

1 Duplex (Two Lot) Remote Administration Contract Terms

This document is the terms and conditions of Tracsafe's Duplex (Two Lot) Remote Administration service.

2 Preliminary

2.1 Definitions and Interpretations

In this document unless inconsistent with the context:

The word "Tracsafe" means "Tracsafe Pty. Ltd".

The word "Act" means the Queensland Body Corporate and Community Management Act.

The word "Two Lot Module" means the Queensland Body Corporate and Community Management (Two Lot Schemes Module).

The word "Body Corporate" has the meaning defined in the Act.

The word "Body Corporate" is a reference to the entity entering into this contract with Tracsafe.

The word "Record Keeper" has the meaning defined in the Two Lot Module.

The word "Lot Owner" has the meaning defined in the Two Lot Module.

The word "Body Corporate Manager" has the meaning defined in the Two Lot Module.

The word "web portal" means a private and secure service that can be accessed through the internet using a standard web browser.

2.2 Address for Service

Until notified otherwise, Tracsafe's address for service is PO BOX 135, ASHGROVE QLD 4065.

3 Supply of Services

3.1 Nature of this contract

This contract is for the supply of remote administration services to be performed by Tracsafe in support of the Body Corporate discharging their responsibilities under the Act. This contract is valid for Body Corporate entities located within the boundaries of Queensland and who are governed by the Two Lot Module legislation as duly recorded on their Community Management Statement.

3.2 Extent of service agreement

This contract authorises Tracsafe and its employees to act as the Record Keeper for the Body Corporate. This contract also authorises Tracsafe to act as the 'Body Corporate Manager' (only a limited set of duties will be undertaken). This contract is intended to support Lot owners who require a cost effective and efficient system for administering their Body Corporate affairs but who do not want the personal burden of records management and financial bookkeeping tasks. All of these tasks will be preformed remotely.

3.3 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 6 – Inclusions.

3.4 Contract Commencement

The first contract commences when – Tracsafe (or one of their employees) is authorised by the Body Corporate as a Bank Account signatory. Subsequent contracts commence when - an existing Duplex Remote Administration contract expires provided that the lot owners have agreed to renew their Body Corporate service with Tracsafe. The applicable contract terms are the standard 'Duplex (Two Lot) Remote Administration contract terms' sent for consideration to lot owners at renewal time.

3.5 Contract Term

The contract term is one year.

3.6 Hours of Business

Tracsafe services are delivered during weekday business hours only.

4 Body Corporate Responsibilities

4.1 Authority to Engage

The Body Corporate warrant that a Lot Owner agreement has been completed so as to authorise the Body Corporate to enter into this contract and also to appoint Tracsafe as the sole Record Keeper and Body Corporate Manager of the Body Corporate and to be custodian of the Body Corporate seal. The Body Corporate warrant that a Lot Owner agreement has been completed so as to authorise the Body Corporate Manager to apply the seal and sign on behalf of the Body Corporate on all relevant Body Corporate and Community Management (BCCM) forms.

4.2 Tracsafe Web Portal

Lot Owners must use the Tracsafe Web portal when proposing or accepting new lot owner agreements. Sections 9 through 14 of the terms of use of the Tracsafe web portal are applicable and can be downloaded from the website.

4.3 Indemnity

The Body Corporate will hold and keep indemnified Tracsafe against all actions, suits, proceedings, claims, demands, costs and expenses whatsoever which may be taken or made against Tracsafe in the course of or arising out of the proper performance or exercise of any of the powers, duties or authorities of Tracsafe.

5 Authorised Powers

5.1 Authorised Powers

This contract authorises Tracsafe from contract commencement until the termination of the contract - to administer the funds of the Body Corporate in accordance with the requirements of the Lot Owner's agreement and the Act; and to execute the administrative duties set out in the Inclusions of this contract.

6 Inclusions

6.1 Setup

Tracsafe will configure the Tracsafe web portal ready for first time use by the Lot Owners subject to the Body Corporate providing the roll of lots and entitlements; the existing registers; the current Agreed Expense Items; the most recent bank statement and all financial transactions since that statement; any contribution installments that are outstanding; the current Community Management Statement; a completed authority to manage the Body Corporate bank account; and all historical records as required to be kept by the Act.

6.2 Bank Account

Tracsafe will maintain and operate the bank account/s of the Body Corporate in accordance with the Act. For administration efficiency, the account is required to be opened through the Bank nominated by Tracsafe.

6.3 Contribution Installments

Tracsafe will prepare and issue all contribution installments in accordance with the Lot owner's agreement. Installment notices will be issued by email, by Australia Post, or by both mechanisms depending upon the selection of lot owners. The disbursement costs are an inclusion to the fixed fee component of this service. It is expected that there are typically no more than 4 installment mail-outs per year.

6.4 Receipts

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. Contribution installments may only be accepted by cheque or Electronic Funds Transfer (EFT). It is expected that all payments will be made by Electronic Funds Transfer.

