

6 DELEGATION OF POWERS

Special Resolution:

That the powers and duties of the Body Corporate that may be delegated are delegated to the Committee.

PASSED Michael Barnett / Dave Harkness

The Body Corporate may also delegate the Chairpersons duties to the Committee. These are set out in Regulation 11 of the Unit Titles Regulations 2011.

Ordinary Resolution:

That the powers and duties of the Chairperson set out in Regulation 11 of the Unit Titles Regulations 2011 are delegated to the Committee.

PASSED Michael Barnett / Dave Harkness

7 COMMITTEE REPORTING / DUTIES

Ordinary Resolution:

The minutes of this meeting will suffice as notice of the delegation to the committee members and is evidence of the committees' authority to perform each duty or exercise each power that is being delegated.

PASSED Michael Barnett / Karleen Hammond

8 APPOINTMENT OF BODY CORPORATE MANAGER

Ordinary Resolution:

That the Body Corporate renew the appointment of Quay Property Management Limited (QPML), as Body Corporate Manager to assist the Chairperson, Committee and Body Corporate to fulfil their duties under the Unit Titles Act and associated regulations, and to perform the role and services specified, in accordance with the Service Agreement supplied to the Body Corporate.

PASSED Michael Barnett/ Kevin Merrie

9 LONG-TERM MAINTENANCE PLAN

Note: As of May 2024 under the Unit Titles Amendment Act, all large bodies corporate (10 units or more) must have a compliant Long Term Maintenance Plan covering 30 years of future maintenance. Your existing plan can be amended during a review to cover this new regulation and the review period of 3 years will start from that point. The Long-Term Maintenance Plan must be reviewed at least once every 3 years (Regulation 30(2)). If the Body Corporate becomes aware of a matter that may materially impact the Long-Term Maintenance Plan, the plan must be reviewed as soon as reasonably practicable.

Unless resolved otherwise, the Body Corporate must also consult with a building professional, or other appropriately qualified professionals, when developing or reviewing the LTMP.

Now the plan is required to cover a 30-year term, this introduces items that will not have appeared in earlier plans. These additional high-cost items include the likes of lift replacement (\$240,141.00), Intercom/Access (\$43,150.00) and Roof Replacement (\$110,944.00.) This means the annual contribution to cover these costs will increase substantially (Long-Term Maintenance Fund contributions).

As agreed at last year's AGM, a 30-Year Long-Term Maintenance Plan has been prepared by Solutions in Engineering in January 2024 is attached to this Agenda. The Committee will review the document, propose any changes to the plan attached and approve within three months of the date of this meeting. The committee will also make recommendations to all owners regarding any further review that becomes necessary ahead of the mandatory three-year review.

The Chair summarised progress with the development of a draft Long-Term Maintenance Plan that is to be discussed at this meeting. It is not intended to agree to the plan today but rather agree that the Committee will carefully review the plan and confirm the significant costs are accurate (get local pricing) and checking as to whether some items in the plan should appear at all. There is also the need to make sure that no items are duplicated in the annual operating budget.

Accordingly, it is proposed to get approval from owners at this meeting for the committee to review and when they are happy with the document to approve the plan.

It was suggested that the resolution be amended to include reference to the Committee undertaking due diligence when reviewing the plan. It was agreed this is prudent.

Ordinary Resolution: [Amended – Not Material]

That the Body Corporate committee is authorized to **undertake due diligence and when satisfied**, to approve the plan prepared by Solutions in Engineering.

PASSED Michael Barnett / Dave Harkness

10 FINANCIAL STATEMENTS / YEAR END 31 MARCH 2024

It was noted that there is a net surplus of \$10,955.00 which is proposed to be retained in revenue reserve. This was predominantly due to some budgets being underspent for the year including Lift Maintenance, Common Area Repairs & Maintenance and Pool Chemicals & Servicing. It was noted that the budget for Pool Repairs and Maintenance was overspent by approximately \$5,000.00.

Ordinary Resolution:

That the financial accounts for the year end 31 March 2024 be approved and adopted without the requirement of review or specific verification under section 132(2) of the Act.

PASSED Michael Barnett / Kevin Merrie

Ordinary Resolution:

That the Body Corporate retain the previous year surplus in revenue reserve.

PASSED Michael Barnett / Gaylene Morgan

11 INDEPENDENT REVIEW OF FINANCIAL STATEMENTS**Special Resolution:**

That by special resolution the Body Corporate agrees not to appoint an auditor and that section 132(2) of the Unit Titles Act 2010 will not apply for the financial statements of the previous financial year.

PASSED Michael Barnett / Dave Harkness

12 LONG-TERM MAINTENANCE FUND

This Body Corporate operates a Long-Term Maintenance Fund and pays for annual maintenance (for items appearing in the Long-Term Maintenance Plan) and provides for longer term maintenance for items identified on the Long-Term Maintenance Plan.

13 ANNUAL BUDGET / LEVY COLLECTION

It was proposed to increase the budget slightly for the Year Ending 31 March 2025 in order to cover the increase in insurance premium and other across the board price increases.

Noting item 9 of this Agenda (Long-Term Maintenance Fund), the budget on the statement of financial performance page allows for a Long-Term Maintenance Fund contribution of \$24,000.00 - the same amount as the previous year. Until the committee has put a microscope on the draft plan in terms of the cost and timing of items appearing on the plan, a final contribution to the Long-Term Maintenance Fund is unknown. As earlier signaled, the annual contributions will need to increase substantially, however the contribution appearing on the draft plan sets this year's contribution at \$105,400.00 which is some four times the amount in the previous annual budget.

While the actual amount is unknown at this time, it was proposed that it was prudent to increase this year's contribution by \$40,000.00 given it is inevitable that the contribution will increase substantially. Accordingly, a separate resolution is included in this agenda to recover this.

The Chair suggested there is no obligation for owners to agree to an extra \$40,000.00 at this meeting without due diligence being undertaken by the Committee on the long-term maintenance plan and in the absence of a final plan. The further amount suggested is just signalling there will be an inevitable increase so this can be seen as just a starting point.

There was further discussion on the second resolution which was moved/seconded so accordingly the Chair opened the resolution for discussion.

Dave Harkness queried the timing of the increase and given how far through the year there is now only limited time to catch up on any increase in levy payments.

There was general discussion on the Long-Term Maintenance Plan and it was suggested that the \$24,000.00 contribution paid to date without significant increases is just too light. Costs across the board have increased including the cost of building. There is also a need to recognise the age of the building resulting in higher associated maintenance costs including high-cost items like roof and lift replacement. It was suggested it would be prudent to commence higher contributions sooner rather than later.

Query - does the Body Corporate need to start the process this financial year? It was acknowledged there is no real need to spend now but more to start building up a fund from now.

After discussion it was suggested and agreed that it is prudent to look at the increase now, but it is preferable to allow Owners a reasonable time to plan for the extra cost. A due date for payment was suggested as being no later than 31 March 2025.

There were no queries around the annual budget.

Ordinary Resolution:

That the Body Corporate approve and adopt the annual budget **attached** to the Agenda as discussed during the AGM, set at \$195,058.00 plus GST, for the year ending 31 March 2025.

PASSED Michael Barnett / Dave Harkness

Ordinary Resolution: [Amended – Not Material]

That the Body Corporate invoice owners a further \$40,000.00 plus GST for this year's contribution to the Long-Term Maintenance Fund **with payment due by 31 March 2025.**

PASSED Michael Barnett / Dave Harkness

Quay to issue invoices for the long-term maintenance plan contribution forthwith.

Ordinary Resolution: [Amended – Not Material]

That the Body Corporate invoice owners in accordance with the approved budget (not including the \$40,000.00), on a utility interest basis, with levy payments due on 1 April 2024, 1 July 2024, 1 October 2024 and 7 January 2025.

