) general maintenance works, including but not limited to, lawn mowing, gardening, window cleaning (below three (3) metres), painting;c) minor maintenance repairs, including but not limited to, repair/replacement of leaking pipes, replacing tiles/pavers, lock replacement/repairs;d) maintenance of essential fire safety equipment;e) annual inspection and notifications required for essential fire safety equipment;f) pest management treatments (excluding fumigation);g) lift, traveller or escalator maintenance; orh) renewal of plant registrations in accordance with the requirements of the <i>WHS Act 2011</i> and <i>WHS Regulation 2011</i>; <p>provided however:</p> <ul style="list-style-type: none">a) if any of these works require a principal contractor (as defined under the <i>WHS Act 2011</i> and <i>WHS Regulation 2011</i>) to be appointed then the works will be considered <i>Non-Standard Work</i>; orb) if there is any inconsistency between <i>Standard Work</i> and <i>Non-Standard Work</i>, the work will be interpreted as <i>Non-Standard Work</i>.
<i>strata scheme</i>	the <i>scheme</i> described on the front page of the <i>agreement</i> .
<i>Tribunal</i>	means the NSW Civil and Administrative Tribunal.

12. Interpretation

In the *agreement*, unless the contrary intention appears:

- (a) a reference to:
 - (i) a thing includes the whole or each part of it;
 - (ii) a document includes any variation or replacement of it;
 - (iii) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
 - (iv) a person includes that person's executors, administrators, successors, substitutes (including but not limited to, person taking by novation) and assigns;
- (b) the singular includes the plural and vice versa;
- (c) headings do not affect interpretation; and
- (d) despite clause 11, the words defined in clause 11 are defined words whether or not these words are in italics.

Important notes for the parties when executing the *agreement*:

- The *agent* may not be entitled to any fee for *services* performed unless the *agent* serves a copy of the *agreement* signed by the *agent* on the *owners corporation* within 48 hours after the *agreement* is signed by or on behalf of the *owners corporation*.
- Once the terms of the *agreement* have been *agreed*, the *agent* should sign the *agreement* in duplicate and submit the *agreement* in duplicate to the *owners corporation* for signing. The *owners corporation* should sign, date and acknowledge receipt of the *agreement* on both counterparts.
- The *agent* should retain a copy of the signed *agreement*.
- A copy should be given to the secretary of the *owners corporation*.
- The *agent* should provide a copy of the proposed *agreement* to all parties required to be given notice of the meeting at which the *agreement* is proposed to be approved.
- If the *owners corporation* does not nominate two (2) persons to witness the affixing of the seal then the seal must be affixed in the presence of the secretary and any other member of the *strata committee*.

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Schedule A1

NOTE: Where this schedule A1 provides for choices and no choice is selected, "Full authority with no limitations" applies. DO NOT delete any item in this schedule, as it may render the agreement in breach of the *Property Stock and Business Agents Act 2002* (NSW). If a duty/function does not apply, then mark the box "No authority".

The agent has the right to decline to accept instructions for Duties and Functions not included in these Schedules.

Duties and Functions as described in the Property Stock & Business Agents Regulations (Schedule 6 Clause 6).	FULL AUTHORITY WITH NO LIMITATIONS	No Authority	Full Authority Subject to Limitations as Disclosed in Schedule A2	Regulation Schedule 6 Clause 6 Ref
Undertaking the financial management of funds and books of account.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(a)
Holding documents and maintaining records relating to the scheme (for example, the strata roll, notices, and minutes of meetings).	<input type="checkbox"/>	<input type="checkbox"/>	X	6(b)
Arranging building inspections and reports.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(c)
Effecting repairs to and maintaining common property or engaging appropriately qualified tradespersons to do <i>Standard Work</i> , with limitations on expenditure that may be incurred by the agent without obtaining the approval of the person on behalf of whom the agent is acting.	<input type="checkbox"/>	X	<input type="checkbox"/>	6(d)
Engaging appropriately qualified tradespersons to do <i>Non-Standard Work</i> , and the appointment on behalf of the owner's corporation of a principal contractor within the meaning of regulation 293 of the <i>WHS Regulation 2011</i> for such <i>Non-Standard Work</i> , with limitations on expenditure that may be incurred by the agent without obtaining the principal's approval.	<input type="checkbox"/>	<input type="checkbox"/>	X	
Paying disbursements and expenses incurred in connection with the agent's management of the scheme.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(e)
Arranging insurance cover for the scheme. NOTE: Where the owners corporation arranges for placement of the insurance cover or engages a third party i.e. an insurance broker, the agent is indemnified by the owners corporation to the extent of liability contributed by an act, omission or negligence on behalf of the owners corporation or third party in placing the insurance cover.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(f)
Serving notices to comply with a by-law.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(g)
Managing the sinking fund/capital works fund and the administrative fund.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(h)
Undertaking steps necessary to recover any money owing in relation to levies.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(i)
Representing the owners corporation or association in tribunal or court proceedings.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(j)
Paying accounts in relation to the scheme (for example, accounts for water charges, council rates and maintenance).	<input type="checkbox"/>	<input type="checkbox"/>	X	6(k)
Arranging and undertaking administrative duties in relation to annual general meetings and other general meetings. (Includes AGM plus 4 additional meetings each year.)	<input type="checkbox"/>	<input type="checkbox"/>	X	6(l)

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Schedule A2 *

NOTE: Full authority is provided for the duties and functions disclosed in this Schedule subject to the extent of any limitations on authority stated in this table.

Duties and functions	Limitations on Authority e.g. on expenditure (if nothing stated, then no limitations apply)	Fee Method
Undertaking the financial management of funds and books of account.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Holding documents and maintaining records relating to the scheme (for example, the strata roll, notices, and minutes of meetings).	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Arranging building inspections and reports.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Effecting repairs to and maintaining common property or engaging appropriately qualified tradespersons to do <i>Standard Work</i> , with limitations on expenditure that may be incurred by the agent without obtaining the approval of the person on behalf of whom the agent is acting.	Responsibility of Building Manager	In accordance with Schedules B and D
Engaging appropriately qualified tradespersons to do <i>Non-Standard Work</i> , and the appointment on behalf of the owners corporation of a principal contractor within the meaning of regulation 293 of the WHS Regulation 2011 for such <i>Non-Standard Work</i> , with limitations on expenditure that may be incurred by the agent without obtaining the principal's approval.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Paying disbursements and expenses incurred in connection with the agent's management of the scheme.	Full authority or by direction from Owners Corporation or Executive Committee	In accordance with Schedules B and D
Arranging insurance cover for the scheme. NOTE: Where the owners corporation arranges for placement of the insurance cover or engages a third party i.e. an insurance broker, the agent is indemnified by the owners corporation to the extent of liability contributed by an act, omission or negligence on behalf of the owners corporation or third party in placing the insurance cover.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Serving notices to comply with a by-law.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Managing the sinking fund/capital works fund and the administrative fund.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Undertaking steps necessary to recover any money owing in relation to levies.	Full authority or by direction from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Representing the owners corporation or association in tribunal or court proceedings.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Paying accounts in relation to the scheme (for example, accounts for water charges, council rates and maintenance).	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Arranging and undertaking administrative duties in relation to annual general meetings and other general meetings. Includes AGM plus 4 additional meetings each year.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee

* These fees have been negotiated between the parties to the agreement

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Schedule C - Disclosure schedule

Schedule C1 - The following providers pay a rebate, discount or commission to the *agent*:

Name of company / person	Amount / percentage of rebate, discount or commission	Other information relating to the disclosure
CHU Underwriting Agencies Pty Ltd	20%	Of base premium
Strata Unit Underwriters Pty Ltd (as agent for CGU Insurance)	20% 15%	Of base premium (Residential) Of base premium (Commercial)
Strata Community Insurance	20%	Of base premium
Finn Foster & Associates (Insurance Brokers)	15%	Of base premium or as agreed
Whitbread Insurance Brokers	20% 50%	Of base premium – Residential Of the commission paid by the insurer - Commercial
Driessen Insurance Brokers	15%	Of base premium
Austbrokers Sydney	20%	Of base premium
CRM Insurance Brokers	50%	Of all commission
Honan Insurance Brokers	20%	Of base premium
BCB Insurance Brokers	75% 50% first placement & 75% renewals	Of policy commission – Residential Of policy commission – Commercial

Schedule C2 - The following providers pay a rebate, discount or commission to the *agent*:

Name of company / person	Amount / percentage of rebate, discount or commission	Other information relating to the disclosure
Nil	Nil	Nil

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Schedule D - Charges and associated fees*

