

1 Supply of services

1.1 Nature of this contract

This contract is for the supply of administration services to be performed by Tracsafe in order to establish and maintain the processes and documentation required by a new body corporate and committee. This contract is valid for body corporate entities that will be located within the boundaries of Queensland and regulated by the Body Corporate and Community Management Act.

1.2 Body corporate manager

After titling, this contract authorises Tracsafe and its employees to perform some or all of the functions of the body corporate manager as defined in the Act but not those functions as defined in accordance with Chapter 3 Part 5 of the Standards Module or Chapter 3 Part 5 the Small Schemes Module or Chapter 3 Part 5 the Accommodation Module. (There must be a Committee!)

1.3 Contract price and payment

The price for this contract is fixed and is stated on the Tracsafe invoice. The invoice is payable in full and in advance of the delivery of the services defined in Section 4 – Inclusions. (The monies for payment of services to 3rd parties stated in section 4 is not an inclusion of the contract price)

1.4 Contract commencement

The contract commences when the invoice is issued and paid. (Developers are encouraged to engage us at inception of the project)

1.5 Contract term

The contract term finishes on the day that the first AGM is held. The term may finish sooner in accordance with the early termination clause in Section 7. (The first AGM will normally occur approximately 3 months after titling)

1.6 Hours of business

Tracsafe services are delivered during weekday business hours only.

2 Developer responsibilities

2.1 Authority to engage

The party entering into this contract with Tracsafe warrants that they are the developer or have the authority to act on behalf of the developer. (In this contract, the term 'developer' has the same meaning as the term 'original owner' as used by the Act)

2.2 Information and actions

The developer must respond in a reasonable timeframe to requests for information by Tracsafe. The developer must unilaterally advise Tracsafe of any relevant change to the body corporate or the proposed body corporate in a reasonable timeframe. Developers must undertake actions, requested by Tracsafe, in a reasonable timeframe.

3 Authorised powers

Tracsafe is authorised to exercise the following powers of the executive members of the committee - to administer the funds of the body corporate in accordance with the BCCM Act; to exercise the administrative tasks of the secretary as required by the BCCM Act; to sign and seal notices and certificates and meeting minutes on behalf of the body corporate; to issue work orders in the name of the body corporate.

4 Inclusions

4.1 Review

Tracsafe will review the draft building plans, draft community management statement, draft by-laws, draft exclusive use areas and draft survey plan as prepared by the developer's designer, surveyor and solicitor. Tracsafe will advise on the adequacy of the information based on Tracsafe's experience as a competent body corporate manager.

4.2 Valuation and sinking fund forecast

Prior to practical completion, Tracsafe will recommend a quantity surveyor who can make an independent building valuation for full replacement value (requirement of the Act). The quantity surveyor can also be tasked to prepare a ten year sinking fund forecast (requirement of the Act) if the developer chooses not to personally complete the task. (The payment of the contractor is not an inclusion)

4.3 Insurance

Tracsafe will request insurance quotations from Direct Insurance Brokers Pty Ltd that are in accordance with the requirement of the Act. Generally, the insurance policy will need to commence from the date of practical completion based on the valuation that was previously prepared. The payment of the insurance premium is not an inclusion.

4.4 Draft budgets and levies

Tracsafe will propose draft budgets and levies for submission at the first AGM of the body corporate and for use by the developer when selling lots off the plan.

4.5 Section 213 and 206 certificates

Tracsafe will, if requested, generate Section 213 (or 206) unwarranted certificates for use by the developer. The information provided is a minimum set of information as required by the Act. The developer should carefully evaluate its accuracy, currency, completeness and relevance for their purposes. Generally this information should be forwarded to the developer's solicitor where a more comprehensive S213 (or S206) may be created incorporating the information provided by Tracsafe.

4.6 Titling and records

Upon titling of the scheme, Tracsafe will review the titling documentation and establish all the registers and rolls required by the Act. Tracsafe will arrange for the insurance policy to be extended to the anniversary of the registration of the scheme. (The payment of the extension of the insurance premium is not an inclusion) Tracsafe will request and file all necessary documentation to be handed over by the developer to the body corporate (as specified in the Act).

4.7 Body corporate seal

Tracsafe will have made and keep safe the seal of the body corporate.