PASSED Michael Barnett / Katherine Bryant

Ordinary Resolution:

That the Body Corporate is authorised to recover any unpaid levies owed to the Body Corporate, whether through Court, Tenancy Tribunal or otherwise. The collection costs, although recoverable by the Body Corporate from the defaulting unit owner, will need to be paid by the Body Corporate in the interim. The Body Corporate may charge interest on overdue levies.

PASSED Michael Barnett / Katherine Bryant

It is noted that the Body Corporate has recognised people's particular situations given increases in the levies.

Ordinary Resolution:

That the Chairperson/Committee are authorised under Regulation 17 of the Unit Title Regulations 2011 to enter into all necessary obligations to give effect to all expenditure included in the adopted budget.

PASSED Michael Barnett / Karleen Hammond

Ordinary Resolution:

That the Body Corporate Manager be authorised to pay line items identified in the adopted budget as and when they fall due but refer to the unit owners for approval for unexpected significant expenses outside of the budget.

PASSED Michael Barnett / Karleen Hammond

GST

Note: Your Body Corporate is registered for GST.

14 BODY CORPORATE RULES

There has been ongoing concern with short term accommodation letting in many apartment buildings including the Capri. Legal advice obtained by the body corporate suggests that things can be better controlled by adding to the Body Corporate Operational Rules as below.

SHORT TERM ACCOMMODATION

- There is currently an onus for the Managers to deal with issues caused by short-term accommodation guests however the Managers do not benefit from this type of use.
- Should there be a defined fine in the event of a call out of the Managers?
- There was a query from Dave Harkness as to whether these rules are the same as the Managers' rules for their managed units. It was confirmed by the Chair that they are similar.

After further discussion it was generally agreed that anything to better control such short-term use would be of benefit to all Occupiers in the building as a good step and this will also allow the managers to be able to deal with issues if required.

Ordinary Resolution:

That Body Corporate 86277 resolves by ordinary resolution under section 106 of the Unit Titles Act 2010 to amend its operational rules by inserting new rule 36 as per below, relating to short-term accommodation and we will arrange for a notice of change to body corporate operational rules to be registered with Land Information New Zealand.

36 Short-Term Accommodation

36.1 In rules 36-37:

- (a) **"short-term accommodation"** means using all or part of a Unit for visitor accommodation, bed and breakfast accommodation, or other short-term or casual letting, including letting via a platform such as Airbnb, Bookabach, or any other such site, for reward that is not covered by the Residential Tenancies Act 1986 or any amendment or replacement legislation; and
- (b) **"Accommodation Guest"** means any person or persons occupying a Unit for the purpose of short-term accommodation.

36.2 An owner or occupier who uses his or her Unit for short-term accommodation must:

- (c) notify the Body Corporate and Manager in writing prior to the commencement of any short-term accommodation activities;
- (d) provide the Body Corporate or Resident Manager with information regarding the proposed short-term accommodation activity reasonably requested by the Body Corporate or Manager;
- (e) comply with all lawful directions made by the Body Corporate in relation to the short-term accommodation activity and Accommodation Guests, including complying with these rules;

- (f) ensure, and is solely responsible for, compliance with all applicable legal requirements including any requirements under the Resource Management Act 1991 including the district plan, the Building Act 2004 including the Building Code, and upon request, provide the Body Corporate with written evidence of such compliance;
 - (g) when requested by the Body Corporate for insurance purposes, provide written confirmation as to the owner or occupiers current and intended use of his or her Unit during the upcoming insurance year and any other information required by the Body Corporate's insurer to ensure that the building is appropriately insured;
 - (h) pay any increase in the Body Corporate's insurance premium that arises out of the use of his or her Unit for short-term accommodation;
 - (i) ensure that all Accommodation Guests staying in his or her unit are met on arrival by the owner or occupier, or the Manager, or an agent, employee or contractor and are given an induction into the unit title development including the health and safety plan, evacuation plan, security systems, and the body corporate operational rules;
 - (j) advise all Accommodation Guests that they are bound by and must comply with the body corporate operational rules;
 - (k) include in any short-term accommodation contract or agreement with any letting platform and Accommodation Guest a clause whereby the Accommodation Guest acknowledges that they are bound by the body corporate operational rules and will comply with them and attach a full set of the body corporate operational rules to the contract or agreement;
 - (l) prior to the Accommodation Guests' arrival provide the Body Corporate and Manager with:
 - (i) contact details for the owner or occupier or the owner or occupiers, agent, employee or contractor responsible for greeting their Accommodation Guests if that role is not performed by the Manager;
 - (ii) contact details for the Accommodation Guests;
 - (iii) information as to the number of Accommodation Guests staying in the Unit; and
 - (iv) the duration of the Accommodation Guests' stay; and
 - (v) update that information immediately should it change.
- 36.3 If, as a result of an owner or occupier using a Unit for short-term accommodation, the Manager is required to perform duties outside the terms of his or her building management contract with the Body Corporate, the owner or occupier shall be responsible for any additional costs the Manager or Body Corporate may incur as a result of those additional duties.
- 36.4 An Accommodation Guest must not bring into the Unit onto the common property any pet or other animal.

PASSED Michael Barnett / Gaylene Morgan

OUTDOOR FURNITURE AND PLANTS

The Chair advised the following and sought discussion on the matter:

- There is a lack of specificity in current rules around this and the Body Corporate is now seeking to give clarity around this matter.
- This relates in part to an existing issue with an Owner who had put pot plants on his deck without reference to or approval by the Body Corporate.
- Ahead of discussion it was confirmed that the intention of the proposed rule is to try and manage the existing issue, which will also apply to all Owners.
- Dave Harkness said that under the Unit Titles Act section 79(d) all owners are entitled to quiet enjoyment of their private property. If a rule is in place from the commencement of a Body Corporate it is deemed to be accepted by all Owners, because it is part of the title at the time of their initial purchase. Subsequent rule changes must provide a balance between the needs of the body corporate in their management of common property and the section 79(d) entitlement to quiet enjoyment of an owner's private property.
- Body Corporate rule changes must meet the requirements of UTA 2010 and subsequent case law, especially NZHC 1118 and NZHC 1947
- Dave suggested that none of the criteria in the new rule 18. 1(b) below apply to his case due to how the building is constructed and that structural integrity is only relevant if the weight of outdoor furniture and pot plants exceed the design live load of 200 kg per square metre. Dave confirmed that he has extensive experience as a structural engineer.
- If all the criteria in rule 18.1 (b) do not apply then rule 18.1 (a) of the proposed resolution is unenforceable due to case law, in his view.
- While the Body Corporate is able to pass a resolution this may be ultra vires (of no effect/unenforceable).

- Kim Barnett suggested the existing rules already control deck furniture etc, and owners are already unable to place items on decks without approval.
- There was a query as to whether the plants on Dave's deck can be seen from other balconies – it was confirmed that they can be. There is also an issue with watering the plants which affects the unit below.
- After considerable further discussion the Chair suggested that in the absence of the matter being resolved that the Body Corporate is prepared to if necessary, obtain further legal input in order to test and resolve the matter.

Ordinary Resolution:

That BC86277 resolves by ordinary resolution under section 106 of the Unit Titles Act 2010 to amend its operational rules by replacing existing Rule 18 with a new Rule 18 as per below and will arrange for a notice of change to the body corporate operational rules to be registered with Land Information New Zealand.

18 Outdoor Furniture and Plants

18.1 ~~An Owner shall comply with the specifications and standards for outdoor furniture and plants/shrubs on balconies, set by the Body Corporate from time to time in his or her Unit. An Owner must not place or store any furniture, pot plants, or other items on the deck or balcony attached to or forming part of the Owner's Unit without the prior written approval of the Body Corporate, such approval not to be unreasonably or arbitrarily withheld. The purpose of this rule is to ensure:~~

- (a) an attractive and uniform appearance of the unit title development; and
- (b) the integrity of the decks or balconies as building elements that relate to or serve more than one unit in respect of their contribution to the weathertightness, structural integrity, and drainage system serving the building.