6.5 Agreed Expense Items

Tracsafe will make timely payment for all invoices attributed to the Body Corporate that are 'Agreed Expense Items'. Tracsafe will not be responsible for the consequences of non-payment of invoices which are not an 'Agreed Expense Item'. Tracsafe will advise all Lot Owners as soon as an invoice is received that is not an 'Agreed Expense Item'. It is expected that most payments will be made by Electronic Funds Transfer.

6.6 Financial Accounts

At the end of each year of engagement, Tracsafe will prepare a statement of accounts and recommend timing and amounts of contribution installments to be raised in the following year.

6.7 Insurance

Tracsafe will arrange a quotation for Insurance that is in accordance with the requirement of the Act. Tracsafe will submit and process insurance claims on behalf of the Body Corporate. After every valuation, Tracsafe will arrange two independent insurance quotations when the next insurance renewal falls due.

6.8 Valuation

Subject to lot owner approval, an independent building valuation shall be arranged at least every five years (as required by the Act) for full replacement value.

6.9 Records

Tracsafe will maintain all Body Corporate records in accordance with the Act.

6.10 Supply of Information to a 3rd party

Tracsafe will generate and supply information (BCCM Form 12 and Form 13) on behalf of the Body Corporate as required by the Act to 3rd party individuals and organizations. Tracsafe reserves the right to invoice the 3rd party and collect monies in its own name for the supply of the information.

6.11 Supply of Information to a Lot owner

Upon Lot owner request, Tracsafe will forward an electronic copy of a specified Body Corporate document.

6.12 Advice

Tracsafe will provide a maximum of one hour per term of engagement of relevant advice regarding Body Corporate matters.

6.13 Communications

Tracsafe employees will only respond to communications from Body Corporate stakeholders in the following instances –

- ❖ From Lot Owners if and only if the communication is related to the clauses listed in the Inclusions.
- ❖ From creditors if and only if the communication is related to an outstanding payment.
- ❖ From contractors if and only if the communication is related to the service being provided.

Tracsafe will primarily initiate communications with a Body Corporate stakeholder using email. Other than Overseas fixed phone or mobile destinations, the cost of all communications initiated by Tracsafe is an inclusion of the contract.

7 Exclusions

7.1 Meetings and Meeting Minutes

Tracsafe employees will not create collateral, record minutes, attend meetings or distribute collateral for any Lot Owner meetings.

7.2 Taxation and Audit

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. None of these documents are anticipated as being required.

7.3 Property including Common Property

Tracsafe will not arrange the maintenance or repair of any common property. Tracsafe will not arrange the maintenance or repair of lots on behalf of tenants or owners.

7.4 Lot Owner Agreements

Tracsafe is not responsible for defining Lot Owner Agreements including but not limited to Agreed Expense Items, contribution amounts, frequency and timing of contributions.

7.5 Communications

Tracsafe employees will not initiate communications to any overseas Body Corporate stakeholder via fixed phone or mobile technology.

7.6 Mailbox

Tracsafe is not responsible for maintaining the Body Corporate mailbox. Lot Owners should forward relevant Body Corporate documentation to the Tracsafe service address. Tracsafe will assist in advising contractors and lot owners to use the correct service address for invoices and receipts but ultimately this is a Lot Owners joint responsibility.

7.7 Delivery of Records

Tracsafe is not responsible for organizing the delivery of all pre-existing Body Corporate records to Tracsafe's offices.

7.8 Site Visits

Tracsafe will not make site visits and does not anticipate any requirement for site visits. In the event of such a requirement, lot owners shall forward electronic digital photographs.

8 Termination of the contract

8.1 Process of termination

Either party may terminate this agreement as per the requirements of the Act. Tracsafe will give advance notice of 1 month when Tracsafe initiates the termination. Upon termination of the contract, Tracsafe will no longer be the Record Keeper.

8.2 Handover

Tracsafe will return all records, documentation and artifacts to the new Record Keeper at a nominated Australian service address within 30 days of the termination of this contract. Tracsafe will pass over the username and password for the web portal access and permit the Lot Owners to retrieve all electronic artifacts within 30 days. After this time, portal access will be denied unless the Body Corporate has purchased a self managed subscription to the Tracsafe web portal service.

8.3 Termination Fee and Refund

No termination fee is imposed by Tracsafe for non renewal upon completion of the term of this contract. No refund is given by Tracsafe for termination of this contract by the Body Corporate prior to the specified termination date. Tracsafe will provide a pro-rata refund of the service fee where Tracsafe is the initiator of the termination.

9 Code of Conduct

9.1 Disclosure

Tracsafe will disclose all conflicts of interest and any non arms-length relationships with 3rd party organisations.

9.2 Commissions

Tracsafe may receive a relevant commission as an authorized agent of an Insurance organisation. 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.

9.3 Compliance

Tracsafe shall comply with the Act and the associated Two Lot Module at all times with respect to the clauses stated in the Inclusions section of this contract. Tracsafe is not responsible for complying, or for indicating non-compliance with respect to any issue other than the clauses stated in the Inclusions section of this contract.