Item	Charge (inclusive of GST)	Unit
Financial & Administrative Services		
Establishment of a books and records following First AGM	\$220.00	Per plan
Issue special levy notices on non-standard cycle	\$2.75	Per lot
Issue overdue levy reminder notice (approx. 35 days)	\$27.50	Per notice (owners cost)
Issue overdue levy warning notice (approx. 65 days)	\$55.00	Per notice (owners cost)
Issue overdue levy final demand notice (approx. 95 days)	\$55.00	Per notice (owners cost)
Issue instructions to debt recovery solicitors	\$82.50	Per notice (owners cost)
Administer Payment Plans	\$55.00	Per month (owners cost)
Process dishonoured cheques for levy payments	\$22.00	Per transaction (owners cost)
Provide client payment history to owner or solicitor	Hourly rate – accounting staff (owners cost)	
Rectify deficiencies in Owners Corporation records at takeover	Hourly rate – accounting staff (excluding first 2 hours)	
Payroll management for Owners Corporation employees	\$33.00	Per pay per employee
ABN/TFN application	\$75.00	Each
Prepare Business Activity Statement	\$165.00	Each
Prepare agenda and minutes Tenant Representative meeting	\$165.00	Each
Title and by-law searches	At cost plus 20%	Each
Assist with review and consolidation of by-laws	\$165.00	Per plan
Assist with preparation of additional by-laws	\$33.00	Per quarter hour
Assist with review of common property memorandums	\$165.00	Per plan
Register amendments to by-laws	Legal Costs plus \$110.00	Per registration
Prepare & issue notices under Section 146	\$33.00	Per quarter hour
Prepare applications for mediation, adjudication, hearings, orders etc.	\$33.00	Per quarter hour
Assist with Strata Renewal process	\$33.00	Per quarter hour
Assist with builders defect rectification	\$33.00	Per quarter hour
Arrange & lodge Annual Fire Safety Statement	\$165.00	Each
Arrange & lodge Workcover Lift Registration Certificate	\$110.00	Each
Replace lost common property Certificate of Title	Legal costs plus \$110.00	Each
Amend address for service of notices on Certificate of Title	Legal costs plus \$110.00	Each
Section 184/26 certificates	Statutory Fees	Each
Section 182/26 inspections	Statutory Fees	Each
Provide electronic meeting attendance/voting systems	At cost plus 20%	Each
Other Financial & Administrative charges	As agreed	

* These fees and charges have been negotiated between the parties to the agreement

Motion: Confirm undisclosed payments to BCS Strata Management for non-compliant EC meetings in 2016

The Owners Corporation SP52948 by ORDINARY RESOLUTION, confirms the following:

- \$935.00 paid to BCS Strata Management for meetings that did not comply with proper organization of EC meetings in accordance with SSMA 1996 (agenda not sent to owners prior to meetings, and minutes of EC meetings not sent to owners),
- BCS Strata Management shall reimburse owners corporation (compensation claim due to professional negligence) in full amount of \$935.00 for failing to act in best interest of owners corporation, acting in non-compliance with SSMA 1996 on how to organize EC meetings, and charging owners corporation for private gatherings
- Minutes of EC meeting held straight after AGM 2016 on 19th of October 2016 confirmed that last valid EC meeting was on 20th of April 2016,
- To the extent of any inconsistency with previous by-laws or motions, this motion prevails.

Explanatory Notes:

- BCS invoice dated 19th of October 2016:

- BCS invoice dated 19th of October 2016:

Tax Invoice: F1111399803	Date: 19/10/2016
From: BCS STRATA MANAGEMENT PTY LTD ABN 86010633351	To: SP 52948 1-15 FONTENOY ROAD MACQUARIE PARK NSW 2113
Re: Sep-Oct - Meeting attendance	

Details	Value
Services as per attached schedule	\$850.00
GST Payable	\$85.00
Total Due (inclusive of GST)	\$935.00

Additional Services Schedule for Tax Invoice (F1111399803)						
Date	Person	Description	Units	Rate	Chargeable Amt	Invoice Amt
18/10/2016	SBI	Attend 3 meetings with Members of the Executive Committee	50	\$17.000	\$850.00	\$850.00
Total Fees					\$850.00	\$850.00

BCS Strata Management analysis of why they lost contract with SP52948 on 21st of November 2016 confirming that EC members had no intention to change them



LOST SCHEME DETAILS

Use this form when management of a scheme in your portfolio is terminated. Attach Termination minutes.

Division: NSW	Branch: Epping	Current PICA Manager: SIMON BRIKHA	Start:
Scheme No: 52948		Previous PICA Manager: GARY MILLS	Start:
PICA Start date: 01/07/2011		No. of Lots: 219	No. of Units: 219
Building Name:		Building Type: SPF	
Address: 2-4 Telopea Street Telopea			
Current Man. Fee: \$35,535 ex GST		Current Fixed/Bundled Disb: \$506.57 ex GST	
Expiry Date of Agreement:		Date Management will Cease: 31/1/2017	
New Agent Details			
Name: Waratah Strata		New Management Fee: \$	
Address: P.O. Box 125, Eastwood NSW 2122		New Fixed/Bundled Disb: \$	
Phone: (02) 9114 9599		Term of new agreement:	
Email:		Why did they choose this agent:	
Contact Person at the Building:			
Name: Stan Pogorelsky			
Address: Lot 151/1-15 Fontenoy Road North Ryde			
Phone:			
Email: _____@ozemail.com.au			
REASON FOR LOSING SCHEME		PERCENTAGE ATTRIBUTED TO LOSS	

Managers Comments:

Can you elaborate on the circumstances surrounding the loss of this scheme.

The Executive Committee advised myself and my branch manager Mike Smythe that they were very satisfied with my services, however, they wanted to go with a smaller Strata Managing Agency. I don't know who true this statement is because the Strata Manager that they have gone to is a former BCS employee and this is the second Strata Plan that he has taken from my portfolio. He was the previous Strata Manager of the portfolio that I currently manage.

Was a strata brokerage company involved in the loss of this scheme? (e.g. Strata Match) Strata Broker name:

No

Please outline the process used to manage the retention of this scheme.

The branch manager and I attended several Pre-AGM meetings with the EC and did absolutely everything possibly to retain this property. When I asked the EC if our re-election was in doubt, the answer I received was a "No". So I personally did not think we had any danger of losing this property.

What was the Risk Rating, 3 months prior to the loss?

Low

Customer Care:

Date of last contact with client?

14/11/2016

Outcome of the contact?

Resolved to send out a letter to Council and the matter was settled in a satisfactory method.

Community Utilities – Is there a separate utilities agreement? **NO**

SP52948 – EC member from Lot 181 confirmed BCS Strata Management had provided very poor services on 27th of April 2017

From: Stan Pogorelsky <@ozemail.com.au>
Sent: Thursday, 27 April 2017 12:16 PM
To: Robert Crosbie; Mo Levitt
Subject: FW: SP 52948 - Gas Charges
Attachments: Financial Status Report_20170201091851.pdf; S & T Pogorelsky - Gas charges paid from 1998 to 2015 Strata Plan 52948.xlsx; Stan Pogorelsky - Additional Gas Outlet Installation - Unit 181 Stan & Tessa Pogorelsky.pdf; Stan Pogorelsky - Gas bill for the period 1-8-16 to 31-10-16.docx

Hi Rob,

I have attached various things regarding my gas accounts.

Have a look at the xl sheet that I prepared.

I believe that I am completely up to date with my payments.

This is one of the reasons that we could not continue with BCS. They could never pin point anything and you would deal with one person and before you knew it they had someone else.

Perhaps you could ask BCS to give you a schedule of gas recoveries by year.....They should be able to give it to you.

Best Regards,

Stan.

SP52948 – Waratah Strata Management prevented Motion about their prior relationship with BCS Strata Management at AGM on 24th of October 2017

Motion: Confirm prior relationship between Waratah Strata Management and BCS Strata Management

The Owners Corporation SP52948 by ORDINARY RESOLUTION, confirms the following:

- BCS Strata Management and EC members did not disclose prior relationship between Director at Waratah Strata Management and BCS Strata Management at AGM 2016,
- BCS Strata Management and EC members failed to disclose to owners that Director of Waratah Strata Management was interviewed by members of the Executive Committee prior to Waratah Strata Management being nominated as the new strata managers at the AGM 2016. During that interview it was discussed that Mr. Simon Wicks was one of their employees who had managed SP52948 with poor performance in 2011,
- BC Strata Management and EC members failed to disclose to owners that Mr. Simon Wicks was planned to be Strata Manager for SP52948 if the event that Waratah Strata Management wins the contract at AGM 2016,
- BCS Strata Management and EC members failed to disclose to owners corporation number of references to Mr. Simon Wicks and his actions in 2015 and 2016 alone,
- BCS Strata Management staff confirmed in email on 23th of December 2016 that new Strata Managing Agent for SP52948 was Mr. Simon Wicks, who was an employee of BCS Strata Management and removed from managing SP52948 after around six-month period before AGM 2011.

SP52948 – AGM on 24th of October 2017 approved Waratah Strata Management contract renewal without tender or disclosure of its increased value

AGM 2017 was conducted without valid quorum.

15 APPOINTMENT OF STRATA MANAGING AGENT

Resolved that **Waratah Strata Management** (herein called 'the Agent') be appointed as the Managing Agent of the Owners Corporation in Strata Plan 52948 and that any two owners or Strata Committee members be authorised to sign the Management Agreement tabled at the Meeting on behalf of the Owners Corporation and further to attest the affixing of the common seal on that agreement, which agreement incorporates instruments pursuant to section 49(1) of the Strata Schemes Management Act 2015 appointing the Agent and delegating all the functions of the Owners Corporation and its Strata Committee and the Chairman, Secretary and Treasurer of the Strata Committee and of the Owners Corporation, other than the power to do anything referred to in section 52(2) of the Act.