PASSED Michael Barbett / Raewyn Merrie [1 Against; Dave Harkness | 1 abstain]

15 INSURANCE VALUATION

Ordinary Resolution:

That for the purposes of insurance, an updated valuation will be obtained shortly before renewal.

PASSED Michael Barnett / Gaylene Morgan

16 INSURANCE

Ordinary Resolutions:

- That the Body Corporate remains with the existing broker.
- That insurance is renewed according to the most cost-effective cover.
- That the Body Corporate is authorised to secure Office Bearers Liability Insurance with a cover of \$2,000,000.00.
- That the unit owner is to pay any excess in the event of a claim, except where the claim relates to common property, in which case the Body Corporate is to pay the excess.

PASSED Michael Barnett / Karleen Hammond

(a) Material Facts - Disclosure:

Note: You must disclose all information that is relevant to the Insurer's decision to insure. This includes but is not limited to such things as:

- If improvements are done during the year you should notify the nature of these improvements to the insurer, along with the additional value they represent

If you are unsure whether a circumstance needs to be disclosed, please contact your broker for advice. If in doubt - disclose.

17 GENERAL MAINTENANCE

The Committee will arrange for general maintenance as required.

18 HEALTH AND SAFETY

Under the Health and Safety at Work Act 2015, the Body Corporate has a duty to:

1. Identify hazards
2. Eliminate or minimise any hazards and where appropriate put controls in place; and
3. Regularly check the control measures are in place
4. Where an incident occurs or the workplace changes, there will be a review to your Health and Safety Solution.

No new Health and Safety items have been brought to the attention of the Body Corporate.

QPML strongly advised the Body Corporate Committee and the managers to review it's obligations under the Health and safety at Work Act 2015 and recommended that a H&S plan be prepared by Solutions in Engineering and that the Managers implement the plan accordingly.

1.1.2

Moved: That Solutions in Engineering prepare a Health and Safety plan.

Carried
Michael Barnett/ Kim Barnett

19 GENERAL BUSINESS

Unless all eligible voters are present or represented by their proxies, any items raised at the meeting which are not included on the agenda cannot be voted on at the meeting.

The following general business was discussed:

- (a) Katherine queried that the vacancy sign being on during the day is not visible – can this be made brighter? It is understood that this has been attended to but if not, the Managers are to look into this.
- (b) Katherine asked if it was possible for an Owner to keep a small dog on occasion? It was confirmed that this is not allowed unless it is a seeing eye or assistance dog.
- (c) It was also noted it is nice to have had the recent social gathering – and suggested that perhaps this could be arranged more often.
- (d) Michael suggested a contribution from the body corporate to the cost of last night's event in the amount of \$100.00. All approved.
- (e) The Chair also wanted to note recognition to Andrew and Colleen for their positive contribution over the past years as Managers.

Michael thanked all for attending and encouraged owners to contact him direct for any matters they wish to discuss.

CLOSURE

The meeting closed at 4.28 pm.

ANNUAL GENERAL MEETING AGENDA

To: Principal Unit Owners: S86277
Of: Capri Body Corporate S86277
Date: Tuesday 12 November 2024
Time: 3.00 pm
Venue: Mount Ocean Sports Club, Salisbury Wharf, Cnr Salisbury Avenue & The Mall, Pilot Bay, Mount Maunganui

BODY CORPORATE CHAIRPERSON: MICHAEL BARNETT

MEETING CHAIRPERSON: MICHAEL BARNETT

PLEASE SIGN THE ATTENDANCE REGISTER ON THE DAY TO RECORD YOUR ATTENDANCE

AGENDA ITEMS

1 QUORUM/ATTENDEES

The chair of the meeting will ask for a record of any apologies, proxies and postal votes received, as well as receive the attendance register and confirm that the meeting has a quorum.

2 PREVIOUS MINUTES

Ordinary Resolution:

That the minutes of the last annual general meeting of the Body Corporate on 30 October 2023 are confirmed as a true record of the proceedings of that meeting.

3 MATTERS ARISING

4 ELECTION OF CHAIRPERSON

Note: A Body Corporate must elect a Chairperson by ordinary resolution at every annual general meeting. The Chairperson has the duties in Regulation 11, subject to and delegation to the Body Corporate Committee. Unless the Body Corporate decides by ordinary resolution that the Body Corporate Committee shall elect the Chairperson, the Chairperson shall be elected by the Body Corporate and will also be the Chairperson of the Body Corporate Committee.

The following nomination/s were received:

- Michael Barnett Unit 22

Ordinary Resolution:

That Michael Barnett be elected as Chairperson of the Body Corporate and Body Corporate Committee and serve as such until the earlier of the next AGM, or their resignation.

5 ELECTION OF COMMITTEE

Note: A Body Corporate with 10 or more principal units must form a Body Corporate Committee.

The following nominations for the Body Corporate Committee were received:

- | | |
|--------------------|---------|
| ▪ Kathleen Hammond | Unit 5 |
| ▪ Ted Ebbing | Unit 19 |
| ▪ Dave Harkness | Unit 15 |
| ▪ Michael Barnett | Unit 22 |
| ▪ Diane Ritchie | Unit 24 |
| ▪ James Wickham | Unit 27 |

There being the same or fewer nominations than vacancies, all nominees are elected to the Committee.

6 DELEGATION OF POWERS

Under Section 108 of the Act the Body Corporate may, by SPECIAL RESOLUTION, delegate any of its powers and duties to the Committee apart from its powers and duties in respect of delegation, reassessing ownership and utility interests, enforcing compliance with the operational rules and applying insurance monies towards the reinstatement of the development.

Special Resolution:

That the powers and duties of the Body Corporate that may be delegated are delegated to the Committee.

The Body Corporate may also delegate the Chairpersons duties to the Committee. These duties are set out in Regulation 11 of the Unit Titles Regulations 2011.

Special Resolution:

That the powers and duties of the Chairperson set out in Regulation 11 of the Unit Titles Regulations 2011 are delegated to the Committee.

7 COMMITTEE REPORTING

The Body Corporate must after each new Committee is elected, confirm delegation of the Powers and Duties of the Body Corporate.

Ordinary Resolution:

The minutes of this meeting will suffice as notice of the delegation to the committee members and is evidence of the committees' authority to perform each duty or exercise each power that is being delegated.

8 APPOINTMENT OF BODY CORPORATE MANAGER

Note: The Chairperson and Committee have various duties under the Unit Titles Act 2010 and associated regulations and operational rules. The appointment of a Body Corporate Manager is desirable in order to assist the Body Corporate, its Chairperson and Committee to comply with their responsibilities and ensure the proper management, administration and record keeping of the Body Corporate.

Ordinary Resolution:

That the Body Corporate renew the appointment of Quay Property Management Limited (QPML), as Body Corporate Manager to assist the Chairperson, Committee and Body Corporate to fulfil their duties under the Unit Titles Act and associated regulations, and to perform the role and services specified, in accordance with the Service Agreement supplied to the Body Corporate.

9 LONG-TERM MAINTENANCE PLAN

Note: As of May 2024 under the Unit Titles Amendment Act, all large bodies corporate (10 units or more) must have a compliant Long Term Maintenance Plan covering 30 years of future maintenance. Your existing plan can be amended during a review to cover this new regulation and the review period of 3 years will start from that point. The Long-Term Maintenance Plan must be reviewed at least once every 3 years (Regulation 30(2)). If the Body Corporate becomes aware of a matter that may materially impact the Long-Term Maintenance Plan, the plan must be reviewed as soon as reasonably practicable.

Unless resolved otherwise, the Body Corporate must also consult with a building professional, or other appropriately qualified professionals, when developing or reviewing the LTMP.

