



# STRATA MANAGEMENT AGREEMENT

FOR USE BY MEMBERS OF THE STRATA TITLES INSTITUTE OF WESTERN AUSTRALIA (INC.) ONLY

<b>Date of Agreement</b>		<u>11/11/11</u>
<b>Strata Company</b>		
Name	The Owners of 147-159 Charles Street, West Perth	
Strata Plan No.	5629	
ABN (If Known)	23 678 875 633	
Address	147-159 Charles Street, West Perth	
<b>Strata Manager</b>		
Name	Bureau Pty Ltd atf the KO Unit Trust T/A Exclusive Strata Management	STIWA Membership No. 430
ABN	20 422 677 948	Phone (08) 9362 1166
Business Name	Exclusive Strata Management	Fax (08) 9362 1133
Postal Address	PO Box 779, Victoria Park, WA, 6979	Email laura@exclusivestrata.com.au
<b>Particulars</b>		
Item 1	Term	2 Years
Item 2	Commencement Date	1 <sup>st</sup> November 2011
	Expiry Date	1 <sup>st</sup> November 2013
Item 3	First Review Date	1 <sup>st</sup> November 2012
	Second Review Date	1 <sup>st</sup> November 2013
Item 4	Percentage Increase	5 %
Item 5	Agreed Services Fee	\$9,878.00 per annum, including GST
Item 6	Fee Payment Method	paid Monthly in Advance
Item 7	Strata Company Representative	
Item 8	Manner and frequency of financial reporting	Monthly - No Charge.
<b>Notice: The fees and charges referred to in this agreement are not fixed by law and are to be agreed between the Strata Company and the Strata Manager</b>		

# AGREEMENT

---

## 1. Appointment of and delegation to Strata Manager

### 1.1. The Strata Company:

- (a) appoints the Strata Manager as the strata manager for the Strata Company;
- (b) subject to clause 1.4, delegates the Agreed Services to the Strata Manager;
- (c) requests that the Strata Manager perform the Agreed Services; and

the Strata Manager accepts that appointment and delegation and agrees to undertake the Agreed Services for the Term and any Successive Term for the Agreed Services Fee, unless and until terminated in accordance with clause 5.

### 1.2. At any time during the Term or any Successive Term, the Strata Company may request that the Strata Manager accept a delegation of and perform any or all of the Additional Services for the Additional Services Fees.

### 1.3. The Strata Manager, at its absolute discretion, may elect not to accept a delegation of the requested Additional Services.

### 1.4. The parties acknowledge that the delegations to the Strata Manager in clauses 1.1(b) and clause 1.2 do not:

- (a) constitute a delegation by the Strata Company of its power to make:
  - (i) a delegation under the Act or the By-laws; or
  - (ii) a decision on a matter required by the Act or the By-laws to be decided by the Strata Company or the Council; or
  - (iii) a determination relating to the levying or payment of contributions on proprietors;

or

- (b) prevent the Strata Company or the Council from exercising all or any of the Agreed Services or Additional Services.

## 2. Fees and charges

### 2.1. The Strata Company shall pay the Strata Manager:

- (a) the Agreed Services Fee;
- (b) the Additional Services Fees for any Additional Services performed by the Strata Manager; and
- (c) the Charges associated with the performance of the Agreed Services and any Additional Services; and

in accordance with the Fee Payment Method.

### 2.2. The Strata Manager must account to the Strata Company for money received and payments made by the Strata Manager on behalf of the Strata Company in the manner and at the frequency set out in Item 8.

### 2.3. The Strata Company acknowledges that the Strata Manager may be offered rebates, discounts and commissions in the course of providing the Agreed Services and the Additional Services.

### 2.4. The Strata Manager may retain rebates, discounts and commissions paid to it by providers of goods and services to the Strata Company described in Schedule E or as later consented to in writing (which consent shall not be unreasonably withheld) by the Strata Company, provided the full nature and extent of the rebates, discounts and commissions are disclosed.



### **3. Review of fees and charges**

- 3.1. The Agreed Services Fee, Additional Services Fees and Charges will be increased on each of the Review Dates by an amount agreed in writing between the parties, not being less than the amounts payable at each Review Date.
- 3.2. If the parties cannot agree on this before each of the Review Dates, the Agreed Services Fee, Additional Services Fees and Charges payable on and from the relevant Review Date will be increased by the Percentage Increase.