STRATA MANAGEMENT AGENCY AGREEMENT

Date 24 October 2017		
The Owners – Strata Plan 52948 “Owners Corporation”		
Attention: The Secretary		
Address: 1-15 FONTENOY ROAD, MACQUARIE PARK		
Phone:		ABN:
Facsimile:		
Email:		
The Agent – WARATAH STRATA MANAGEMENT PTY LTD		
Attention: The Licensee		
Address: P.O. Box 125, Eastwood NSW 2122		
Phone: 02 9114 9599		ABN: 75 161 033 745
Facsimile: 02 9114 9598		SCA (NSW) Membership No: 11539
Email: enquiry@waratahstrata.com.au		Licence No: 10008316
Particulars		
Item 1	<i>Professional indemnity</i>	Amount Insured \$2,000,000
Item 2	<i>Commencement date</i>	1 April 2018
Item 3	<i>Term</i>	23 Months
Item 4	<i>Review date</i>	in relation to <i>agreed services</i> – At each AGM following <i>Commencement date</i> In relation to <i>additional services rates</i> - At each AGM following <i>Commencement date</i> in relation to <i>charges</i> - At each AGM following <i>Commencement date</i>
Item 5	<i>Percentage increase p.a</i>	5% or as agreed at each AGM
Item 6	<i>Agreed services fee p.a</i>	(complete one of the below options) Option 1 - \$ 24,310.00 plus rebates, discounts and commissions in Disclosure Schedule C1 and C2 – Agent retains all commissions (refer to clause 3.3(a)) or Option 2 - \$ _____ plus rebates, discounts and commissions in Disclosure Schedule C2 – Agent retains some commissions (refer to clause 3.3(b)). or Option 3 - \$ _____ Agent not entitled to commissions or the fee as described in clause 3.3(e) All fees under this agreement are GST INCLUSIVE (clause 9)
Item 7	<i>Fee payment method</i>	Monthly In Advance
Item 8	<i>Manner of accounting</i>	Financial Statements – Trust Account Statements as required by Act Frequency of Accounting – Monthly Provided Online or Upon Request

Signatures

Owners Corporation

The common seal of the *owners corporation* was affixed on 24 October 2017 in the presence of:


Signature


Signature

S. POGORELSKY
Name

M. LEVITT
Name

STRATA COMMITTEE
Designation

Strata Committee Member
Designation



Being the person(s) authorised by section 273 of the Act to attest the affixing of the seal.

Agent

Executed by the agent in accordance with Section 128 or 127 of the *Corporations Act 2001* (Cth) in the presence of:


Signature of Authorised Person

Signature of Authorised Person

Robert Crossbie
Name of Authorised Person

Name of Authorised Person

Service

The *owners corporation* acknowledges receipt of a copy of this agreement within 48 hours of execution by the *owners corporation* (refer to page 8 for IMPORTANT NOTES to the parties when executing this agreement).

STANLEY POGORELSKY
Name of Signatory


Signature

STRATA MANAGEMENT AGENCY AGREEMENT

Agreement

1. Warranties and acknowledgment

- 1.1 The *owners corporation* warrants that it has resolved and has authority to enter into the *agreement*.
- 1.2 The *agent* warrants that the *agent* holds:
- (a) a strata managing *agent's* licence under the *Agents Act* and that such licence will be maintained while the *agreement* is in force; and
 - (b) professional indemnity insurance as indicated in *Item 1*.

2. Appointment of and delegation to *agent*

- 2.1 The *owners corporation*:
- (a) appoints the *agent* as the strata managing *agent* for the strata *scheme*, and
 - (b) subject to clause 2.2 and 2.3, delegates the *agreed services* and *additional services* to the *agent*,
- from the commencement date for the *agreed services fee* and the *additional services fee*, until the *agreement* is terminated in accordance with clause 5 or at the end of the *term* whichever is the earlier.
- 2.2 The extent of authority for *agreed services* and *additional services* that has been delegated is stated in schedule A1, being either:
- (a) full authority with no limitations;
 - (b) full authority subject to limitations as disclosed in schedule A2; or
 - (c) no authority, in which case there is no delegation.

Where a selection has not been indicated on schedule A1 of either (a), (b) or (c), then the extent of authority that has been delegated is FULL AUTHORITY WITH NO LIMITATIONS.

2.3 The parties acknowledge that:

- (a) the delegation to the *agent* in clause 2.1 does not:
 - (i) constitute a delegation by the *owners corporation* of its power to make:
 - (A) a delegation under section 52 of the *Act*; or
 - (B) a decision on a matter required by the *Act* to be decided by the *owners corporation*; or
 - (C) a determination relating to the levying or payment of contributions; or
 - (ii) prevent the *owners corporation* or the *strata committee* from performing all or any of the *agreed services* or *additional services* (if any); and
- (b) the *agent* does not have and may not exercise any of the powers, authorities, duties or functions of the *owners corporation* that are conferred on another strata managing *agent* appointed for the *owners corporation* under section 237 of the *Act* once being notified of any such appointment by the *Tribunal* or the *owners corporation*.

3. Fees and charges

- 3.1 The *owners corporation* must pay to the *agent* in accordance with the fee payment method:
- (a) the *agreed services fee*; and
 - (b) the *additional services fee* for any *additional services* performed by the *agent*; and
 - (c) the *charges* associated with the performance of the *agreed services* and any *additional services*.
- 3.2 The *owners corporation* authorises the *agent* to retain any fees paid to the *agent* for supplying to third parties information that the *owners corporation* must supply under the *Act* and retain any fees paid to the *agent* for supplying to third parties information that is not required under the *Act*, provided that such fees are charged in accordance with those set out in schedule B.
- 3.3 In addition to the fees and charges in clause 3.1 and 3.2, the *agent* is entitled to remuneration for its services in the form of rebates, discounts and commissions disclosed in schedule C1 and schedule C2 as follows:
- (a) If the first option in *item 6* is selected, the *agent* may retain rebates, discounts and commissions paid to it by the providers of goods and services to the *owners corporation* described in the disclosure schedule C1 or schedule C2 or as otherwise notified in writing to the *owners corporation* from time to time and agreed in writing by the *owners corporation*.

STRATA MANAGEMENT AGENCY AGREEMENT

- (b) If the second option in *item 6* is selected, the *agent* must pay to the *owners corporation* any rebates, discounts and commissions paid to it by providers of goods and services to the *owners corporation* within 30 days of receipt except for any rebates, discounts and commissions described in the disclosure schedule C2 which may be retained by the *agent*.
- (c) If the third option in *item 6* is selected, the *agent* must pay to the *owners corporation* any rebates, discounts and commissions paid to it by providers of goods and services to the *owners corporation* within 30 days of receipt.
- (d) If the *owners corporation*:
 - (i) delegates the *agent* to arrange insurance cover;
 - (ii) selects the first or second option in *item 6*; and
 - (iii) later takes steps to arrange its own insurance or directs, instructs or passes a resolution that has the effect that the *agent* does not receive a commission or rebate for the placement of insurance,

then the *agreed services fee* shall be increased by an amount equivalent to the commission the *agent* would have received had the *agent* arranged the insurance cover.

- 3.4 The *agent* must account to the *owners corporation* for money received by the *agent* on behalf of the *owners corporation* in the manner and with the frequency set out in *item 8*.
- 3.5 At any time, by written agreement between the parties, *items* may be added to or deleted from the *additional services rates* and/or charges.

4. Review of fees and charges

- 4.1 The *agreed services fee*, the *additional services rates* and the *charges* will be reviewed on the review date by the *agent*.
- 4.2 Unless otherwise agreed before the review date, the *agreed services fee*, the *additional services rates* and the *charges* payable on and from the review date will be increased in accordance with *item 5*.
- 4.3 The *agent* will notify the *owners corporation* of the new *agreed services fee*, the *additional services rates* and the *charges* as soon as practicable after the review date.

5. Terminating the agreement

- 5.1 After the expiry of the *term*, the *agreement* will automatically end unless the *owners corporation* extends the *agreement* in accordance with section 50(4) of the *Act*.
- 5.2 The *agreement* may be terminated at any time with the mutual consent of the parties.
- 5.3 Any notice to terminate under this *agreement* can only be given by the *owners corporation* if authorised by a resolution of the *owners corporation* at *general meeting*.
- 5.4 Despite this clause 5 and without affecting any of its other rights, the *agreement* may be terminated with immediate effect by written notice given by:
 - (a) the *owners corporation*:
 - (i) if the *agent* is in breach of the *agreement* and fails to remedy that breach within 28 days after the *owners corporation* serves a written notice on the *agent* providing particulars of the breach; or
 - (ii) where the *agent* is an individual, the *agent* is declared bankrupt; or
 - (iii) where the *agent* is a corporation, the *agent* is wound up or placed in administration or liquidation; or
 - (iv) if the *agent* ceases to hold a strata managing *agent's* licence; or
 - (b) the *agent*:
 - (i) the *owners corporation* is in breach of the *agreement* and fails to remedy that breach within 28 days after the *agent* serves a written notice on the *owners corporation* providing particulars of the breach; or
 - (ii) an order by a Court is made for the variation or termination of the *strata scheme* under Part 9 or 10 of the *Development Act*; or
 - (iii) the *owners corporation* fails to pay any moneys owed under this *agreement* after the *agent* serves a written notice on the *owners corporation* providing particulars of the amount outstanding; or
 - (iv) the *owners corporation* fails to comply with any law or fails to provide adequate instructions or prevents the *agent* from carrying out its obligations under this *agreement* after the *Agent* serves a written notice on the *owners corporation* providing particulars of the breach.

STRATA MANAGEMENT AGENCY AGREEMENT

- 5.5 The *agreement* is terminated on the appointment of a strata managing *agent* under section 237 of the *Act* to exercise or perform all the functions of the *owners corporation* and, if so terminated, the *agent* will not be entitled to:
- (a) any remuneration by way of commission, *agreed services fee*, *additional services fee*, *charges* or otherwise in respect of any period after the termination; or
 - (b) any payment (in the nature of a penalty or otherwise) by reason of the early termination.
- 5.6 In the event of termination, the *agent* must provide all books, records, accounts, funds and property of the *owners corporation* in the *agent's* possession to the secretary of the *owners corporation*, or persons nominated by the secretary of the *owners corporation*, within seven (7) business days.