Now the plan is required to cover a 30-year term, this introduces items that will not have appeared in earlier plans. These additional high-cost items include the likes of lift replacement (\$240,141.00), Intercom/Access (\$43,150.00) and Roof Replacement (\$110,944.00.) This means the annual contribution to cover these costs will increase substantially (Long-Term Maintenance Fund contributions).

As agreed at last year's AGM, a 30-Year Long-Term Maintenance Plan has been prepared by Solutions in Engineering in January 2024 is attached to this Agenda. The Committee will review the document, propose any changes to the plan attached and approve within three months of the date of this meeting. The committee will also make recommendations to all owners regarding any further review that becomes necessary ahead of the mandatory three-year review.

Ordinary Resolution:

That the Body Corporate committee is authorized to approve the plan prepared by Solutions in Engineering.

10 FINANCIAL STATEMENTS / YEAR END 31 MARCH 2024

It is noted a there is a net surplus of \$10,955.00 which is proposed to be retained in revenue reserve. This is predominantly due to some budgets being underspent for the year including Lift Maintenance, Common Area Repairs & Maintenance and Pool Chemicals & Servicing. It is noted that the budget for Pool Repairs and Maintenance was overspent by approximately \$5,000.00.

Ordinary Resolution:

That the financial accounts for the year end 31 March 2024 be approved and adopted without the requirement of review or specific verification under section 132(2) of the Act.

Ordinary Resolution:

That the Body Corporate retain the previous year surplus in revenue reserve.

11 INDEPENDENT AUDIT OF FINANCIAL STATEMENTS

Unless this Body Corporate decides not to, all Bodies Corporate must have their financial accounts audited, unless they decide by special resolution not to.

Special Resolution:

That by special resolution the Body Corporate agree not to appoint an auditor and that section 132(2) of the Unit Titles Act 2010 will not apply for the year end 31 March 2024 financial statements.

Please Note: If you would like for accounts to be audited, you must vote against the resolution. The cost of audit is estimated to be \$12,000.00 plus GST.

12 LONG-TERM MAINTENANCE FUND

This Body Corporate operates a Long-Term Maintenance Fund and pays for annual maintenance (for items appearing the Long-Term Maintenance Plan) and provides for longer term maintenance for items identified on the Long-Term Maintenance Plan.

13 ANNUAL BUDGET/LEVY COLLECTION

It is proposed to increase the budget slightly for the Year Ending 31 March 2025 in order to cover the increase in insurance premium and other across the board price increases.

Noting item 9 of this Agenda (Long-Term Maintenance Fund), the budget on the statement of financial performance page allows for a Long-Term Maintenance Fund contribution of \$24,000.00 - the same amount as the previous year. Until the committee has put a microscope on the draft plan in terms of the cost and timing of items appearing on the plan, a final contribution to the Long-Term Maintenance Fund is unknown. As earlier signaled, the annual contributions will need to increase substantially, however the contribution appearing on the draft plan sets this year's contribution at \$105,400.00 which is some four times the amount in the previous annual budget.

While the actual amount is unknown at this time, it is proposed prudent to increase this year's contribution by \$40,000.00 given it is inevitable that the contribution will increase substantially. Accordingly, a separate resolution is included in this agenda to recover this. All for discussion on the day.

Ordinary Resolution:

That the Body Corporate approve and adopt the attached annual budget as discussed and amended during the AGM, set at \$195,058.00 plus GST, for the year ending 31 March 2024.

Ordinary Resolution:

That the Body Corporate invoice owners a further \$40,000.00 plus GST for this year's contribution to the Long-Term Maintenance Fund.

Ordinary Resolution:

That the Body Corporate invoice owners in accordance with the approved budget, on a utility interest basis, with levy payments due on 1 April 2024, 1 July 2024, 1 October 2024 and 7 January 2025.

Ordinary Resolution:

That the Body Corporate is authorised to recover any unpaid levies owed to the Body Corporate, whether through Court, Tenancy Tribunal or otherwise. The collection costs, although recoverable by the Body Corporate from the defaulting unit owner, will need to be paid by the Body Corporate in the interim. The Body Corporate may charge interest on overdue levies.

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Ordinary Resolution:

That the Body Corporate Manager be authorised to pay line items identified in the adopted budget as and when they fall due but refer to the unit owners for approval for unexpected significant expenses outside of the budget.

GST

Note: Your Body Corporate is registered for GST.

14 BODY CORPORATE RULES

There has been ongoing concern with short term accommodation letting in many apartment buildings including the Capri. Legal advice obtained by the body corporate suggests things can be better controlled adding the following to the Body Corporate Operational Rules:

Ordinary Resolution:

That Body Corporate 86277 resolves by ordinary resolution under section 106 of the Unit Titles Act 2010 to amend its operational rules by inserting new rule 36 as per below, relating to short-term accommodation and we will arrange for a notice of change to body corporate operational rules to be registered with Land Information New Zealand.

36 Short-Term Accommodation

36.1 In rules 36-37:

- (a) **"short-term accommodation"** means using all or part of a Unit for visitor accommodation, bed and breakfast accommodation, or other short-term or casual letting, including letting via a platform such as Airbnb, Bookabach, or any other such site, for reward that is not covered by the Residential Tenancies Act 1986 or any amendment or replacement legislation; and
- (b) **"Accommodation Guest"** means any person or persons occupying a Unit for the purpose of short-term accommodation.

36.2 An owner or occupier who uses his or her Unit for short-term accommodation must:

- (c) notify the Body Corporate and Manager in writing prior to the commencement of any short-term accommodation activities;
- (d) provide the Body Corporate or Resident Manager with information regarding the proposed short-term accommodation activity reasonably requested by the Body Corporate or Manager;
- (e) comply with all lawful directions made by the Body Corporate in relation to the short-term accommodation activity and Accommodation Guests, including complying with these rules;
- (f) ensure, and is solely responsible for, compliance with all applicable legal requirements including any requirements under the Resource Management Act 1991 including the district plan, the Building Act 2004 including the Building Code, and upon request, provide the Body Corporate with written evidence of such compliance;
- (g) when requested by the Body Corporate for insurance purposes, provide written confirmation as to the owner or occupiers current and intended use of his or her Unit during the upcoming insurance year and any other information required by the Body Corporate's insurer to ensure that the building is appropriately insured;
- (h) pay any increase in the Body Corporate's insurance premium that arises out of the use of his or her Unit for short-term accommodation;
- (i) ensure that all Accommodation Guests staying in his or her unit are met on arrival by the owner or occupier, or the Manager, or an agent, employee or contractor and are given an induction into the unit title development including the health and safety plan, evacuation plan, security systems, and the body corporate operational rules;
- (j) advise all Accommodation Guests that they are bound by and must comply with the body corporate operational rules;
- (k) include in any short-term accommodation contract or agreement with any letting platform and Accommodation Guest a clause whereby the Accommodation Guest acknowledges that they are bound by the body corporate operational rules and will comply with them and attach a full set of the body corporate operational rules to the contract or agreement;
- (l) prior to the Accommodation Guests' arrival provide the Body Corporate and Manager with:
 - (i) contact details for the owner or occupier or the owner or occupiers, agent, employee or contractor responsible for greeting their Accommodation Guests if that role is not performed by the Manager;
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 - (iii) information as to the number of Accommodation Guests staying in the Unit; and
 - (iv) the duration of the Accommodation Guests' stay; and
 - (v) update that information immediately should it change.

36.3 If, as a result of an owner or occupier using a Unit for short-term accommodation, the Manager is required to perform duties outside the terms of his or her building management contract with the Body Corporate, the owner or occupier shall be responsible for any additional costs the Manager or Body Corporate may incur as a result of those additional duties.

