

Body Corporate Services Pty Limited
ABN 82 010 120 144

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ENGAGEMENT FOR ADMINISTRATION SERVICES

Body Corporate Services Pty Ltd
ABN 82 010 120 144
Level 1, 45 Nind Street, Southport

DATE This Agreement is made this day of 2009

PARTIES Body Corporate for ALEXANDER APARTMENTS
Community Titles Scheme 10782
of 2943 GOLD COAST HIGHWAY & THORNTON STREET SURFERS PARADISE
QLD 4217 ("**Body Corporate**")

AND

Body Corporate Services Pty Ltd ABN 82 010 120 144
Of the office of Body Corporate Services, Level 1, 45 Nind Street, Southport
("**Manager**")

SCHEDULES The following schedules form part of this Engagement:

- * Schedule A – Reference Schedule
- * Schedule B - Services
- * Schedule C - Additional Services
- * Schedule D – Hourly rate for Additional Services
- * Schedule E – Associated Charges
- * Schedule F – Disclosure of relationships
- * Schedule G – Utilities management

THE PARTIES AGREE

1. ENGAGEMENT

The Body Corporate hereby engages the Manager as an independent contractor to supply administrative services to the Body Corporate.

2. Term

- (a) The Engagement is for the Term stated in Item 1 of Schedule A commencing on the Beginning Date and expiring on the End Date.
- (b) Subject to the Act, upon the expiry of the Term, this Engagement shall continue on a monthly basis unless the Body Corporate decides at a general meeting not to extend this engagement.

3. DUTIES OF THE MANAGER

The Manager:-

- must supply the Services to the Body Corporate;
- (i) may (but is not obliged to) supply the Additional Services to the Body Corporate;
- (i) has the custody and use of the common seal of the Body Corporate;
- (i) may sign notices (including by-law contravention notices) on behalf of the secretary of the Body Corporate;
- (i) must remain licensed to provide the Services (if required under law);
- (i) must at all times comply with the Act and any other legislation, regulations, codes of conduct or other statutory requirements in operation with respect to the provision of the Services.
- (i) may, in an emergency and acting reasonably in the circumstances, supply the Additional Services to the Body Corporate without request.

4. POWERS OF THE MANAGER

- (a) The Body Corporate authorises the Manager to perform all of the powers of the executive members of the Committee of the Body Corporate to the full extent permitted by the Act PROVIDED THAT this shall not be considered an appointment of the Manager under Part 3: Division 10 of the regulations to the Act.
- (b) However, the Manager must only use these authorised powers when the Manager determines that there are circumstances that dictate the Manager must use the authorised power, or it is a matter of a routine or administrative nature.
- (c) The authorisation granted to the Manager does not make the Manager responsible for performing the functions that the Body Corporate or the Committee is required to perform under the Act, nor does the

authorisation relieve the Body Corporate or the Committee of these functions.

- (d) The authorised powers do not extend to the Manager being required to obtain a second quote for the re-appointment of the Manager.

5. REMUNERATION

- (a) In consideration of the Manager supplying the Services, the Body Corporate must pay the Fee to the Manager.
- (b) In consideration of the Manager providing any Additional Services, the Body Corporate must pay the Manager on an hourly basis at the rates of the person providing those Additional Services as set out in Schedule D. The Manager may increase these hourly rates on 1 July each year.
- (c) The Fee payable under this Engagement shall increase annually after the commencement date of the Term by the greater of the percentage increase in the CPI for the 12 months commencing in the quarter preceding the commencement date or the percentage stated in Item 5 of Schedule A.

(d) The Manager may:

- (i) charge the Body Corporate for Associated Charges ("Associated Charges") at the rate stated in Item 3 of Schedule A. The Associated Charges may include a margin above cost payable to the Manager. The Manager may increase the Associated Charges on 1 July in each year of this Engagement;
 - (ii) keep fees paid for information which the Manager must supply about the Body Corporate under the Act;
 - (iii) keep fees paid to it for services supplied at the request of lot owners; and
 - (iv) retain commissions paid by the providers of goods and services to the Body Corporate as stated in Schedule F.
- (e) The Body Corporate must pay the Manager the Fee, Additional Fees and Associated Charges in the manner stated in Item 4 of Schedule A.
 - (f) All amounts stated as payable under this Engagement include GST. If the rate of GST changes, then these fees and charges will increase or decrease accordingly so that the Manager receives the same GST exclusive payment as it received before the change in the rate of GST.