6. Liability of the *agent* and exclusions

- 6.1 The *agent* is liable to the *owners corporation*:
- (a) only for *services* actually supplied or that should have been supplied under this *agreement*; and
 - (b) on the terms of this clause 6.
- 6.2 The *agent* is excluded from all liability for any claim, liability or *loss* arising directly or indirectly out of the *services* or *additional services* or arising from any cause of action whatsoever except to the extent that the claim, liability or *loss* is caused or contributed to by the *agent's* wilful breach of this *agreement*, gross negligence, dishonesty or fraud. The *owners corporation* agrees that it will at all times indemnify the *agent* against all actions, suits, proceedings, costs, claims, expenses or demands which may arise in the course of or as a result of the *agent's* management of the scheme, including all legal expenses incurred by the *agent* in defence of or initiation of any legal proceedings as well as any excess payable under the *agent's* professional indemnity insurance;
- (a) by third parties against the *agent*;
 - (b) by the *owners corporation* against the *agent* arising before, during or after this *agreement*.
- 6.3 The *agent's* maximum liability to the *owners corporation* for any breach of this *agreement*, or arising out of the provision or non provision of the *agreed services* or the *additional services* or by taking steps contrary to this *agreement*, whether under law of contract, tort or otherwise, is limited to the amount of the *agreed services fees* for the year in which the liability arose.
- 6.4 The *agent* is deemed to be discharged from all liability in respect of the *agreed services* and the *additional services*, whether under the law of contract, tort or otherwise, at the expiration of two years from the date of the act or omission giving rise to the liability, and the *owners corporation* (and persons claiming through or under the *owners corporation*) shall not be entitled to commence any action or claim against the *agent* in respect of that act or omission after that date.
- 6.5 Clauses 6.1, 6.2, 6.3, 6.4 and 6.5 apply to the extent permitted by law.
- 6.6 The *owners corporation* must indemnify the *agent* immediately on demand against any matter for which the *agent* has no liability to the *owners corporation* including in respect of the matters referred to in clause 6.2 and 6.3.

7. Transfer of the *agreement*

- 7.1 The *agent* cannot transfer the *agreement* without the written consent of the *owners corporation*, which consent shall not be unreasonably withheld if the *agent* satisfies the *owners corporation* that the proposed transferee and *related persons* are fit and proper persons and have the qualifications, competence and experience to perform the *agreed services* and *additional services* at an *agreed services fee* and an *additional services fee* not greater than the current *agreed services fee* and *additional services fee*.
- 7.2 The *owners corporation* must advise the *agent* of its decision whether to approve a proposed transfer within 28 days after receiving from the *agent* the information reasonably necessary to make the decision.
- 7.3 If the *owners corporation* approves the transfer, the *owners corporation*, the *agent* and the transferee must enter into a transfer *agreement*, or alternatively if the *agent* elects to enter into a new agency *agreement* then clause 7.4 will apply.

STRATA MANAGEMENT AGENCY AGREEMENT

7.4 After the transfer agreement has been entered into or, if an election has been made by the agent under clause 7.3, the new agent must request that the owners corporation enter into a new agency agreement and the owners corporation must advise the new agent of its decision to enter into a new agency agreement within 28 days after such request, such approval not to be unreasonably withheld if the new agency agreement is on the same terms as this agreement, or on terms not less favourable to the owners corporation as this agreement. The new agent must pay the reasonable cost of preparing the new agency agreement, preparing and holding the meetings of the strata committee and the general meeting of the owners corporation, however if the meeting relates to more than approval of the minutes of the last meeting and the resolution relating to the new agency agreement, then the new agent must pay the proportionate share of the total cost relating to approval of the new agency agreement.

8. Service of notices

8.1 Any notice to be served under the agreement:

- (a) must be served either personally, by post, facsimile or e-mail using the details provided on the front page of this agreement, or other notice details subsequently notified from time to time by a party in writing to the other party; and
- (b) is served the first time it is served if it is served more than once.

9. GST

9.1 Words or expressions used in this clause 9 or elsewhere in the agreement that are defined in the GST Act have the same meaning in the agreement.

9.2 The parties acknowledge that:

- (a) the agreed services fee, the additional services rates and the charges are inclusive of GST and are based on a GST rate of 10%; and
- (b) if the rate of GST increases or decreases, the agreed services fee, the additional services rates and the charges will simultaneously increase or decrease so that the agent receives the same GST exclusive payment as it received before the change in the rate of GST.

10. Work, health and safety

10.1 The parties mutually covenant and agree that they will each comply with their respective obligations under the Work Health & Safety Act 2011 (NSW) and the Work Health & Safety Regulation 2011 (NSW) (WHS Act 2011 and WHS Regulation 2011), as amended from time to time.

10.2 Subject to the provisions of the WHS Act 2011 and WHS Regulation 2011, the owners corporation's appointment of the agent under this agreement does not constitute the appointment of the agent as a principal contractor within the meaning of regulation 293 of the WHS Regulation 2011 (as amended from time to time).

STRATA MANAGEMENT AGENCY AGREEMENT

11. Definitions

The following words have these meanings in the *agreement* unless the contrary intention appears:

<i>Act</i>	<i>Strata Schemes Management Act 2015</i> (NSW).
<i>additional services</i>	the functions and duties of the <i>owners corporation</i> set out in schedule A1 or schedule A2.
<i>additional services fee</i>	the fee for the supply by the <i>agent</i> of the <i>additional services</i> calculated according to the <i>additional services rates</i> , as varied under the <i>agreement</i> .
<i>additional services rates</i>	the rates for carrying out the <i>additional services</i> set out in schedule B, as varied under the <i>agreement</i> .
<i>agent</i>	the person described on the front page of the <i>agreement</i> and, where appropriate, includes the <i>agent's</i> employees and contractors or any transferee under clause 7.
<i>Agents Act</i>	<i>Property, Stock and Business Agents Act 2002</i> (NSW).
<i>agreed services</i>	the functions and duties of the <i>owners corporation</i> set out in: a) schedule A1 other than those marked "No authority"; and b) schedule A2.
<i>agreed services fee</i>	the fee in item 6 for the supply of the <i>agreed services</i> , as varied under the <i>agreement</i> .
<i>agreement</i>	this <i>agreement</i> including the particulars, schedules and attachments.
<i>charges</i>	the costs and associated fees set out in schedule B and/or schedule D, as varied under the <i>agreement</i> .
<i>CPI</i>	the All Groups consumer price index published by the Australian Bureau of Statistics for Sydney, or if that bureau stops publishing the <i>CPI</i> , then the index recommended by the Property Council of Australia as the index that most appropriately replaces the <i>CPI</i> .
<i>Development Act</i>	in relation to a freehold <i>strata scheme</i> , the <i>Strata Schemes Development Act 2015</i> (NSW).
<i>disclosure schedule</i>	schedules C1 and C2.
<i>strata committee</i>	the <i>strata committee</i> of the <i>strata scheme</i> .
<i>GST Act</i>	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
<i>item</i>	an <i>item</i> in the Particulars.
<i>loss</i>	any damage or damages, <i>loss</i> , costs (including, without limitation, the costs of complying with any verdict, award or settlement of any dispute and legal costs on a solicitor and own client costs basis), expense, charge, payment of liability, in any case, whether accrued or paid but not indirect, incidental or consequential <i>loss</i> or damages.
<i>non-standard work</i>	means any work not defined as <i>standard work</i> .
<i>owners corporation</i>	the <i>owners corporation</i> described on the front page of the <i>agreement</i> and, where appropriate, includes the employees, <i>agents</i> (other than the <i>agent</i>), contractors and invitees of the <i>owners corporation</i> .
<i>Regulation</i>	<i>Property, Stock and Business Agents Regulation 2014</i> (NSW).
<i>related persons</i>	In relation to a proposed transferee which is a: a) corporation, — a 'related entity' of the corporation within the meaning of section 9 of the Corporations Act 2011 (Cth); or b) partnership, — the partners and principal staff of the partnership.
<i>SCA (NSW)</i>	means Strata Community Australia (NSW).
<i>services</i>	the <i>agreed services</i> and <i>additional services</i> .

STRATA MANAGEMENT AGENCY AGREEMENT

<i>standard work</i>	<p>Means:</p> <ul style="list-style-type: none">a) construction work where there is no requirement to work above three (3) metres, including but not limited to, replacement of roofing, guttering;b) general maintenance works, including but not limited to, lawn mowing, gardening, window cleaning (below three (3) metres), painting;c) minor maintenance repairs, including but not limited to, repair/replacement of leaking pipes, replacing tiles/pavers, lock replacement/repairs;d) maintenance of essential fire safety equipment;e) annual inspection and notifications required for essential fire safety equipment;f) pest management treatments (excluding fumigation);g) lift, traveller or escalator maintenance; orh) renewal of plant registrations in accordance with the requirements of the <i>WHS Act 2011</i> and <i>WHS Regulation 2011</i>; <p>provided however:</p> <ul style="list-style-type: none">a) if any of these works require a principal contractor (as defined under the <i>WHS Act 2011</i> and <i>WHS Regulation 2011</i>) to be appointed then the works will be considered <i>Non-Standard Work</i>; orb) if there is any inconsistency between <i>Standard Work</i> and <i>Non-Standard Work</i>, the work will be interpreted as <i>Non-Standard Work</i>.
<i>strata scheme</i>	the <i>scheme</i> described on the front page of the <i>agreement</i> .
<i>term</i>	the period or event in <i>item 3</i> : <ul style="list-style-type: none">a) commencing on the commencement date; andb) expiring at the duration of the period identified or event in <i>item 3</i>.
<i>Tribunal</i>	means the NSW Civil and Administrative Tribunal.

12. Interpretation

In the *agreement*, unless the contrary intention appears:

- (a) a reference to:
 - (i) a thing includes the whole or each part of it;
 - (ii) a document includes any variation or replacement of it;
 - (iii) a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
 - (iv) a person includes that person's executors, administrators, successors, substitutes (including but not limited to, person taking by novation) and assigns;
- (b) the singular includes the plural and vice versa;
- (c) headings do not affect interpretation; and
- (d) despite clause 11, the words defined in clause 11 are defined words whether or not these words are in italics.