37 An Accommodation Guest must not bring into the Unit onto the common property any pet or other animal.

Ordinary Resolution:

That BC86277 resolves by ordinary resolution under section 106 of the Unit Titles Act 2010 to amend its operational rules by replacing existing Rule 18 with a new Rule 18 as per below and will arrange for a notice of change to the body corporate operational rules to be registered with Land Information New Zealand.

18 Outdoor Furniture and Plants

18.1 ~~An Owner shall comply with the specifications and standards for outdoor furniture and plants/shrubs on balconies, set by the Body Corporate from time to time in his or her Unit. An Owner must not place or store any furniture, pot plants, or other items on the deck or balcony attached to or forming part of the Owner's Unit without the prior written approval of the Body Corporate, such approval not to be unreasonably or arbitrarily withheld. The purpose of this rule is to ensure:~~

- (a) ~~an attractive and uniform appearance of the unit title development; and~~
- (b) ~~the integrity of the decks or balconies as building elements that relate to or serve more than one unit in respect of their contribution to the weathertightness, structural integrity, and drainage system serving the building.~~

15 VALUATION FOR INSURANCE PURPOSES

Note: *An insurance valuation was obtained, and insurance renewed as per the amount set out in the valuation. A copy of the valuation for insurance purposes is available on written request.*

Ordinary Resolution:

That for the purposes of insurance, an updated valuation will be obtained shortly before renewal.

16 INSURANCE

Note: *A copy of the insurance policy summary is attached.*

Ordinary Resolutions:

- That the Body Corporate remains with the existing broker.
- That insurance is renewed according to the most cost-effective cover.
- That the Body Corporate is authorised to secure Office Bearers Liability Insurance with a cover of \$2,000,000.
- That the unit owner is to pay any excess in the event of a claim, except where the claim relates to common property, in which case the Body Corporate is to pay the excess.

Material Facts - Disclosure:

Note: *You must disclose all information that may be relevant to the Insurer's decision to insure. This includes but is not limited to such things as:*

- *If improvements are done during the year you should notify the nature of these improvements to the insurer, along with the additional value they represent*

17 GENERAL MAINTENANCE

The Committee will arrange for general maintenance as required.

18 HEALTH AND SAFETY

Under the Health and Safety at Work Act 2015, the Body Corporate has a duty to:

1. Identify hazards
2. Eliminate or minimise any hazards and where appropriate put controls in place; and
3. Regularly check the control measures are in place
4. Where an incident occurs or the workplace changes, there will be a review to your Health and Safety Solution.

QPML strongly advises the Body Corporate Committee reviews its obligations under the Health and Safety at Work Act 2015 and recommends that Solutions in Engineering prepare a health and safety plan at a cost of \$1,118.00.

19 GENERAL BUSINESS

Unless all eligible voters are present or represented by their proxies, any items raised at the meeting which are not included on the agenda cannot be voted on at the meeting.

The following general business items will be discussed:

- (a) Window Tinting [PU27]

SIGNED FOR AND ON BEHALF OF BODY CORPORATE S86277 COMMITTEE / CHAIRPERSON:



Director/Body Corporate Manager

29 October 2024

Date

Please Note: If you require any information or background relating to this agenda or any other Body Corporate matter, you may Google Unit Titles Act 2010 or Unit Titles Regulations 2011.

AGENDA NOTES

Please contact Quay Property Management Limited on +6475789182 or office@quayproperty.co.nz if you have any questions about this notice.

Attending the Meeting or Voting by Proxy

You should bring this notice with you to the meeting. If you cannot attend the meeting and you wish to cast a vote, please complete the enclosed postal or proxy form and return it to our office.

A proxy given to a caretaker, on-site residential manager or Body Corporate Manager is invalid if it would obtain or assist in obtaining a pecuniary interest for, or confer or assist in conferring any other material benefit on, the proxy.

Voting at the Meeting

You can exercise your voting rights at the meeting in person or by proxy. If you are a corporation your voting rights can only be exercised by your company/trust nominee in person or by the company's proxy.

You, your company nominee or any person having authority to vote in respect of you cannot vote on a motion for an ordinary or special resolution unless the following amounts have been paid before the meeting:

- all contribution levied by the Body Corporate that are payable at the date of this notice; and
- any other money that is recoverable by the Body Corporate from you at the date of this notice

If you are an owner, your vote does not count if a vote is cast on the same motion by:

- the mortgagee shown on the strata roll for your lot;
- the covenant charge shown on the strata roll for your lot; or
- in the case of multiple mortgagees or covenant chargees - the priority mortgagee or chargee shown on the strata roll for your lot

and if you have received at least two days' notice from the mortgagees or covenant chargees of their intention to exercise their priority vote.

Resolutions

For voting purposes:

- an ordinary resolution is passed if the majority of votes are cast in favour of it;
- a special resolution is passed if not more than 25% of the votes cast (based on unit entitlement of the voter) are cast against it
- a unanimous resolution is passed if no vote is cast against it

Quorum

For a valid meeting 25% of owners who are financial must be present either in person or by proxy. Note that the minimum number for a valid meeting is two persons who are financial.

Election of Owners Committee

The Owners Committee is chosen by:

- calling for nomination
- determining the number of members of the owners committee; and
- conducting a ballot for the election of member if the nominations exceed the available positions

Auditor

The Body Corporate must consider if they wish to appoint an auditor or have the financial statements independently reviewed by an accountant.

Long Term Maintenance Plan

All Body Corporates must prepare a 10-year Long Term Maintenance Plan and update it every 3 years. Large Body Corporates must prepare a 30-year LTMP, though for years 11-30 lesser detail is required.

Valuation

Valuer: CBRE

Last valuation completed: 9 February 2024 | Insurance valuation: \$18,445,000.00

ANNUAL GENERAL MEETING MINUTES

CAPRI BODY CORPORATE S86277

Held On: Monday 30 October 2023
At: Mount Ocean Sports Club, Salisbury Wharf, Cnr Salisbury Avenue & The Mall, Pilot Bay, Mount Maunganui
Meeting Opened At: 3.00 pm

BODY CORPORATE CHAIRPERSON

Michael Barnett

MEETING CHAIRPERSON

Michael Barnett

AGENDA ITEMS

1 QUORUM

PRESENT

Michael & Kim Barnett, Kevin & Raewyn Merrie, David Mountford, Paul & Karleen Hammond, Dennis Porter, Gaylene Morgan, David Harkness, Andrew & Colleen Carey, Ted Ebbing and David Shea (Body Corporate Administrator).

APOLOGIES

Shirley Edmonds Trust, Paul & Pauline Folwell, Ross Murray, Changing Tide Trust, Dave & Jude Randell, Brandi Hudson, Sandra Phillips, Peter & Cecilia Mole and Diane Ritchie.

POSTAL VOTES

Paul & Pauline Folwell, Ross Murray and Changing Tide Trust.

PROXY APPOINTMENTS

SA Edmonds Trust (2) → Michael Barnett; D & J Randell (6A) → Michael Barnett; B Hudson (8A) → Andrew Carey
C Mole (23) → Andrew Carey; Care Street Trust (24) → Michael Barnett

2 PREVIOUS MINUTES

Ordinary Resolution:

That the minutes of the last annual general meeting of the Body Corporate on 22 July 2022 are confirmed as a true record of the proceedings of that meeting.

PASSED

3 MATTERS ARISING

Heating of Pool – It was confirmed the pool heating source is electric.

4 ELECTION OF CHAIRPERSON

The following nominations were received:

- Michael Barnett Unit 22

Ordinary Resolution:

That Michael Barnett be elected as Chairperson of the Body Corporate and Body Corporate Committee and serve as such until the earlier of the next AGM, or their resignation.

PASSED

5 ELECTION OF COMMITTEE

The following nominations for the Body Corporate Committee were received:

- Michael Barnett Unit 22
- Ted Ebbing Unit 19
- Karleen Hammond Unit 5
- Dave Harkness Unit 15
- Diane Ritchie Unit 24

That there being the same or fewer nominations than vacancies, all nominees are elected to the Committee.