### **4. Insurance**

The Strata Company acknowledges that:

- (a) the Strata Manager is only qualified to give general information and advice about insurance to the Strata Company;
- (b) the Strata Manager is not qualified to give personal advice about insurance to the Strata Company;
- (c) if the Strata Company requires specialist insurance advice, the Strata Manager can refer the Strata Company to an insurance advisor;
- (d) if the Strata Manager recommends that the insurance for the Strata Company should be placed with an insurer, that recommendation is general advice only, not personal advice; and
- (e) all proprietors should read the relevant product disclosure statement before deciding to buy any insurance.

### **5. Termination of this Agreement**

- 5.1. This Agreement may be terminated without penalty at any time by mutual consent.
- 5.2. This Agreement will terminate on the Expiry Date if a party gives to the other party not less than 2 months written notice of termination before the Expiry Date.
- 5.3. If this Agreement does not terminate on the Expiry Date or is not otherwise terminated during the Term, this Agreement will automatically continue for Successive Terms unless and until terminated:
  - (a) without penalty, by the Strata Company giving to the Strata Manager or the Strata Manager giving to the Strata Company at least 2 months written notice of that termination at any time during the Successive Term;
  - (b) under clause 5.1; or
  - (c) under clause 5.4.
- 5.4. Despite clauses 5.1, 5.2 and 5.3, this Agreement may be terminated without notice:
  - (a) by the Strata Company:
    - (i) if the Strata Manager is in breach of this Agreement, the Act or any other statute and fails to remedy that breach (if capable of remedy) within 14 days after the Strata Company serves a written notice on the Strata Manager providing particulars of the breach; or
    - (ii) if the Strata Manager commits an act of bankruptcy or is placed under external administration;
  - and
  - (b) by the Strata Manager if:
    - (i) the Strata Company fails to pay any money owing to the Strata Manager under this Agreement within 14 days after the Strata

Manager serves a written notice on the Strata Company providing details of the unpaid amount; or

- (ii) the Strata Company acts or fails to so act as to prevent the Strata Manager from properly and lawfully carrying out its obligations under this Agreement.

5.5. If this Agreement is terminated, the Strata Manager must make available at the Strata Manager's office for collection by the Strata Company all records and other property of the Strata Company in its possession, within 7 days after the Strata Company pays all money owing to the Strata Manager.

## **6. Liability of Strata Manager and Indemnity by Strata Company**

6.1. The Strata Company acknowledges that:

- (a) the Act confers responsibility on the Strata Company for the management, control, maintenance, repair, renewal and replacement of Common Property; and
- (b) if, as part of the Agreed Services or Additional Services, the Strata Manager is required to carry out a function of the Strata Company relating to the management, control, maintenance, repair, renewal or replacement of Common Property:
  - (i) the responsibility of the Strata Manager is limited to those specifically identified services the Strata Company requests the Strata Manager to carry out in respect of that specific property; and
  - (ii) the Strata Manager has no liability for any Loss from any inherent defect or danger in Common Property or any disrepair, defect or danger in Common Property that is not the subject of a request under clause 6.1(b)(i).

6.2. The Strata Manager is not liable to the Strata Company if the Strata Manager fails to do any act it is obliged to do under this Agreement if the Strata Company fails to make the appropriate decision in relation to such act or to make sufficient money available to the Strata Manager to enable the Strata Manager to carry out its obligations.

6.3. The Strata Company indemnifies the Strata Manager against all Loss relating to or arising from the performance by the Strata Manager of its obligations, unless the Loss is caused by the Strata Manager's negligence or default under this Agreement.

6.4. This clause does not exclude or limit the application of any statute where to do so would contravene that statute or cause any part of this Agreement to be void.

## **7. Strata Company Representative**

7.1. The Strata Company warrants and acknowledges that:

- (a) the Strata Company Representative is validly nominated by the Strata Company to communicate with the Strata Manager on behalf of the Strata Company;
- (b) the Strata Manager may accept and act on instructions communicated to the Strata Manager by the Strata Company Representative; and
- (c) any communication by the Strata Manager to the Strata Company Representative is deemed to be a communication to the Strata Company.