Important notes for the parties when executing the *agreement*:

- The *agent* may not be entitled to any fee for *services* performed unless the *agent* serves a copy of the *agreement* signed by the *agent* on the *owners corporation* within 48 hours after the *agreement* is signed by or on behalf of the *owners corporation*.
- Once the terms of the *agreement* have been *agreed*, the *agent* should sign the *agreement* in duplicate and submit the *agreement* in duplicate to the *owners corporation* for signing. The *owners corporation* should sign, date and acknowledge receipt of the *agreement* on both counterparts.
- The *agent* should retain a copy of the signed *agreement*.
- A copy should be given to the secretary of the *owners corporation*.
- The *agent* should provide a copy of the proposed *agreement* to all parties required to be given notice of the meeting at which the *agreement* is proposed to be approved.
- If the *owners corporation* does not nominate two (2) persons to witness the affixing of the seal then the seal must be affixed in the presence of the secretary and any other member of the *strata committee*.

STRATA MANAGEMENT AGENCY AGREEMENT

Schedule A1

NOTE: Where this schedule A1 provides for choices and no choice is selected, "Full authority with no limitations" applies. **DO NOT** delete any *item* in this schedule, as it may render the *agreement* in breach of the *Property Stock and Business Agents Act 2002* (NSW). If a duty/function does not apply, then mark the box "No authority".

Duties and functions as described in the <i>Property Stock & Business Agents Regulations</i> (Schedule 6 Clause 6).	Full authority with no limitations	No authority	Full authority subject to limitations as disclosed in schedule A2	Regulation schedule 6 clause 6 ref
Undertaking the financial management of funds and books of account.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(a)
Holding documents and maintaining records relating to the <i>scheme</i> (for example, the strata roll, notices and minutes of meetings).	<input type="checkbox"/>	<input type="checkbox"/>	X	6(b)
Arranging building inspections and reports.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(c)
Effecting repairs to and maintaining common property or engaging appropriately qualified tradespersons to do <i>Standard Work</i> , with limitations on expenditure that may be incurred by the <i>agent</i> without obtaining the approval of the person on behalf of whom the <i>agent</i> is acting.	<input type="checkbox"/>	X	<input type="checkbox"/>	6(d)
Engaging appropriately qualified tradespersons to do <i>Non-Standard Work</i> , and the appointment on behalf of the <i>owners corporation</i> of a principal contractor within the meaning of regulation 293 of the WHS Regulation 2011 for such <i>Non-Standard Work</i> , with limitations on expenditure that may be incurred by the <i>agent</i> without obtaining the principal's approval.	<input type="checkbox"/>	<input type="checkbox"/>	X	
Paying disbursements and expenses incurred in connection with the <i>agent's</i> management of the <i>scheme</i> .	<input type="checkbox"/>	<input type="checkbox"/>	X	6(e)
Arranging insurance cover for the <i>scheme</i> . NOTE: Where the <i>owners corporation</i> arranges for placement of the insurance cover or engages a third party i.e. an insurance broker, the <i>agent</i> is indemnified by the <i>owners corporation</i> to the extent of liability contributed by an act, omission or negligence on behalf of the <i>owners corporation</i> or third party in placing the insurance cover.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(f)
Serving notices to comply with a by-law.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(g)
Managing the sinking fund/capital works fund and the administrative fund.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(h)
Undertaking steps necessary to recover any money owing in relation to levies.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(i)
Representing the <i>owners corporation or association</i> in tribunal or court proceedings.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(j)
Paying accounts in relation to the <i>scheme</i> (for example, accounts for water charges, council rates and maintenance).	<input type="checkbox"/>	<input type="checkbox"/>	X	6(k)
Arranging and undertaking administrative duties in relation to annual general meetings, and other general meetings.	<input type="checkbox"/>	<input type="checkbox"/>	X	6(l)

STRATA MANAGEMENT AGENCY AGREEMENT

Schedule A2

NOTE: Full authority is provided for the duties and functions disclosed in this Schedule subject to the extent of any limitations on authority stated in this table.

Duties and functions	Limitations on Authority e.g. on expenditure (if nothing stated, then no limitations apply)	Fee Method
Undertaking the financial management of funds and books of account.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Holding documents and maintaining records relating to the <i>scheme</i> (for example, the strata roll, notices, and minutes of meetings).	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Arranging building inspections and reports.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Effecting repairs to and maintaining common property or engaging appropriately qualified tradespersons to do <i>Standard Work</i> , with limitations on expenditure that may be incurred by the <i>agent</i> without obtaining the approval of the person on behalf of whom the <i>agent</i> is acting.	Responsibility of Building Manager	In accordance with Schedules B and D
Engaging appropriately qualified tradespersons to do <i>Non-Standard Work</i> , and the appointment on behalf of the <i>owners corporation</i> of a <i>principal contractor</i> within the meaning of regulation 293 of the WHS Regulation 2011 for such <i>Non-Standard Work</i> , with limitations on expenditure that may be incurred by the <i>agent</i> without obtaining the principal's approval.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Paying disbursements and expenses incurred in connection with the <i>agent's</i> management of the <i>scheme</i> .	Full authority or by direction from Owners Corporation or Executive Committee	In accordance with Schedules B and D
Arranging insurance cover for the <i>scheme</i> . NOTE: Where the <i>owners corporation</i> arranges for placement of the insurance cover or engages a third party i.e. an insurance broker, the <i>agent</i> is indemnified by the <i>owners corporation</i> to the extent of liability contributed by an act, omission or negligence on behalf of the <i>owners corporation</i> or third party in placing the insurance cover.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Serving notices to comply with a by-law.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Managing the sinking fund/capital works fund and the administrative fund.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Undertaking steps necessary to recover any money owing in relation to levies.	Full authority or by direction from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Representing the <i>owners corporation</i> or association in tribunal or court proceedings.	Following instructions from Owners Corporation or Strata Committee	In accordance with Schedules B and D
Paying accounts in relation to the <i>scheme</i> (for example, accounts for water charges, council rates and maintenance).	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee
Arranging and undertaking administrative duties in relation to annual general meetings and other general meetings. Includes AGM plus 2 additional meetings each year.	Full authority or by direction from Owners Corporation or Strata Committee	Included in annual agreed services fee

* These fees have been negotiated between the parties to the agreement

STRATA MANAGEMENT AGENCY AGREEMENT

Schedule C – Disclosure schedule

Schedule C1 - The following providers pay a rebate, discount or commission to the *agent*:

Name of company / person	Amount / percentage of rebate, discount or commission	Other information relating to the disclosure
CHU Underwriting Agencies Pty Ltd	20%	Of base premium
Strata Unit Underwriters Pty Ltd (as agent for CGU Insurance)	20% 15%	Of base premium (Residential) Of base premium (Commercial)
Strata Community Insurance	20%	Of base premium
Finn Foster & Associates (Insurance Brokers)	15%	Of base premium or as agreed
Whitbread Insurance Brokers	20% 50%	Of base premium – Residential Of the commission paid by the insurer - Commercial
Driessen Insurance Brokers	15%	Of base premium
Austbrokers Sydney	20%	Of base premium
CRM Insurance Brokers	50%	Of all commission
Honan Insurance Brokers	20%	Of base premium
BCB Insurance Brokers	75% 50% first placement & 75% renewals	Of policy commission – Residential Of policy commission – Commercial

Schedule C2 - The following providers pay a rebate, discount or commission to the *agent*:

Name of company / person	Amount / percentage of rebate, discount or commission	Other information relating to the disclosure
Nil	Nil	Nil

STRATA MANAGEMENT AGENCY AGREEMENT

Schedule D - Charges and associated fees*

Item	Charge (Inclusive of GST)	Unit
Financial & Administrative Services		
Establishment of a books and records following First AGM	\$220.00	Per plan
Issue special levy notices on non-standard cycle	\$2.75	Per lot
Issue overdue levy reminder notice (approx. 35 days)	\$27.50	Per notice (owners cost)
Issue overdue levy warning notice (approx. 65 days)	\$55.00	Per notice (owners cost)
Issue overdue levy final demand notice (approx. 95 days)	\$55.00	Per notice (owners cost)
Issue instructions to debt recovery solicitors	\$82.50	Per notice (owners cost)
Administer Payment Plans	\$55.00	Per month (owners cost)
Issue Keys/Fobs/Remotes	Keys & Fobs \$22.00 Remotes \$27.50	Each (owners or residents cost)
Process dishonoured cheques for levy payments	\$22.00	Each (owners cost)
Provide client payment history to owner or solicitor	Hourly rate – accounting staff (owners cost)	
Rectify deficiencies in Owners Corporation records at takeover	Hourly rate – accounting staff (excluding first 2 hours)	
Payroll management for Owners Corporation employees	\$33.00	Per pay per employee
ABN/TFN application	\$75.00	Each
Prepare Business Activity Statement	\$165.00	Each
Prepare agenda and minutes Tenant Representative meeting	\$165.00	Each
Title and by-law searches	At cost + 20%	Each
Assist with review and consolidation of by-laws	\$165.00	Per plan
Assist with preparation of additional by-laws	\$33.00	Per quarter hour
Assist with review of common property memorandums	\$165.00	Per plan
Register amendments to by-laws	Legal costs + \$110.00	Per registration
Prepare & issue notices under Section 146	\$33.00	Per quarter hour
Prepare applications for mediation, adjudication, hearings, orders etc.	\$33.00	Per quarter hour
Assist with Strata Renewal process	\$33.00	Per quarter hour
Assist with builders defect rectification	\$33.00	Per quarter hour
Arrange & lodge Annual Fire Safety Statement	\$165.00	Each
Arrange & lodge Workcover Lift Registration Certificate	\$110.00	Each
Replace lost common property Certificate of Title	Legal costs + \$110.00	Each
Amend address for service of notices on Certificate of Title	Legal costs + \$110.00	Each
Section 184/26 certificates	Statutory Fees	Each
Section 182/26 inspections	Statutory Fees	Each
Provide electronic meeting attendance/voting systems	At cost + 20%	Each
Other Financial & Administrative charges not listed elsewhere	As agreed	

* These fees and charges have been negotiated between the parties to the agreement

SP52948 – Master contract admin expenses for Strata Manager in period FY 2014 to 2018 (GST exclusive)

FY (1 September to 31 August)	Amount
2014	\$53,835.00
2015	\$52,683.00
2016	\$50,684.00
2017	\$49,898.00
2018	\$43,919.00

SP52948 – Raine & Horne Strata Sydney (later became part of BCS Strata Management) and EC members promoted cleaners to become new caretakers with tender at EC meeting on 21st of July 1999

8. Change of Caretaker

Strata Sphere have recently not been able to permanently fill the position of Caretaker. Frank the current Caretaker has accepted a position with Harry from Security.