6 DELEGATION OF POWERS

Special Resolution:

That the powers and duties of the Body Corporate that may be delegated are delegated to the Committee.

PASSED

The Body Corporate may also delegate the Chairpersons duties to the Committee. These are set out in Regulation 11 of the Unit Titles Regulations 2011.

Ordinary Resolution:

That the powers and duties of the Chairperson set out in Regulation 11 of the Unit Titles Regulations 2011 are delegated to the Committee.

PASSED

7 COMMITTEE REPORTING / DUTIES**Ordinary Resolution:**

The minutes of this meeting will suffice as notice of the delegation to the committee members and is evidence of the committees' authority to perform each duty or exercise each power that is being delegated.

PASSED

8 APPOINTMENT OF BODY CORPORATE MANAGER

There had been several issues with email communication and Quay was asked to make every effort to ensure communication is robust going forward.

Ordinary Resolution:

That the Body Corporate renew the appointment of Quay Property Management Limited (QPML), as Body Corporate Manager to assist the Chairperson, Committee and Body Corporate to fulfil their duties under the Unit Titles Act and associated regulations, and to perform the role and services specified, in accordance with the Service Agreement supplied to the Body Corporate.

PASSED

9 FINANCIAL STATEMENTS / YEAR END 31 MARCH 2023

The Chair summarised the accounts – unders/overs but acknowledged that costs across the board have risen and also the proposed budget for year end March 2024 reflects this, particularly around insurance. There had been a deficit of \$3,978.00 for the year.

Ordinary Resolution:

That the financial accounts for the previous financial year be approved and adopted.

PASSED

Ordinary Resolution:

That the Body Corporate offset the previous year deficit - \$3,978.00 - against revenue reserve.

PASSED

It is noted that the revenue reserve balance is \$39,934 after the offset,

10 INDEPENDENT REVIEW OF FINANCIAL STATEMENTS**Special Resolution:**

That by special resolution the Body Corporate agree not to appoint an auditor and that section 132(2) of the Unit Titles Act 2010 will not apply for the financial statements of the previous financial year.

PASSED

11 BODY CORPORATE RULES

No changes to the operational rules have been proposed.

It was noted that the Committee had a conversation with Quay Property Management Limited and asked that they confirm the rules are appropriate and current.

12 INSURANCE VALUATION**Ordinary Resolution:**

That for the purposes of insurance, an updated valuation will be obtained shortly before renewal.

PASSED

13 INSURANCE**Ordinary Resolutions:**

- That the Body Corporate remains with the existing broker.
- That insurance is renewed according to the most cost effective cover.
- That the Body Corporate is authorised to secure Office Bearers Liability Insurance with a cover of \$^00,000.
- That the unit owner is to pay any excess in the event of a claim, except where the claim relates to common property, in which case the Body Corporate is to pay the excess.

PASSED

Material Facts - Disclosure:

Note: You must disclose all information that is relevant to the Insurer's decision to insure. This includes but is not limited to such things as:

- A change in tenancy
For example:
 - a residential tenancy that is replaced by a retail space,

- *If improvements are done during the year you should notify the nature of these improvements to the insurer, along with the additional value they represent*

If you are unsure whether a circumstance needs to be disclosed, please contact your broker for advice. If in doubt - disclose.

14 GENERAL MAINTENANCE

That the following maintenance items be actioned;

15 HEALTH AND SAFETY

Under the Health and Safety at Work Act 2015, the Body Corporate has a duty to:

1. Identify hazards
 2. Eliminate or minimise any hazards and where appropriate put controls in place; and
 3. Regularly check the control measures are in place
 4. Where an incident occurs or the workplace changes, there will be a review to your Health and Safety Solution.
- No new Health and Safety items have been brought to the attention of the Body Corporate.

Quay Property Management Limited was asked to advise the committee on a solution that will comply with the Act.

16 LONG-TERM MAINTENANCE PLAN

Note: *As of May 2024, all large bodies corporate (10 units or more) must have a compliant Long Term Maintenance Plan covering 30 years of future maintenance. Your existing plan can be amended during a review to cover this new regulation and the review period of 3 years will start from that point. The Long-Term Maintenance Plan must be reviewed at least once every 3 years (Regulation 30(2)). If the Body Corporate becomes aware of a matter that may materially impact the Long-Term Maintenance Plan, the LTMP must be reviewed as soon as reasonably practicable. Unless resolved otherwise, the Body Corporate must also consult with a building provisional, or other appropriately qualified professionals, when developing or reviewing the LTMP.*

The Body Corporate's Long-Term Maintenance Plan was reviewed in July 2021 and is due for review by May 2024. The Committee has noted this requirement and Quay Property Management Ltd is asked to instruct Solutions in Engineering to update the plan.

17 LONG-TERM MAINTENANCE FUND

This Body Corporate operates a Long-Term Maintenance Fund and pays for annual maintenance and provides for longer term maintenance.

The Long Term Maintenance Fund will need to consider future contributions only after the updated Long Term Maintenance Plan has been prepared.

18 ANNUAL BUDGET / LEVY COLLECTION

Ordinary Resolution:

That the Body Corporate approve and adopt the annual budget attached to the Agenda, as discussed and amended during the AGM, set at \$176,394.00 plus GST, for the year ending 31 March 2024.

PASSED

Ordinary Resolution:

That the Body Corporate raise levies in accordance with the approved budget, on a utility interest basis, with levy payments due on 1 April 2023, 1 July 2023, 1 October 2023 and 7 January 2024.

PASSED

Ordinary Resolution:

That the Body Corporate is authorised to recover any unpaid levies owed to the Body Corporate, whether through Court, Tenancy Tribunal or otherwise. The collection costs, although recoverable by the Body Corporate from the defaulting unit owner, will need to be paid by the Body Corporate in the interim. The Body Corporate may charge interest on overdue levies

PASSED

Ordinary Resolution:

That the Chairperson/Committee are authorised under Regulation 17 of the Unit Title Regulations 2011 to enter into all necessary obligations to give effect to all expenditure included in the adopted budget.

PASSED

Ordinary Resolution:

That the Body Corporate Manager be authorised to pay line items identified in the adopted budget as and when they fall due, but refer to the unit owners for approval for unexpected expenses outside of the budget.

PASSED

GST

Note: Your Body Corporate is registered for GST.

19 GENERAL BUSINESS

The following general business was discussed:

- (a) The Manager to provide updates on construction at property The Capri on the Mall. (PU22)

The Manager was asked to and agreed to keep the Body Corporate up to date with any construction on the Meridian site which is adjacent to the Capri. It is understood however this proposed development is now not going to proceed.

- (b) The following matter was raised by the Owner of PU21:

"I completely understand the intent behind clause 16.3 but these rules were put together a quarter of a century ago. There are a number of window films available that provide excellent thermal and UV reduction properties and are virtually undetectable visually. We had all the north facing windows treated at home and although it isn't noticeable, it has made a huge difference to the sun fading to our furniture and carpets. Although net curtains can help in the same way, they are far more visually obstructive and are liable to sun damage themselves. The new foil curtains we hung in our apartment 2015 have already been torn and according to the apartment managers, this was due to them being brittle from sun damage. I'm not a fan of net curtains as they also trap dust and odours. I really don't want to have to be replacing window treatments every seven years.

We were initially told that we couldn't install a heat pump in the apartment. Happily, now most of the apartments have heat pumps installed. We have also had fibre installed, despite the unsightly external ducting.

Modern window tint can block up to 99.9% of UV light while still allowing most visible light to pass through. I certainly wouldn't like to see a mish-mash of different looking window tints across the building but I think that clause 16.3 should be amended to allow tinting within an acceptable range. E.g. non reflective ceramic UV film with a visual light spectrum tint of up to 30%.