6. BODY CORPORATE NOMINEE

- (a) The Committee may nominate a person to provide instructions to the Manager on behalf of the Body Corporate.
- (b) In the absence of a nomination in writing, the chairperson for the time being of the Body Corporate is taken to be the nominee.

7. DISCLOSURE OF RELATIONSHIPS

- (a) The Manager may be involved with the Body Corporate entering into contracts with providers of:-
 - (i) repair and maintenance services, and
 - (ii) insurance services.
- (b) The Manager discloses that it has a relationship with the service providers as set out in Schedule F.
- (c) The Manager may receive a fee or commission from the provider of such services as set out in Schedule F in addition to the fees that are payable under this Engagement.
- (d) If the Body Corporate enters into a contract with the providers of services disclosed in Schedule F, the Body Corporate acknowledges that it made its decision to enter into those contracts, after having been given this Engagement in writing setting out the terms of the relationship with the Manager and the commission payable to the Manager.
- (e) The Agent is an authorised representative of Body Corporate Brokers, CHU Underwriting Agencies Pty Ltd, QBE Insurance (Australia) Ltd Strata Unit Underwriters (SUU).

The Agent is qualified to give general advice and information about insurance, not personal advice. If the Community Titles Scheme requires specialist insurance advice the Agent can refer the Community Titles Scheme to an insurance advisor. If the Agent recommends that your building insurance should be placed with the Insurers, the Community Titles Scheme acknowledges and agrees that the recommendation is general advice (not personal advice).

The Community Titles Scheme should read the Product Disclosure Statement before making a decision to purchase that insurance.

8. INDEMNITIES

- (a) The Manager will not be responsible for loss or damage to the Body Corporate unless such loss or damage is caused by wilful or negligent act of the Manager.
- (b) The Body Corporate will indemnify and hold indemnified the Manager against any such claims.
- (c) The Manager will not be liable to the Body Corporate for any loss or damage suffered due to a failure of the Manager to perform the Services or Additional Services because the Body Corporate or Committee fails to make an appropriate decision in relation to the provision of such services or does not have sufficient funds to allow the Manager to carry out its functions.

9. TRANSFER

This Engagement may be transferred in accordance with the requirements of the Act.

10. TERMINATION

- (a) This Engagement may be terminated in accordance with the Act, but the Manager may terminate this Engagement by giving 14 days written notice to the Body Corporate.
- (b) The Body Corporate must, within 14 days of the date of termination of this Engagement account to the Manager for any amounts outstanding that are payable under this Engagement including the cost of effecting the termination and the transfer of records to the Body Corporate.
- (c) Subject to any right of the Manager to a lien, the Manager must deliver the records and other property of the Body Corporate in the possession of the Manager to the Body Corporate within 30 days of the expiry or termination of this Engagement.

11. APPOINTMENT UNDER PART 3: DIVISION 10 OF THE REGULATIONS TO THE ACT (QLD)

- (a) If the Body Corporate appoints the Manager to carry out the administration of the Body Corporate under Part 3: Division 10 of the regulations to the Act applicable to the Body Corporate, then clause 2 and clause 4 of this Engagement are deleted and Clause 12 shall apply.
- (b) If there is any conflict between clause 12 and the remainder of this Engagement, then the provisions of clause 12 shall prevail.

12. GRANT OF DELEGATED POWERS

- (a) The Body Corporate delegates to the Manager all of the powers of the executive and ordinary members of the Committee of the Body Corporate to the full extent permitted by Part 3: Division 10 of the regulations to the Act.
- (b) The Manager shall give to each member of the Body Corporate a written report regarding the administration of the Body Corporate as required by the regulations to the Act.
- (c) The Body Corporate authorises the Manager to instruct a contractor or contractors as deemed necessary by the Manager to provide reports in respect of the repairs and maintenance to the common property and Body Corporate assets, condition of the common property and Body Corporate assets, and any other information which is relevant to the future performance of the duties of the Body Corporate to maintain the common property and Body Corporate assets, to enable the Manager to prepare the reports in compliance with the Act and agrees to effect payment of such costs incurred by the Body Corporate in this regard.