It has been proposed and agreed that Ruth take on the position of Caretaker which is a positive move as Ruth is known to a number of the residents and is familiar with the layout of the complex.

In connection with the contract with Strata Sphere it was noted that it includes the provision for two full time persons together with part time work in respect of pool cleaning and a horticulturalists. It was felt the provision of this personnel is not currently totally provided and the situation is to be addressed by Strata Sphere.

Annual General Meeting was held on 29th of September 1999 but no change of the Caretaker was listed or request for tender submitted. This will, as it turns out later, become standard operating procedure for the Executive Committee and Raine and Horne Strata Sydney – no contracts or tenders for all major contracts were ever presented or voted at Annual General Meetings, even those worth around quarter of million dollars a year.

SP52948 – Contract with Universal Strata Care without tender or owners decision at AGM, approved at paper EC meeting (without owners) valued at \$150,000.00 (plus GST) per year on 3rd of November 1999

MOTION 3	That the agreement with Strata Sphere Pty Ltd to carry out cleaning, gardening, building maintenance, pool maintenance and caretaking be terminated with effect from 5 December 1999 - Carried.
MOTION 4	<u>That with effect from the 6 December 1999 Universal Strata Care be engaged to carry out the following duties on behalf of the Strata Plan.</u> Cleaning, gardening, building maintenance, pool maintenance and caretaking. Subject to the terms and conditions of a signed agreement at a monthly fee excluding GST of \$12,500 which is payable in arrears. - Carried.

The contract with the new Caretaker in December 1999 increased by more than 33% without any tender, or decision at the general meeting (which was against the SSMA 1996 Section 80B).

FY	1999	2000
Caretaker	\$14,395.00	\$93,062.00
Cleaning	\$47,571.00	
Gardening	\$37,044.00	\$39,469.00
Security	\$80,641.00	\$80,968.00
Total	\$179,651.00	\$213,499.00

Contract for Security was originally given to another company (separate contract) at the Executive Committee meeting on 24th of June 1998 and it was not part of the contract granted to Caretaker.

TEM 8

To consider the renewal of the existing contract with Bright Light Security for a period of 12 months:

Concerns were raised that under legislation shortly to commence, that Harry would be classed as an employee of the Strata Plan, as he does not carry out work for any other enterprise.

It was agreed that on the basis that Harry will need to be considered as an employee wider implications exist, such as the requirement for the Strata Plan to pay tax, superannuation, long service leave etc.

It was decided that the current contract should continue on a month to month basis, with quotations being sought from other security firms which will enable the committee to more properly assess this matter.

(h) **Review of existing security arrangements**

The existing contractor Bright Light Security Services ("BLSS") indicated in writing with effect from 1 July 2000 the fee they would require for security services including GST would total \$7695.00 per calendar month.

Following consideration it was resolved that the following course of action be undertaken:

- (a) That it be agreed to enter a contract for a period of six months with effect from 1 July 2000.
- (b) That a questionnaire be sent out to all owners including various options in regard to security. This will assist the Committee in understanding the requirements of the majority of owners.

This meeting was allegedly held only one week before Extraordinary General Meeting, without the agenda or minutes of the meeting ever sent to owners. The minutes also contained very unusual and never-seen-before-or-after note:

ITEM 2 To confirm minutes of the last meeting – Carried.

(a) It was noted that minutes should be produced and distributed by the managing agent and only referred to the various members at the following committee meeting for their approval.

(b) It is recorded that Mr DeSaxe objected to the commentary made under Item 3 (b) 2 which indicated the following “it was clear that heating of the pool was the major cause of the unacceptably high gas bills”

The alleged meeting, which was attended by six members of the EC and the strata manager, where two EC members were unfinancial due to unpaid levies for second gas connection and one was recipient of secret water and gas reimbursements for private use without Special Resolution or Special By-Law, made the following decision:

(e) Security – questionnaire to be drafted asking owners for their comments to assist the committee in understanding their requirements

Resolved that the draft letter and questionnaire presented be accepted subject
To the inclusion of reference to the average annual cost per unit Owner for security of \$420.00.

SP52948 – Undisclosed levies for second gas connections backdated to year 1999 wrongly applied secretly on 8th of August 2000

**Line & Horne
strata - Sydney**

54 Beecroft Road, Epping NSW 2121
Telephone: (02) 9868 2999
Fax: (02) 9868 2363
P.O. Box 881, Epping NSW 1710
Email: strata@bcms.com.au

Level 8, 9 Bligh Street,
Sydney NSW 2000
Telephone: (02) 9232 3777
Fax: (02) 9868 2363

RC

8 August 2000

/1-15 Fontenoy Road
NORTH RYDE NSW 2113

INVOICE

GAS USAGE

In respect of gas used for heating purposes for the period
1 September 1999 to 31 August 2001

Amount Payable **\$100.00**

No 1

At the Executive Committee meeting held on Saturday, 2nd of December 2000, it was alleged that four quotes were tendered for security services but no details provided to any owner

ITEM 3

To consider the renewal of the current contract with bright Light Security and also tenders received from other companies for the provision of security services.

Discussion took place on various tenders with it being noted that submissions had been received from the following companies.

Bright Light Security
Universal Strata Care
Allnet Security
Secom Security

SP52948 - EC meeting held on 14th of February 2001, without giving any details of the tenders to owners corporation, caretaker was granted last remaining part of the main contract – security

All three other tenders were ignored, without disclosing details:

ITEM 3	<p>Matters arising from minutes of Committee Meetings on 10 January 2001, 2 December and 15 November 2000.</p>
	<p>1. Contract for security, caretaking, cleaning, gardening and pool maintenance</p>
	<p>The contract has been granted to Universal Strata Care to undertake these duties on behalf of the Owners Corporation following:</p>
	<ul style="list-style-type: none">• The competitive costings tendered by that company.• The agreement by them that licensed security personnel would be used for the evening duties.
	<p>It was noted that written confirmation has been obtained that Universal Strata Care now have two licensed security personnel who have also completed a First Aid Course.</p>

FACSIMILE TRANSMISSION

RAINE & HORNE STRATA - SYDNEY

A.C.N. 001 615 587 (CORP LIC NO. 11715L)

ALL CORRESPONDENCE TO:

PO Box 881
Epping NSW 1710
Telephone: (02) 9868 2999
Facsimile: (02) 9868 2383
Email: strata@bcms.com.au

This business is independently owned by Body Corporate Management Services Pty Limited.

TO:	Universal Strata Care
FAX NO.:	
FROM:	John
DATE:	02/09/2004
NUMBER OF PAGES (including this one): 1	
Please contact sender immediately if all pages are not received.	

COMMENTS: Strata Palm 52948
 Accounts

The invoices for the months of May/June and July were incorrect as the charges for caretaking/gardening/pool maintenance and security totalled \$20,668.75 plus gst instead of being an inclusive amount.

We have therefore had to adjust our records to account for the following for each of those months

Caretaking	\$8,678.25.
Gardening	\$3,463.69.
Pool Maint	\$4545.56.
Security	\$6120.50.
Total	\$18,808.00
Gst	<u>\$1,880.80</u>

Total **\$20,688.80**

An amount of \$6,206.49 will be deducted from your next payment being 3 months extra charged of \$2,068.87.

Thanks John

In a secret document, obtained belatedly eight years later, one company tendered their proposal on 25th of February 2004 at \$238,500.00 (GST exclusive) per year. That included night security duties in hours between 5:00pm and 5:00am next morning, seven days a week, and average gardener's hours of 20 per week, The total difference between their quote and the incumbent Caretaker in 2005 was \$10,505.00 (around 5% of the full contract only), with the emphasis that the new proposal offered more services.