It is the Committee's view that it is not a good look if only some owners put different tints on only some windows. It was suggested that the proposed resolution does not control a standard for consistency going forward, however an alternative resolution was suggested:

It was suggested that there is a need to have an acceptable standardised product to be used on all Units to ensure uniformity and that if the decision is to proceed with window tinting this would be on the basis that all or none of the units get this done. The Chair's recommendation is that the Manager undertakes the investigation, come back to the committee to review then the matter can be voted on by all Owners.

Given the above discussion it was suggested that the following resolution does not capture the direction those at the meeting support. It is unfortunate that the Proposer is not in attendance in order to discuss an amendment to the proposed resolution.

Ordinary Resolution:

That we are able to put window tinting on our windows.

NOT PASSED – There being no seconder, the resolution lapsed

Ordinary Resolution:

That the property manager investigates acceptable film options for the body corporate that would provide a consistent look and feel for the Capri. The approved standard would then become the standard for the Capri.

PASSED – Moved: Michael Barnett/Ted Ebbing

With regard to the above resolution, it was agreed that the Body Corporate would determine if all units would need to agree to apply the film or if it could occur as a one off per unit.

It was noted the joinery is oxidising and needs to be included as a maintenance item in the Long Term Maintenance Plan. The Manager is to look solutions and costings for this and also roof maintenance to include in the Plan.

- (c) Kevin Merrie suggested changing the garage doors to stacker doors rather than the existing when they need to be replaced – to also go onto the Long Term maintenance Plan.

NEXT COMMITTEE MEETING

The next Body Corporate Committee Meeting is to be held within one month of the date of this meeting.

CLOSURE

The meeting closed at 3.41 pm.



Long-Term Maintenance Plan Review

Capri on Pilot Bay

5 The Mall

Mount Maunganui 3116

Unit Plan S86277



Report details

Inspection date:	26/01/2024
Inspector:	Jared Fisher



29/01/2024

The Body Corporate Committee Members
Capri on Pilot Bay
5 The Mall
Mount Maunganui 3116

Dear Committee Members,

Thank you for appointing our company to conduct your Long-Term Maintenance Plan Review.

Based on our survey of your property, we have determined that the Body Corporate will need to increase its contributions in the short term to cover its forecast maintenance expenses. We recommend that the levies initially be set at the level shown in this report. Once the short-term expenses have been paid for, we recommend that this report be updated to confirm that the levies can be reduced to the level shown in this report.

This forecast should be updated regularly to account for actual changes in construction and maintenance costs, unanticipated changes in the property's condition over time, changes in legal requirements and any discrepancies between the forecast and actual long-term maintenance fund balances. Regular updates also create peace of mind and assist the Body Corporate to manage the risk of litigation from individual owners (current and future) for breaches of its duty to maintain the common property by providing reasonable, up-to-date estimates of the cost of necessary maintenance work and repairs.

Key Report Data Levies Summary – First Financial Year

Levy Per Utility Interest (Total long term maintenance fund levy divided by utility interests)	\$20.98
Total Utility Interests	1144
Total Long Term Maintenance Fund Levy	\$24,001.12

The data used to arrive at the above figures is in the attached report (which includes GST). It is designed for ease of reading. For your convenience here is your Report Index:

Report Index	Page No.
Owners Report Summary	Section 1
Building Details and Report Inputs Page	2
30 Year Cash Flow Tracking & Graph with New Levies	4
30 Year Cash Flow Tracking & Graph with Old Levies	6
Report Detail	Section 2
30 Year Anticipated Expenditure Table	8
Building Data List from Property Inspection	16
Inspector's Building Report & Building Specific Report Notes	30
Report Notes	32

All services provided by Solutions in Engineering are supplied on the basis of our 'Supply Terms and Conditions' which are available from our Office and from our website www.solutionsinengineering.com

If you have any questions regarding your report or need our specialised services in Professional Safety Reports, Insurance Valuations, Maintenance Reports, Asbestos Audits or Balustrade Testing call us on 0800 136 036 or email enquiry@solutionsinengineering.com.

Yours sincerely,

The Team at Solutions in Engineering

Auckland

Level 8, 139 Quay Street, Auckland 1010

PO Box 106508, Auckland City, PostShop, Auckland 1143

0800 136 036

enquiry@solutionsinengineering.com

Building Details & Report Inputs

Supplied information

Building Name	Capri on Pilot Bay
Building Address	5 The Mall Mount Maunganui 3116
Unit Plan No.	S86277
Plan Type	Unit Plan
Registered Plan Date/Year of Construction	1998
Number of Utility Interests	1144
Number of Units	29
Estimated Long Term Maintenance Fund Balance	\$94,791
Starting date of Financial Year for Report	1/04/2023
GST Status	Registered for GST
Current Long-Term Maintenance Levy per Utility interests (Inc. GST)	20.98

Report assumptions & information

Assumed Interest Rate on invested funds (For funds over \$10,000) Years 1 - 3	1.70%
Assumed Interest Rate on invested funds (For funds over \$10,000) Years 4 - 30	3.00%
Company Taxation Rate	28.00%
Interest on Invested Funds – Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on Long Term Maintenance Fund balances over \$10,000 - Years 1 - 3	1.22%
Interest on Invested Funds – Based on Assumed Interest Rate minus Company Taxation Rate. Calculated only on Long Term Maintenance Fund balances over \$10,000 - Years 4 - 30	2.16%
Contingency Allowance - For minor and/or unforeseen expenses	10%
Assumed Rate of Inflation for Building Maintenance Costs - Based on average annual building cost increase over the past five years.	3.00%
Forecast Period - Number of years the plan forecasts	30 years

30 Year Levy Table

Year	Year To	Total Contribution		Contribution per Utility Interest		Quarterly Contribution	
		Including GST	GST Component	Including GST	GST Component	Including GST	GST Component
1	31/03/2024	24,001.12	3,130.58	20.98	2.74	5.25	0.68
2	31/03/2025	121,210.00	15,810.00	105.95	13.82	26.49	3.45
3	31/03/2026	124,846.30	16,284.30	109.13	14.23	27.28	3.56
4	31/03/2027	128,591.69	16,772.83	112.41	14.66	28.10	3.67
5	31/03/2028	132,449.44	17,276.01	115.78	15.10	28.95	3.78
6	31/03/2029	51,980.00	6,780.00	45.44	5.93	11.36	1.48
7	31/03/2030	53,539.40	6,983.40	46.80	6.10	11.70	1.53
8	31/03/2031	55,145.58	7,192.90	48.20	6.29	12.05	1.57
9	31/03/2032	56,799.95	7,408.69	49.65	6.48	12.41	1.62
10	31/03/2033	58,503.95	7,630.95	51.14	6.67	12.79	1.67
11	31/03/2034	60,259.07	7,859.88	52.67	6.87	13.17	1.72
12	31/03/2035	62,066.85	8,095.68	54.25	7.08	13.56	1.77
13	31/03/2036	63,928.86	8,338.55	55.88	7.29	13.97	1.82
14	31/03/2037	65,846.72	8,588.70	57.56	7.51	14.39	1.88
15	31/03/2038	67,822.12	8,846.36	59.29	7.73	14.82	1.93
16	31/03/2039	69,856.78	9,111.75	61.06	7.96	15.27	1.99
17	31/03/2040	71,952.49	9,385.11	62.90	8.20	15.73	2.05
18	31/03/2041	74,111.06	9,666.66	64.78	8.45	16.20	2.11
19	31/03/2042	76,334.39	9,956.66	66.73	8.70	16.68	2.18
20	31/03/2043	78,624.42	10,255.36	68.73	8.96	17.18	2.24
21	31/03/2044	80,983.15	10,563.02	70.79	9.23	17.70	2.31
22	31/03/2045	83,412.64	10,879.91	72.91	9.51	18.23	2.38
23	31/03/2046	85,915.02	11,206.31	75.10	9.80	18.78	2.45
24	31/03/2047	88,492.47	11,542.50	77.35	10.09	19.34	2.52
25	31/03/2048	91,147.24	11,888.77	79.67	10.39	19.92	2.60
26	31/03/2049	93,881.65	12,245.43	82.06	10.70	20.52	2.68
27	31/03/2050	96,698.11	12,612.80	84.53	11.03	21.13	2.76
28	31/03/2051	99,599.05	12,991.18	87.06	11.36	21.77	2.84
29	31/03/2052	102,587.03	13,380.92	89.67	11.70	22.42	2.92
30	31/03/2053	105,664.63	13,782.34	92.36	12.05	23.09	3.01