- (d) The term of this Engagement is for a period of 12 months from the date of the Engagement under Part 3: Division 10 or at the end of the Body Corporate's annual general meeting held after the general meeting at which this Part 3: Division 10 Engagement was approved whichever is earlier.
- (e) The Manager shall charge the Body Corporate the sum of \$55.00 (including GST) for the preparation of each quarterly report referred to in clause 12(b) above, in addition to the Fee or Additional Fees.
- (f) This appointment does not oblige or require the Manager to carry out site inspections of the Body Corporate property.

13. DEFINITIONS AND INTERPRETATION

13.1 Definitions

In this Engagement, the following words will have the following meanings, except to the extent the context otherwise requires:-

Act means the *Body Corporate and Community Management Act 1997*;

Additional Services means the services set out in Schedule C;

Associated Charges means the charges set out in Schedule E;

Beginning Date means the start of the term of this Engagement recorded in Item 1 of Schedule A;

CPI means the Consumer Price Index (All Groups) for the City of Brisbane as published by the Australian Bureau of Statistics;

End Date means the expiry date of this Engagement recorded in Item 1 of Schedule A;

Engagement means this administration agreement;

Fee means the fee payable to the Manager set out in item 2 of Schedule A

Further Term means the term of any right or option of extension or renewal of the engagement recorded in Item 1 of Schedule A;

Manager means Body Corporate Services Pty Ltd;

Services means the services set out in Schedule B;

Term means the term of this Engagement recorded in Item 1 of Schedule A.

13.2 Interpretation

In the interpretation of this Engagement, unless the context otherwise requires:-

- (a) words importing the singular include the plural and vice versa and words importing one gender include the other gender;
- (b) words and phrases defined by the Act shall have the meanings assigned to them by the Act except where the context otherwise requires;
- (c) words denoting persons include all bodies, associations, trusts, entities corporate and unincorporated and vice versa;

- (d) a reference to an Act of Parliament or section or schedule of that Act will be read as if the words '*and any statutory modification or re-enactment of it or substitution of it*' were added to the reference and includes all statutory instruments issued from time to time under that Act;
- (e) where a word or phrase is given a particular meaning, other parts of speech or grammatical forms of that word or phrase have corresponding meanings;
- (f) references to a recital, clause, schedule or annexure will be construed as references to a recital, clause, annexure to this Engagement;
- (g) a reference to a document or agreement includes reference to that document or agreement as amended, novated, supplemented or varied;
- (h) headings will be disregarded in the interpretation of this Engagement;
- (i) if any day appointed or specified by this Engagement falls on a Saturday, Sunday or public holiday in the city in which the scheme is located the day so appointed will be deemed to be the next day which is not such a day;
- (j) a reference to a party will be construed as a reference to a party to this agreement and include reference to the party's successors, representatives or permitted assigns;
- (k) where a party comprises two or more persons an agreement or obligation to be performed or observed by that party binds those persons jointly and severally and a reference to that party includes a reference to any one or more of those persons;
- (l) This Engagement is governed by the laws of the state in which the Body Corporate is registered.

SCHEDULE A – REFERENCE SCHEDULE

Item 1

Term:	one year
Beginning Date:	01/01/2009
End Date:	31/12/2009

Item 2

Fee (Services):	\$6,935.00 per annum
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Item 3

Fixed charges – printing, postage, stationery and handling:

\$77.00 per lot per annum

Telephone charges:

All buildings \$0.83 per lot per month

Associated Charges: In accordance with Schedules D & E

Item 4

Manner of Payment:

Fee: Quarterly in advance

Additional fees: Monthly in arrears

Associated charges: Fixed charges monthly in advance

Other charges: Monthly in arrears

Item 5

Review Percentage 5%

SCHEDULE B – SERVICES

SECRETARIAL

- Convene and attend the annual general meeting (up to two hours) and up to 4 Committee meetings (up to three hours). Interim financial statements together with financial analysis will be provided for each committee meeting
- Call nominations for the position of executive and ordinary members of the Committee
- Prepare and distribute meeting notices
- Record and distribute minutes
- Respond to communications and correspondence