7.2. The Strata Company Representative must be a member of the Council, or in the case of a corporate member of Council, the person nominated by that member of the Council to act for it.



- 7.3. The Strata Company may nominate a new Strata Company Representative at any time by written notice to the Strata Manager.
- 7.4. The appointment of the Strata Company Representative does not preclude the Strata Company from otherwise providing instructions to and communicating with the Strata Manager. If there is any discrepancy between instructions provided to the Strata Manager by the Strata Company and those provided by the Strata Company Representative, the instructions provided by the Strata Company shall prevail.

## **8. Assignment of this Agreement**

- 8.1. The Strata Manager may assign this Agreement with the consent of the Strata Company. That consent shall not be unreasonably withheld if the Strata Manager satisfies the Strata Company that the proposed assignee has sufficient qualifications, competence and experience to perform the Agreed Services and Additional Services.
- 8.2. The Strata Company must advise the Strata Manager of its decision whether to approve a proposed assignment within 28 days of receiving the information reasonably necessary to make that decision.
- 8.3. The Strata Company must not require or receive a fee or other consideration for approving the assignment (other than reimbursement for reasonable legal or accounting expenses incurred by the Strata Company in considering the proposed assignment).

## **9. Service of Notices**

Any notice to be served under this Agreement must be served in writing by post, fax, e-mail or personally using the contact details provided on the front page of this Agreement or other contact details subsequently notified in writing by a party to the other party.

## **10. GST**

- 10.1. Words or expressions used in this Agreement that are defined in the *GST Act* have the same meaning in this Agreement.
- 10.2. The parties acknowledge that:
  - (a) the Agreed Services Fee, Additional Services Fees and Charges include GST and are based on a GST rate of 10%; and
  - (b) if the rate of GST increases or decreases, the Agreed Services Fee, Additional Services Fees and Charges will simultaneously increase or decrease so that the Strata Manager receives the same GST-exclusive payment as it received before the change in the rate of GST.

## **11. Governing Law**

This Agreement is governed by the law of Western Australia.

## **12. Interpretation**

In this Agreement, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a reference to :
  - (i) a thing includes the whole or each part of it;
  - (ii) a document or agreement includes any variation or replacement of it;
  - (iii) a statute 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 persons taking by novation) and assigns;

### 13. Definitions

The following words have these meanings in this Agreement:

Act	<i>Strata Titles Act 1985 (WA)</i>
Additional Services	the services set out in Schedule B
Additional Services Fees	the fees for the supply of the Additional Services calculated according to the rates set out in Schedule C, as may be varied
Agreed Services	the services set out in Schedule A
Agreed Services Fee	the fee set out in Item 5 for the supply of the Agreed Services, as may be varied
Agreement	this agreement including the Particulars and Schedules
By-laws	the by-laws of the Strata Company
Charges	the costs and fees set out in Schedule D, as may be varied
Commencement Date	the earlier date set out in Item 2
Common Property	the property for which the Strata Company is responsible under the Act
Council	the council of the Strata Company
Expiry Date	the later date set out in Item 2
Fee Payment Method	the method set out in Item 6 for paying the Agreed Services Fee, Additional Services Fees and the Charges
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999 (Cth)</i>
Item	an item in the Particulars
Loss	actions, claims, demands, costs, damages, expenses and liabilities (including legal costs on a solicitor/own client basis)
Percentage Increase	the percentage rate set out in Item 4
Review Dates	the dates set out in Item 3
STIWA	the Strata Titles Institute of Western Australia (Inc.)
Strata Company	the strata company described on the front page of this Agreement, including the Council and employees, agents (other than the Strata Manager) and contractors of the Strata Company
Strata Company Representative	the natural person named in Item 7
Strata Manager	the strata manager described on the front page of this Agreement, including any employees and contractors
Successive Term	a period of the same length as the Term, starting on the day after the Expiry Date or the preceding Successive Term, as the case may be
Term	the period set out in Item 1 commencing on the Commencement Date and expiring on the Expiry Date

# Exclusive Strata Management

## Strata Management Agreement Schedules

15/443 Albany Highway Victoria Park WA 6100  
P.O. Box 779 Victoria Park WA 6979  
Tel 08 9362 1166 Fax 08 9362 1133  
[info@exclusivestrata.com.au](mailto:info@exclusivestrata.com.au)