4.8 Bank account

Tracsafe will maintain and operate the bank account/s of the body corporate in accordance with the BCCM Act. For administration efficiency, the base account is required to be opened through the bank nominated by Tracsafe (Macquarie Bank). If required, online view only access to this account for one committee member is an inclusion.

4.9 Utilities

Tracsafe will arrange for all relevant utility accounts to be transferred into the name of the body corporate.

4.10 Contribution notices (levies)

Tracsafe will prepare and issue all contribution instalments in accordance with the requirements of the Act. All printing, postage and stationery costs associated with the issuing of contribution instalments are an inclusion.

4.11 Receipts and payments

Tracsafe will receipt and bank all monies payable to the body corporate. Tracsafe will make timely payment for all invoices attributed to the body corporate.

4.12 Supply of information to a 3rd party

Tracsafe will generate and supply information on behalf of the body corporate as required by the BCCM Act to 3rd party individuals and organisations. Tracsafe reserves the right to invoice the 3rd party and collect monies in its own name for the supply of the information.

4.13 First AGM

Tracsafe will prepare, convene and minute the first Annual General Meeting of the body corporate in accordance with the Act. All printing, postage and stationery costs associated with the meeting are an inclusion of the contract. The general meeting will be held at a mutually agreed time and may be outside the normal hours of business of Tracsafe. Local venue hire is not an inclusion of the contract (should local venue hire be required).

4.14 By-law contravention notices

Tracsafe will issue contravention notices by email and regular post that have been authorised by the committee and for which input regarding the contravention has been fully and completely provided by the committee.

4.15 ABN, TFN and GST

The body corporate may be registered for an Australian Business Number (ABN), Tax File Number (TFN) or Goods and Services Tax (GST) if the scheme warrants registration. In smaller schemes, there is no expectation that such registration will be required in the initial years of the body corporate.

5 Exclusions

5.1 Property other than common property

Tracsafe will not arrange the maintenance or repair of lots on behalf of tenants or owners where the action is not related to body corporate common property.

5.2 Insurance advice

Tracsafe is not an 'authorised representative' of an Australian financial services licensee. As a consequence of the Financial Services Reform Act, Tracsafe cannot provide insurance advice to the committee or lot owners. We rely on an insurance broker to provide this information and advice to the committee and lot owners.

5.3 Taxation

Preparation of GST returns, Tax Returns, and BAS statements do not form part of this contract. If required, preparation by a 3rd party can be arranged.

5.4 Local venue hire

Where a general or committee meeting is held at a local venue other than on scheme land or other than on Tracsafe premises, then any venue hire cost is a direct expense payable by the body corporate.

5.5 Creation of contribution and lot entitlements schedule

Tracsafe is not responsible for the creation of the contribution and lot entitlements schedule. This is the responsibility of the titling solicitor. However, Tracsafe will provide input based on Tracsafe's experience as a competent body corporate manager.

6 Termination of the contract

6.1 Handover

Upon conclusion of this contract, and in cases where Tracsafe is not reappointed the body corporate manager, Tracsafe will make available for collection all records of the body corporate within five business days. The documentation provided shall be in accordance with the Act.

6.2 Termination by the body corporate or developer

Prior to titling, the developer may terminate this contract at any time. After titling, the body corporate may terminate this contract at any time in the ways specified by the Act. There is no refund.

7 Code of conduct

7.1 Commissions

Tracsafe may receive a relevant commission from insurance organisations. Where a commission is received, it shall be fully disclosed to the body corporate. Tracsafe does not and will not receive commissions or benefits from any other 3rd party organisations for any service delivered by the 3rd party for the benefit of the body corporate.

7.2 Compliance, disclosure and responsibility

Tracsafe shall comply with the BCCM Act and the associated regulation module at all times. Tracsafe will disclose all conflicts of interest and any non-arms-length relationships with 3rd party organisations. Tracsafe maintains professional indemnity insurance of \$2,000,000 and public liability cover of \$5,000,000. Tracsafe is a corporate member of Strata Community Association (SCA) and complies with their code of practice.

8 Indemnity

The body corporate indemnifies and keeps indemnified Tracsafe against any damages, losses, liabilities, costs, expenses or claims incurred by Tracsafe (including Tracsafe being made a party to any litigation commenced by or against the body corporate) arising from or in connection with any act or omission of the body corporate that did not result from Tracsafe acting incompetently or negligently.