FINANCIAL

- Open, maintain and operate a bank account for the administrative and sinking fund
- Prepare a statement of accounts for each financial year
- Prepare draft budgets
- Issue levy and other contribution notices
- Receipt and bank levies
- Process and pay accounts
- Issue monthly cheque summaries
- Monitor credit control

ADMINISTRATIVE

- Attend to the decisions of the Body Corporate and its Committee
- Make available the records for inspection
- Establish and maintain the roll and registers
- Maintain and keep records
- Pay insurance premiums and lodge claims

SCHEDULE C – ADDITIONAL SERVICES

- Any service stated in Schedule B required to be undertaken outside of the hours of 8.30am to 5.00pm Monday to Friday
- Any reasonable request by the Body Corporate not stated as a service in Schedule B
- Attendance at additional meetings or attendance at meetings in excess of the hours stated in Schedule B
- Preparation of Outside Committee Minutes
- Making applications and submissions to the Commissioner and other authorities
- Giving instructions to and attendance upon solicitors, accountants and auditors
- Attendance at hearings
- Assisting in the preparation of a Community Management Statement
- Instructing consultants and implementation of requirements under the Workplace, Health and Safety Act 1995
- Recovery of outstanding levies
- Preparing workers compensation returns and assisting in the preparation of taxation returns
- The keeping of any wage, income tax or other record in respect of any employee or contractor of the Body Corporate
- Assisting in the preparation of sinking fund analysis reports and workplace health & safety reports
- Processing of Insurance Claims
- Assisting in the preparation of additional information required by auditors
- Attending to arrangements for the maintenance, repair or replacement of the common property or body corporate assets
- Liaising with independent contractors in relation to utility services

SCHEDULE D – HOURLY RATES FOR ADDITIONAL SERVICES

Accountant	\$154.00 per hour
Body Corporate Manager	\$154.00 per hour
BCS Consulting Fee	\$187.00 per hour
Other Staff Services	\$82.50 per hour

SCHEDULE E – ASSOCIATED CHARGES

Telephone

Local \$0.55 per call
STD, Overseas, Mobile at actual cost

Facsimile

Outgoing & Incoming \$4.40 per fax

Email

\$4.40 per lot per annum

Photocopying

Collating and stapling \$0.40 per page

Additional Services

Archiving Fee \$4.40 per lot per annum

Archive Box \$5.50 each

Archive Retrieval at cost

Cheque Summary Notice \$3.30 per notice

Cheques & Remittance advices \$5.50

Colour paper \$0.55

Common Seal \$38.50

Courier Actual courier cost

Envelopes (each)

- Ballot \$1.10

- A4 \$1.10

- A4 Reply Paid \$2.20

- Small \$0.39

- Small Reply Paid \$0.55

Dishonoured Cheque \$27.50 per cheque

Labels \$2.75 per page

Letterhead \$0.55 per page

Levy Notice \$3.85

Levy Reminder Notice \$6.05

Minute Book \$44.00

Nominations Fee \$5.50 per notice

Outside Committee Minute from \$82.50 per minute

Payment by bank direct \$3.85

Postage at cost

Workers Compensation

Return Fee \$66.00 per return per annum

Utility Billing & Processing \$10.45 per invoice

Wages Preparation \$275.00 (per employee)

Workplace Health & Safety

Return (Plant & Equipment) \$55.00 per return

Tax Returns & Application Fees

Tax File Number

Application Fee \$99.00 per application

Tax Return

01 - 15 lots \$242.00 per tax return

16 - 30 lots \$275.00 per tax return

31 - 50 lots \$412.50 per tax return

51 - 100 lots \$467.50 per tax return

101 - over \$522.50 per tax return

GST Compliance

GST Registration \$66.00 per application

BAS Returns \$9.90 per lot per annum

- Plus per plan fee \$506.00 per plan per annum

IAS Return (Instalment

Activity Statement) \$27.50 per return

Audit Fees

Independent Auditor Actual cost as quoted

BCS Audit Preparation Fees \$11.00 per lot

Travelling Expenses

For the Manager to attend on site meetings charged at A.T.O. rate.