Bureau Pty Ltd (ABN 20 422 677 948)  
ATF The KO Unit Trust T/A Exclusive Strata Management



# Schedule A

## Agreed Services Schedule

---

### Financial Management Services

1. Establish and maintain a separate bank account in the name of the Strata Company
2. Issue notices of levies payable
3. Record monies received and promptly deposit to the credit of the Strata Company
4. Refer accounts payable to the Treasurer in accordance with agreed procedures
5. Pay approved creditor accounts, including the managers fees, as authorised
6. Manage cash flow and budget restrictions
7. Maintain proper books of account and prepare an annual statement of accounts for the Administrative and any Reserve Fund of the Strata Company
8. Prepare draft Administrative Fund budget and any Reserve Fund provisions for Council consideration
9. Provide advice to the Council on cash flow, working capital and funding options
10. Provide interim financial statements to Treasurer at agreed intervals
11. Make proposals for investment of any surplus funds
12. Cooperate with any appointed auditor

### Secretarial and Administrative Management Services

1. Promptly deal directly with, or refer to the Council as instructed, all correspondence, enquiries, complaints and requests for information from proprietors, Councillors, occupiers and others who may have dealings with the Strata Company
2. Attend to routine correspondence and post
3. Maintain correspondence files
4. Maintain all current records of the Strata Company
5. Maintain minute book and record of notices and resolutions
6. Keep the common seal in safe custody
7. Keep keys and security access devices in safe custody
8. \* Prepare and issue certificates and provide copies of documents pursuant to section 43 of the Act

### Routine Strata Company Management Services

1. Arrange routine day-to-day maintenance, repair and replacement of common property
2. Provide access to contractors and suppliers who are Trades Monitor compliant
3. Process insurance claims in respect of common property damage (max. 15 minutes per claim)
4. Prepare and distribute notices of Annual General Meetings
5. Attend Annual General Meeting during office hours at ESM office (max one hour)
6. Act as Chairman of General Meetings when authorized to do so
7. Prepare and distribute minutes of Annual General Meetings to proprietors.
8. Prepare and distribute notices of Council Meetings
9. Attend council budget planning meeting during office hours at ESM office (max one hour)
10. Distribute minutes of Council Meetings to all Councillors
11. Arrange insurance valuations as authorised

### Advice and Assistance to the Council

1. Preparation and implementation of policies and procedures in respect to compliance with by-laws, management and control of common property
2. Facilitation of planned and routine maintenance and repair of common property
3. Financial planning and funding
4. Preparation of budgets and provisions
5. Insurance requirement and options
6. Debt recovery procedures
7. General management advice on by-law changes, dispute resolution, and compliance with the Act
8. Referral to experienced lawyers, consultants, valuers, surveyors, and other professional expertise as needed



## Schedule B

### Additional Services Schedule

These services are in addition to the Agreed Services described in that schedule and attract an additional fee as shown. Additional Services will only be provided on the instructions of the Strata Company representative or authority of the Council. In exceptional or emergency circumstances the Strata Company manager is authorised to use discretion in the provision of event appropriate services. All fees are shown exclusive of GST.

<b>Financial Management Services</b>		<b>Fee</b>
1.	Prepare application for ABN, GST registration and Tax File Number	Hourly rate A
2.	Review arrears lists, liaise with Treasurer and implement agreed collection procedures for overdue amounts	Hourly rate B
3.	Issue levy statement or second invoice	\$20 each
4.	Demand letter sent to proprietors in arrears	\$20 each
5.	Instructions given to debt collections/solicitors	\$80 each
6.	Maintain Strata Company employee payroll and other required records	Hourly rate A
7.	Arrange and prepare records for auditor and attend to audit process	Hourly rate A
8.	Arrange for the preparation of income tax returns	Hourly rate B
9.	Provide additional or interim financial reports as requested	Hourly rate B
10.	Establish investment accounts for surplus funds as requested by the Treasurer	Hourly rate B
11.	Prepare and issue sub-metered utility charge invoices	\$5 each