DUTIES: **The duties to be performed by each staff member are as listed in the tender document of 1998 with the exceptions of the change in hours as noted on page 1 of our proposal.**

SERVICES: **Caretaking
Cleaning
Security
Lawns & Gardens
Pool maintenance**

CHARGES: **\$19,875.00 per calendar month

\$238,500.00 per annum**

COST BREAKDOWN: **Caretaker \$5666.00
Cleaning \$3166.00
Security \$7542.00
Pool services \$ 584.00
Lawns & gardens \$2917.00

TOTAL \$19,875.00**

NOTES:

1. All prices exclude GST
2. Price is firm until 30 June 2005
3. All cleaning equipment to be supplied by Porter Group
4. Monthly invoices are due for payment within 14 days

Second tenderer offered very attractive tender too:

Service	Description	Price (incl G.S.T)
Management Couple (1) Caretaker & (1) Gardener	6.00am – 6.00pm Monday – Friday 9.00am - 1.00pm Saturday	\$103,590.p.a
Management Couples Accommodation Component	2 bedroom apartment \$325pw * 52 weeks + G.S.T	\$ 18,590.p.a
(2) Cleaners, 7 days	9.00am – 5.00pm Monday – Friday 9.00am – 3.00 pm Saturday & Sunday	\$ 45,120.p.a
Gardener	Included in Resident Manager	Included in
Pool Maintenance Contractor	Included in Resident Manager	Included in
(2) Night Caretakers / (2) Security Guards	6.00pm – 6.00 am Sunday – Saturday 365 days a year	NSW State Award, see attached

With the GST included, the second tenderer would have charged the following for the maintenance contract (exclude security guards):

1 Caretaker
1 Gardener
1 Cleaner
Total (with GST) \$144,740.00

Services for the security guards would have been charged in accordance with the State Awards.

For the same services, excluding the security guards, the Caretaker charged the following in FY 2005/2006:

Caretaking/Cleaning (exclusive GST)	\$105,796.01
Gardening (exclusive GST)	\$42,053.01
Total (with GST)	\$162,631.22

The approximate savings, in favour of engaging the second tenderer in 2005 would have been AU\$17,891.00 per year, 12.36% savings for the owners corporation in just one year.

The quote from the two tenderers were never disclosed to owners corporation or even majority of members of the Executive Committee. Instead, the following was falsely reported at the Executive Committee meeting on 18th of February 2004:

(f) A proposal is to be obtained from a company called "Resident Manager" regarding the caretaking/cleaning/gardening services.

A final cost proposal has not yet been received from "Resident Manager".

A proposal has been received from Universal Strata Care to renew their contract for a further two years and it was agreed that unless a submission is received from another contractor by

SP52948 – EC meeting on 18th of August 2004 - legal case with previous caretaker attended by Lot 147 in court

At the EC meeting on 18th of August 2004, it was documented Caretaker's and owners corporation four-year dispute with the previous caretaker who accused Universal Strata Care of obtaining the contract through illegal means:

(e) Universal Strata Care currently have a legal dispute with the previous cleaning/gardening contractor and a letter was requested indicating that when Universal Strata Care were engaged that that they did not solicit the committee for the contract but that they were approached by the committee in this regard .
Following discussion it was agreed that current committee members who were members of the committee at the time of the change of contractor should individually provide letters in connection with the position.

Details of the settlement and reasons why SP52948 was involved were never provided to any owner.

SP52948 – Contract with Universal Strata Care without tender or owners decision at AGM, valued at \$255,712.92 (plus GST) per year on 1st of May 2006

CONTRACT OF ENGAGEMENT

Execution of Contract between the Owners **Strata Scheme No. 52948** and **Universal Strata Care** (A.B.N 54 662 343 094) The Contractor.

Signed for and on behalf of Owners **Strata Scheme No. 52948**
By the duly appointed Strata Managing Agent.

Signed: _____

Name: William J. Fry

Date: 09. 05. 2006

Signed for and behalf of the Contractor

Signed: _____

Name: Russ Luka:

Date: 26.5.06:

Contract Commencement:

Date: **1 May 2006**

Fee:

Monthly in arrears.
Total \$21309.41

SP52948 – Contract with Universal Strata Care without tender or owners decision at AGM, valued at \$268,498.56 (plus GST) per year on 1st of May 2008

CONTRACT OF ENGAGEMENT

Execution of Contract between the Owners **Strata Scheme No. 52948** and **Universal Strata Care** (A.B.N 54 662 343 094) The Contractor.

Signed for an on behalf of Owners **Strata Scheme No. 52948**
By the duly appointed Strata Managing Agent.



Signed: _____

Name: William Fry

Date: 11.07.2008

Signed for and behalf of the Contactor

Signed: _____

Name: ROBERT LUKA

Date: 11-07-2008

Contract Commencement:

Date: **1 May 2008**

Fee:

Monthly in arrears.
Total \$22374.88

SP52948 – Renewed contract with Universal Strata Care without tender or owners decision at AGM, valued at \$268,498.56 per year with extra 2% increase for three years (plus GST) on 1st of August 2010



A.B.N 36 124 217 018
PO Box 6165 Dural DC NSW
2158
Ph 9654 3557 Fax 9654 3556 Mob 0403316243
Email universalstrataservices@bigpond.com

To: The Executive Committee
Strata Plan 52948
Macquarie Gardens
1-15 Fontenoy Road
Macquarie Park

1st August 2010

Dear John,

As per our discussion regarding our contract with Macquarie Gardens I agree and propose the following.

- 1-I agree to extend the current contract to August 2011 at no additional cost.
- 2-I propose to offer Macquarie Gardens the option to re new our contract after August 2011 for a period of 3 years with a 2% increase in the current contract price.

SP52948 – Secret email exchange from Strata Manager John Fry asking EC members to approve Universal Strata Care contract renewal for three years without tender on 8th of September 2010

To

Cc johnf@bcms.com.au

Message Letter to Macquarie Gardens re contract.doc (120 KB)

To The Committee Strata Plan 52948 Macquarie Gardens

Please confirm to me that you are in favour of immediately accepting this offer to continue the caretaking services for Macquarie Gardens. As soon as a majority of the committee have responded (5) I will instruct John to accept the contract. (ignore the date error of his letter it is meant to be September and we have not had this letter since August!)

The importance of this contractor is that we understand the service levels, understand the people and would get good continuity at a cost that should be capable of maintaining existing levies at or below a CPI increase for a number of years barring utilities increases. While there are occasional issues with particular staff we have been very prudent not to be exposed to the direct risks of employment.

We have tried in previous years to find an alternative supplier. Given that any new contract would not start until 1st September 2011 it is almost impossible to get quotes that are strictly comparable and last time we tried we could only get quotes for various components with the Strata Plan being asked to take the risk on variable cost components of security etc. I believe that we are justified in not seeking quotes this time and showing some trust in the current supplier. Please remember that the current arrangement was extended to 31st August 2011 with no increase and that made a huge difference to the current proposed budget. It is not possible to conduct negotiations with a supplier like Bob and Ruth via published minutes and notices as this sends entirely the wrong message, both about our financial position and the respect and confidence in them.

Since we approved the budget as a committee (only days after the financial year end) additional electricity and water charges which are almost entirely for August have been received which reduces the surplus that will be reported and further justifies the level of increases estimated in the new budget. The figures you see in the final reports will therefore change and I will update the letter and budget presentation as soon as the audited accounts are received.

Here are some examples of invoices by Universal Strata Care in 2013 and 2014 when even expenses that should be charged to individual owners were passed on to owners corporation:

C/-Raine & Horne 53 Beecroft Rd, Epping NSW 2121		Invoice #: 00000256 Date: 29/04/2013 A.B.N: 80 149 188 867 Page: 1
Description	Amount	
For May 2013		
Caretaking and Cleaning	328	\$9,587.15
Gardening	357	\$3,745.98
Pool and spa maintenance	288	\$589.99
Night Caretaking	272	\$6,822.38
6 x 20 ltr Chlorine @ \$20.20	} 288	\$121.20
1 x 15 Hydrochloric acid @ \$20.20		\$20.20
6 Sheets Chlorine test tablets @ \$2.50		\$15.00
1 x 10kg Buffer @ \$25.50		\$25.50
1 x 15 ltr Quickclean 80 (pool floor tiles) @ \$66.10		\$66.10
2 x 25 ltr Disinfectant @ \$82.95	288	\$165.90
1 x 500ml No foam @ \$25.00	288	\$25.00
2 x Sweet Lu @ \$8.60	} 2254	\$17.20
Box of Toilet Paper		\$48.50
Call out fee for Easter Saturday	328	\$250.00

C/-Raine & Horne Strata Sydney Locked Bag 22 Haymarket NSW 1238		Invoice #: 00000283 Date: 24/04/2014 A.B.N: 80 149 188 867 Page: 1
Description	Amount	
For June 2014		
Caretaking and Cleaning		\$9,587.15
Gardening		\$3,745.98
Pool and spa maintenance		\$589.99
Night Caretaking		\$6,822.38
6 x 20 ltr Chlorine @ \$20.20		\$121.20
1 x 15 Hydrochloric acid @ \$20.20		\$20.20
6 Sheets Chlorine test tablets @ \$2.50		\$15.00
1 x 10kg Buffer @ \$25.50		\$25.50
1 x 15 ltr Quickclean 80 (pool floor tiles) @ \$66.10		\$66.10
2 x 25 ltr Disinfectant @ \$82.95		\$165.90
1 x 500ml No foam @ \$25.00		\$25.00
2 x Sweet Lu @ \$8.60		\$17.20
Box of Toilet Paper		\$48.50
1 x printing paper @ \$8.38		\$8.38
Call out on Good Friday to supervise tenant moving in		\$220.00

C/-Raine & Home Strata Sydney
Locked Bag 22
Haymarket NSW 1238

Invoice #: 00000291
Date: 14/08/2014
Page: 1
Your Ref:

Details	Total (ex-GST)
20 M3 Redwood chip mulch	\$1,080.00
Assorted Azaleas	\$267.34
1 x Treated pine log	\$25.50
2 x 4lt low sheen paint	\$119.90
Call out Sunday 10th August re set C Block boilers	\$250.00

SP52948 – Renewed contract with Universal Strata Care without tender or owners decision at AGM, on 12th of March 2014

12th March 2014

Universal Property Services
PO Box 6165
DURAL DC NSW 2158

Dear Robert

Re: **STRATA PLAN 52948 – 1-15 FONTENOY ROAD MACQUARIE PARK
OFFER TO EXTEND TERM OF CONTRACT**

We are the Strata Managing Agents for the above property.