Lodgement of Documents (Titles Office)

By-Law/Community

Management Statement \$82.50

Change of Address \$63.80

Building Management

Work Order generated \$16.50

If the retail cost of any of the charges listed in this Schedule increase (i.e. postage), the Manager may pass the additional cost onto the Body Corporate.

SCHEDULE F – DISCLOSURE

Item 1: [clause 7(b)]

Nil, at the date of this Engagement.

Item 2: [clause 7(c)]

Nil, at the date of this Engagement

Item 3: [clause 7(d)]

Name of company/person	Amount/percentage of rebate, discount or commission	Other information relating to the disclosure
Corporate Home Unit Underwriters	Up to 20% of base premium	Also shown on plans AGM Agenda
Body Corporate Brokers	Up to 20% of base premium	Also shown on plans AGM Agenda
AON Insurance Brokers	Up to 20% of net brokerage fee charged	Also shown on plans AGM Agenda
Strata Unit Underwriters (SUU)	Up to 20 of net brokerage fee charged	Also shown on plans AGM Agenda

SCHEDULE G – UTILITIES MANAGEMENT

Provide services for on-supply arrangements as follows:-

- Obtain historical electricity consumption data for the site and prepare a profile on each site including consumption and peak load patterns over the previous 12 month period.
- Negotiate and obtain competitive retail offers from approved electricity retailers.
- Negotiate a metering contract price for meter provisioning.
- Investigate the options available to purchase or lease the existing sub meters and if required provide pricing for the replacement of meters.
- Arrange and manage the necessary electrical work to provide bulk electricity to the site.
- Prepare a proposal for each body corporate and recommend the most cost effective solution.
- Arrange on-supply agreements and obtain authority from lot owners.
- Prepare and provide appropriate by-laws for the on-supply of electricity.
- Prepare and provide motions for transfer of electricity retailer and the administration component for the on-supply of electricity.
- Monitor the average forward wholesale electricity prices to determine soft spots in the pricing cycle for future retail agreements.
- Obtain necessary Retail Consent Forms and Agreements from retailers and arrange execution.
- Manage and supervise the transfer of retailers.
- Monitor and review energy price increases and provide an analysis detailing the total cost together with a recommendation for adjusting tariffs.

Provide administration services for on-supply of electricity by body corporate to lot owners as follows:

- Provide meter reading services for individual lots on a quarterly basis or as agreed.
- Prepare and distribute detailed accounts for electricity consumed including ambulance levy and rebates, if applicable.
- Collect monies due for the payment of accounts.
- Follow up collection of payments as agreed on all debtors. Body Corporate Services will charge owners/tenants an additional fee for reminder and any follow up letters required for overdue electricity accounts which will be added to the electricity amount owing.
- Prepare and submit returns for ambulance levy and pensioner rebates, if applicable.
- Prepare and provide an account summary and reconciliation reports.

Fees payable

Service fee – quarterly	\$18.70 per lot per quarter
Service fee – monthly	\$17.60 per lot per month
Final meter read	\$18.70 per lot
Non-cycle meter read	\$18.70 per lot
Disconnection notice	\$58.85 per lot
Disconnection fee	\$33.00 per meter
Re-connection fee	\$33.00 per meter
Meter check/audit	\$Actual cost as quoted
BCS consulting fee	\$As per additional services
Other utility billing	\$As agreed
Payment terms	Monthly in arrears

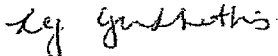
THE COMMON SEAL of The Body Corporate for)
ALEXANDER APARTMENTS Community Titles Scheme)
10782 was affixed pursuant to a resolution of the Body)
Corporate in the presence of two members who certify)
that they are the proper officers of the body corporate)
to affix that seal)

In the absence of an ordinary resolution as to how the seal of the Body Corporate may be affixed, the seal must be affixed by 2 committee members, 1 of whom must be the chairperson or secretary.

For and behalf of Body Corporate Services Pty Ltd ABN 82 010 120 144



Signed: Glen Evans
(Authorised Signatory)



Signed: Leigh Griffiths
(Witness)

Signature	_____
Name	_____
Designation	_____
Signature	_____
Name	_____
Designation	_____