<b>Secretarial and Administrative Management Services</b>		
1.	Prepare non-routine correspondence and post	Hourly rate B
2.	Prepare documents and records for use by solicitors, advisors or others as required	Hourly rate B
3.	Telephone attendance for consultants/legal advisors	Hourly rate B
4.	Telephone attendance for tenants/occupiers/letting and selling agents	Hourly rate B
5.	* Provide appropriate copies of Strata Company records	As per Act
6.	Manage proprietor communications resulting from extraordinary events such as fire, storm, violent behaviour etc.	Hourly rate B
7.	Issue new and replacement keys and security access devices	\$30 each
8.	Archive box retrieval and return	Hourly rate A

<b>Other Strata Company Management Services</b>		
1.	Arrange building condition inspections and reports	Hourly rate B
2.	Lodge lot proprietors' completed insurance claims	Hourly rate A
3.	Attend to insurance claims after first 15 minutes	Hourly rate A
4.	Supervise records inspections under section 43(i)(b) of the Act	Hourly rate A
5.	Attendance at property to provide access for contractors or service, providers including travel time	Hourly rate B
6.	Attendance at property for after hours emergencies including travel time	Hourly rate C
7.	Attendance at property during office hours as authorised including travel time	Hourly rate B
8.	Arrange for specialist specifications/quotations for non-routine works	Hourly rate B
9.	Prepare and distribute notices of Extraordinary General Meetings	\$200
10.	Attend meetings during office hours at ESM office	Hourly rate B
11.	Attend meetings during office hours at other venue including travel time	Hourly rate B
12.	Attend meetings outside office hours at ESM office	Hourly rate C
13.	Attend meetings outside office hours at other venue including travel time	Hourly rate C
14.	Attend meetings on weekends or public holidays	Hourly rate D
15.	Issue notices of adjourned General meetings	Hourly rate B
16.	Preparation for adjourned meetings	\$150
17.	Prepare and distribute minutes of Extraordinary General Meetings	Hourly rate B
18.	Prepare and distribute minutes of Council meetings	Hourly rate B
19.	Attend to non-routine maintenance, repair and replacement of common property- eg. special projects, major works, upgrades, refurbishments, etc.	Hourly rate B
20.	Prepare and issue notices of by-law infringements	\$20 each

<b>Advice and Assistance to the Council</b>		
1.	Arrange drafting, settlement and registration of by-law changes	Hourly rate B
2.	Attend at Tribunal and Court hearings as authorised, including travel time	Hourly rate B
3.	Other additional services not specified	By agreement

---

---

## Schedule C

### Fee Schedule for Additional Services

Hourly Rates (exclusive of GST)

Hourly rate A - \$60.00 per hour  
Hourly rate B - \$100.00 per hour  
Hourly rate C - \$150.00 per hour  
Hourly rate D - \$200.00 per hour

Office hours are Monday to Friday 9.00 a.m. to 5.00 p.m.

## Schedule D

### Schedule of sundry fees and disbursements

Items not included in "Agreed Services" are provided at the additional charge shown below (exclusive of GST).

Receipt fee	\$1.80 per receipt
Provide client payment history	\$40.00 per proprietor
Archive box storage (per box)	\$24.00 per annum
Provide minute books	\$100.00 each
Process stop payments, dishonoured cheques	\$40.00 per cheque
Photocopying, collating, stapling and enveloping	\$0.50 per copy
Provide common seal	\$40.00 per stamp
Copies of documents not otherwise specified	\$1.00 per page
Maintain key/security access device register	\$60.00 per annum
Postage & Petties	\$12.00 per lot per annum
Additional Postage : Standard DL envelope	\$1.00
A5, B4 or C4 envelope	\$3.00



---

---

## Schedule E

### DISCLOSURE SCHEDULE

Exclusive Strata Management are Authorised Representative No: 269635 of CHU Underwriting Agencies and an agent of the insurers, QBE Insurance (Australia) Limited and QBE Workers Compensation (NSW) Limited. CHU Underwriting Agencies Pty Ltd is a specialist strata and community title insurance intermediary and holds an Australian Financial Service License (AFS License No: 243261) with the authority to advise, deal and issue general insurance products.

We act as Agent of CHU for arranging the insurance and receive a commission. This commission does not affect the premium you pay to the CHU Underwriting Agencies.