We acknowledge receipt of your correspondence dated 1st February 2014 and your offer to extend the term of your Management Contract with the Owners Corporation to 31st December 2014.

The Owners Corporation is pleased to advise they have approved your offer to extend the term of your Management Contract with the Owners Corporation to 31st December 2014.

Should you have any questions regarding this matter please do not hesitate to contact the undersigned.

Yours faithfully,

RAINE & HORNE STRATA-SYDNEY



Peter Bone

Standard Costs Agreement with Shakenovsky & Associates for legal services to prepare contract with Uniqueco Property Services was issued on 4th of December 2014 and quickly signed by two SP52948 EC members (whilst one of them - Lot 147, was not financial due to unpaid full levies, including 10% simple interest for overdue payments), day later on 5th of December 2014

.....5/12/2014.....
Dated

M. Levitt

.....
Signed Moses Levitt
.....5/12/2014.....
Dated

Contract RS/RH 081394 with Uniqueco Property Services signed by two SP52948 EC members (whilst one of them - Lot 147, was not financial due to unpaid full levies, including 10% simple interest for overdue payments), allegedly executed on 7th of December 2014

Ref: RS/RH: 081394

This Agreement dated 7th day of December 2014

between The Owners Corporation Strata Plan 52948 ABN 79 491 891 602 trading as Macquarie Gardens c/o BCS Level 2, 51 Rawson Street Epping NSW 2121 ("**Proprietor**")

and Uniqueco Pty Ltd ABN 44 169 421 194 of 304 Brenan St., Smithfield, NSW 2164 ("**Contractor**")

and Steven Carbone and Sandra Carbone of 304 Brenan Street, Smithfield NSW 2164 ("**Guarantors**")

Recitals:

- A. The Proprietor desires that certain Services be carried out at the Premises.
- B. The Contractor has agreed to provide the Services at the Premises on the terms set out in this Agreement.

Schedule 2 Prices

GST is excluded from the prices shown below.

	Annual Price	Monthly Price
Day Caretaking	\$121,000.00	\$10,083.33
Pool Maintenance	\$ 11,000.00	\$ 916.67
Gardening	\$ 52,000.00	\$ 4,333.33
Night Caretaking	\$105,000.00	\$ 8,750.00
Total	<u>\$289,000.00</u>	<u>\$24,083.33</u>

Schedule 3 Hours of Coverage

1. The Contractor will provide Caretaking Services to the Premises between the hours of 5.00 am – 5.00 pm, Monday to Friday and 9.00 am to 3.00 pm Saturdays and Sundays and will provide after-hours service at all times to respond to emergencies onsite within 1 hour of notification.
2. The Contractor will provide cleaning services to the Premises 7 days each week, which will include a minimum 6 hours on each Saturday and Sunday and any Public Holidays.
3. The Contractor will provide a minimum of one person on site from 5.00 pm to 5.00 am 7 nights a week including Public Holidays.
4. Gardening and Pool hours of coverage are to be sufficient to provide all the services listed at the frequency specified to standards determined by the Quality Assurance Standard document.

At AGM 2014 - Strata Manager Mr. Russell Young confirmed that Universal Strata Care was paid for undelivered services for night security but failed to reimburse owners corporation for undelivered services

Over the previous 12 months, security guards stopped working between hours of 2:00 to 5:00am, in spite of caretaker getting paid for their night staff. When questioned about it, the response was that "it was difficult to get the money back from poor people". BCS Strata Management failed to report it in the minutes of the AGM.

EC member wrote email to Universal Property Services advising them of lost contract on 7th of December 2014, which confirmed wishes of EC members to stay with them due to “personal connections”



Sun 7/12/2014 8:26 PM

SP52948 Caretaking Services Agreement - confirmation Universal agreement now formally ends 31 Dec 2014.

To 'Bob Luka'; Ruth Luka

Cc Russell Young

Bob & Ruth,

I have to advise that a new Caretaking Services Agreement, as voted for at the AGM, was executed by the Owners Corporation and exchanged with UniqueCo Pty Ltd late today (Sunday 7 Dec 2014). All commercial issues have been resolved and guarantees put in place to secure the Owners Corporation for performance of all conditions. As a result there is now no possibility that the agreement for services by Universal Strata can be renewed or renegotiated and that agreement will therefore end on 31st December 2014.

You will appreciate that this has been just as difficult a process for the Executive Committee, most of whom are resident and know you both well, but in running a tender process for such a large contract sum, as required by Strata law, the outcome has resulted in significant differences in the prices tendered which has swayed many lot owners. I suspect that with much more than 50% of all owners now investors rather than residents the personal connection was diluted and overall cost of levies was the deciding factor. You can refer any potential business that is seeking a reference from you, to me, and I will assure them the contract was lost on financial grounds. The new Executive Committee have asked me to thank you for your services over the years.

Minutes of EC meeting held on 21st of March 2016, allegedly “renewed” Caretaker’s contract for another year without any tender, although it was going to expire on 7th of December 2016, more than nine months before its renewal time

14. OTHER BUSINESS

Motion

14.1 Any other business

14.2 Correspondence has been received from UniqueCo Pty Ltd agreeing to a further year of caretaking services (until 31 December 2017) at an agreed increase in price of only 2%. The EC considered that the caretaker was only obliged to give notice by 31st August 2016 and that the offer of 2% was probably below the exact amount of CPI that could have been applied. The EC considered whether the services were being performed to a satisfactory standard concluded that the Managing agent be instructed to accept in writing the early offer of the extension (in accordance with the contract signed in Dec 2014).

No tender!

SP52948 – Uniqueco Property Services contract value increased by 2% without owners corporation decision at AGM or tender on 22nd of April 2016

22nd April 2016

Uniqueco Pty Ltd
Attn: Mr Steven Carbone
Director
304 Brenan Street
SMITHEFIELD NSW 2164

Dear Mr Carbone,

RE: Caretaking Services for the period 1st January to 31st December 2017

In accordance with the Caretaking Service Agreement dated 7th December 2014, we wish to confirm that your extension has been accepted with the agreement price increase of 2%.

The 2% increase will commence from 1st January 2017 for a period of 12 months.

Yours sincerely,

Gary Mills
Strata Manager
BCS
Body Corporate Services

SP52948 – Master contract expenses for Building Manager (Caretaker) in period FY 1999 to 2018 (GST exclusive)

The only details of the Caretaker's contract (as like for all other expenses) were provided to owners in one-page balance sheet at general meetings

Financial Year (1 September to 31 August)	Building Manager (Caretaker) master contract (GST exclusive)
1999	\$186,611.00
2000	\$220,168.00
2001	\$220,624.00
2002	\$218,938.00
2003	\$218,167.00
2004	\$222,376.00
2005	\$227,995.00
2006	\$228,438.00
2007	\$232,844.00
2008	\$235,560.00
2009	\$244,287.00
2010	\$264,080.00
2011	\$245,094.00
2012	\$255,673.00
2013	\$256,605.00
2014	\$252,618.00
2015	\$275,838.00
2016	\$292,912.00
2017	\$291,507.13
2018	\$304,629.95

SP52948 – Master contract expenses increased by 4% per year for Building Manager (Caretaker) in period FY 2018 to 2021 - unapproved by owners corporation at any meeting (GST exclusive)

Same occurred in 2017. Uniquenco Property Services renewed the contract without tender and with two unfinancial owners (E members from Lot 147 ad 181) increasing the contract value 4% per year (well above the CPI) without approval of the owners corporation and not disclosing it to owners:

Schedule 2 Prices

GST is excluded from the prices shown below.

From 1 January 2018 to 31 January 2019

	Annual Price	Monthly Price
Day Caretaking	\$130,216.00	\$ 10,851.33
Pool Maintenance	\$ 11,849.00	\$,987.42
Gardening	\$ 55,980.00	\$ 4,665.00
Night Caretaking	<u>\$112,955.00</u>	<u>\$ 9,412.91</u>
Total	<u>\$311,000.00</u>	<u>\$ 25,916.66</u>

[Steven Carbone accepts that the initial monthly rates will run for 13 months in the first year to avoid termination on the 31st December, and the increased rate will commence on the 1st of February 2019, as listed on page 25 of the contract document].

From 1 February 2019 to 31 January 2020

	Annual Price	Monthly Price
Day Caretaking	\$135,424.00	\$ 11,285.33
Pool Maintenance	\$ 12,323.00	\$ 1,026.92
Gardening	\$ 58,220.00	\$ 4,851.66
Night Caretaking	<u>\$117,473.00</u>	<u>\$ 9,789.41</u>
Total	<u>\$323,440.00</u>	<u>\$ 26,953.32</u>

From 1 February 2020 to 31 January 2021

	Annual Price	Monthly Price
Day Caretaking	\$140,841.00	\$ 11,736.74
Pool Maintenance	\$ 12,816.00	\$ 1,068.00
Gardening	\$ 60,548.00	\$ 5,045.66
Night Caretaking	<u>\$122,172.60</u>	<u>\$ 10,181.05</u>
Total	<u>\$336,377.60</u>	<u>\$ 28,031.45</u>

Executed as an agreement.

By the Proprietor
The common Seal of the Owners
Corporation was affixed in the presence of



[Signature]
Signature

SIMONEY POGORELSKI
Name of Authorised Person (print)

[Signature]
Signature

M LEVITT
Name of Authorised Person (print)

being the persons authorised to attest the affixing of the seal.

By the Contractor:

Executed by UniqueCo Pty Ltd:

[Signature]
Signature of Company
Secretary/Director

STEVEN CARBONE
Name of Company
Secretary/Director (print)

[Signature]
Signature of Director

STEVEN CARBONE
Name of Director (print)