30 Year Cash Flow Tracking Sheet

The table below shows the cash flow starting with the anticipated 'Opening Balance' at the start of the first financial year which you provided to us. We then add the 'Total Levy Contributions' for the year and any 'Interest' on balances greater than \$10,000. Any 'Anticipated Expenses' (including contingency allowance) are then allowed for leaving a 'Closing Balance' for the year which in turn becomes the 'Opening Balance' for the following year. In summary:

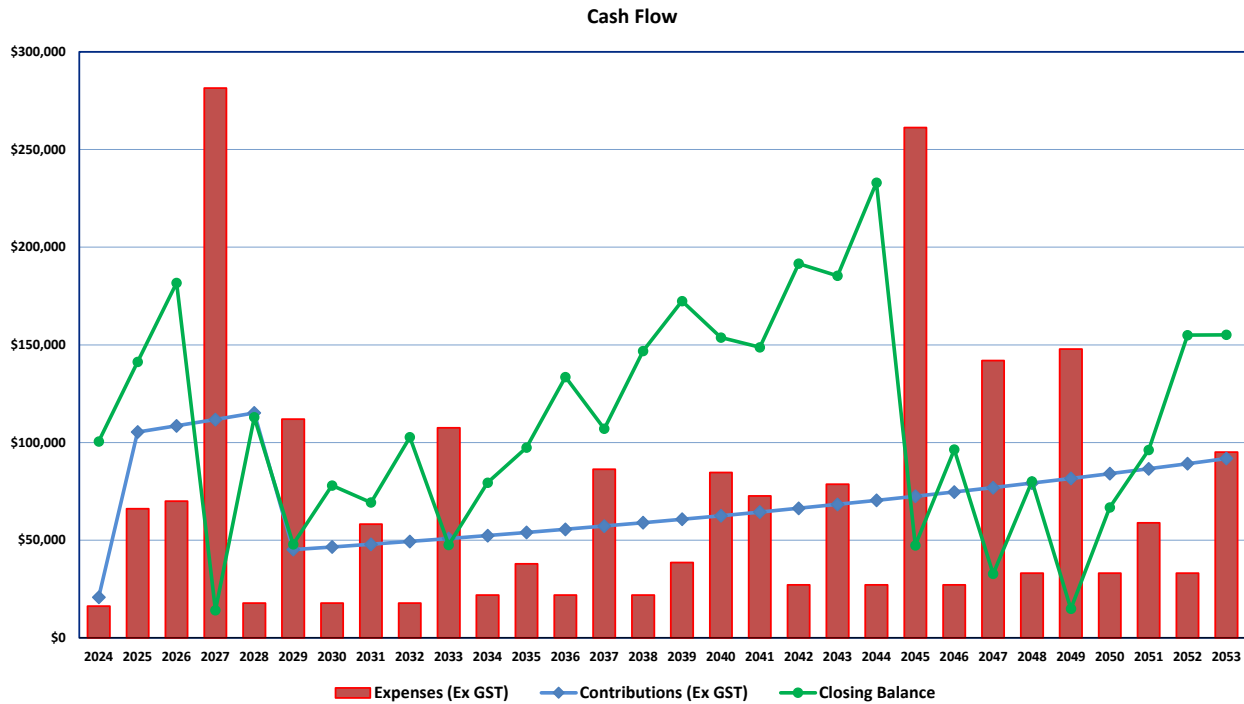
Opening Balance + Total Levy Contributions + Interest – Anticipated Expenses = Closing Balance

Year	Year To	Opening Balance	Total Levy Contributions (Exc. GST)	Interest (After Tax)	Anticipated Expenses (Exc. GST)	Closing Balance
1	31/03/2024	94,791.00	20,870.54	1,184.41	16,286.96	100,558.99
2	31/03/2025	100,558.99	105,400.00	1,466.23	66,153.04	141,272.18
3	31/03/2026	141,272.18	108,562.00	1,958.63	70,019.13	181,773.68
4	31/03/2027	181,773.68	111,818.86	2,094.01	281,476.52	14,210.03
5	31/03/2028	14,210.03	115,173.43	1,358.60	17,797.39	112,944.67
6	31/03/2029	112,944.67	45,200.00	1,718.82	111,939.13	47,924.36
7	31/03/2030	47,924.36	46,556.00	1,345.76	17,797.39	78,028.73
8	31/03/2031	78,028.73	47,952.68	1,574.17	58,253.91	69,301.67
9	31/03/2032	69,301.67	49,391.26	1,838.13	17,797.39	102,733.67
10	31/03/2033	102,733.67	50,873.00	1,606.47	107,593.04	47,620.10
11	31/03/2034	47,620.10	52,399.19	1,358.12	21,887.83	79,489.58
12	31/03/2035	79,489.58	53,971.17	1,889.98	37,952.17	97,398.56
13	31/03/2036	97,398.56	55,590.31	2,467.80	21,887.83	133,568.84
14	31/03/2037	133,568.84	57,258.02	2,571.29	86,313.04	107,085.11
15	31/03/2038	107,085.11	58,975.76	2,713.59	21,887.83	146,886.63
16	31/03/2039	146,886.63	60,745.03	3,411.89	38,602.61	172,440.94
17	31/03/2040	172,440.94	62,567.38	3,485.45	84,722.61	153,771.16
18	31/03/2041	153,771.16	64,444.40	3,232.48	72,682.61	148,765.43
19	31/03/2042	148,765.43	66,377.73	3,636.70	27,177.39	191,602.47
20	31/03/2043	191,602.47	68,369.06	4,027.60	78,647.83	185,351.30
21	31/03/2044	185,351.30	70,420.13	4,470.61	27,177.39	233,064.65
22	31/03/2045	233,064.65	72,532.73	2,996.29	261,227.83	47,365.84
23	31/03/2046	47,365.84	74,708.71	1,536.44	27,177.39	96,433.60
24	31/03/2047	96,433.60	76,949.97	1,380.76	141,968.70	32,795.63
25	31/03/2048	32,795.63	79,258.47	1,206.82	33,106.96	80,153.96
26	31/03/2049	80,153.96	81,636.22	1,015.85	147,884.35	14,921.68
27	31/03/2050	14,921.68	84,085.31	872.87	33,106.96	66,772.90
28	31/03/2051	66,772.90	86,607.87	1,741.72	58,883.48	96,239.01
29	31/03/2052	96,239.01	89,206.11	2,684.63	33,106.96	155,022.79
30	31/03/2053	155,022.79	91,882.29	3,314.01	95,074.78	155,144.31

30 Year Cash Flow Graph

The graph below tracks the 'Contributions' (the amount collected in levies), the projected 'Closing balance' of the long-term maintenance fund and the likely 'Expenses' for each year of this plan. The three lines in the graph are:

- Contributions line - Total maintenance fund contributions per year.
- Expenses line – Total anticipated expenses in each year.
- Closing balance line – Shows the amount left in the fund bank account at the end of the year after all anticipated expenses have been allowed for.



What will happen if you stay with your current levy amount?

The table and graph below use the same information as on the previous page except they show the cash flow for the scheme if you do not vary your current levy amount.

30 Year Cash Flow Tracking Sheet

The table below shows the cash flow for the entirety of the forecast. In summary:

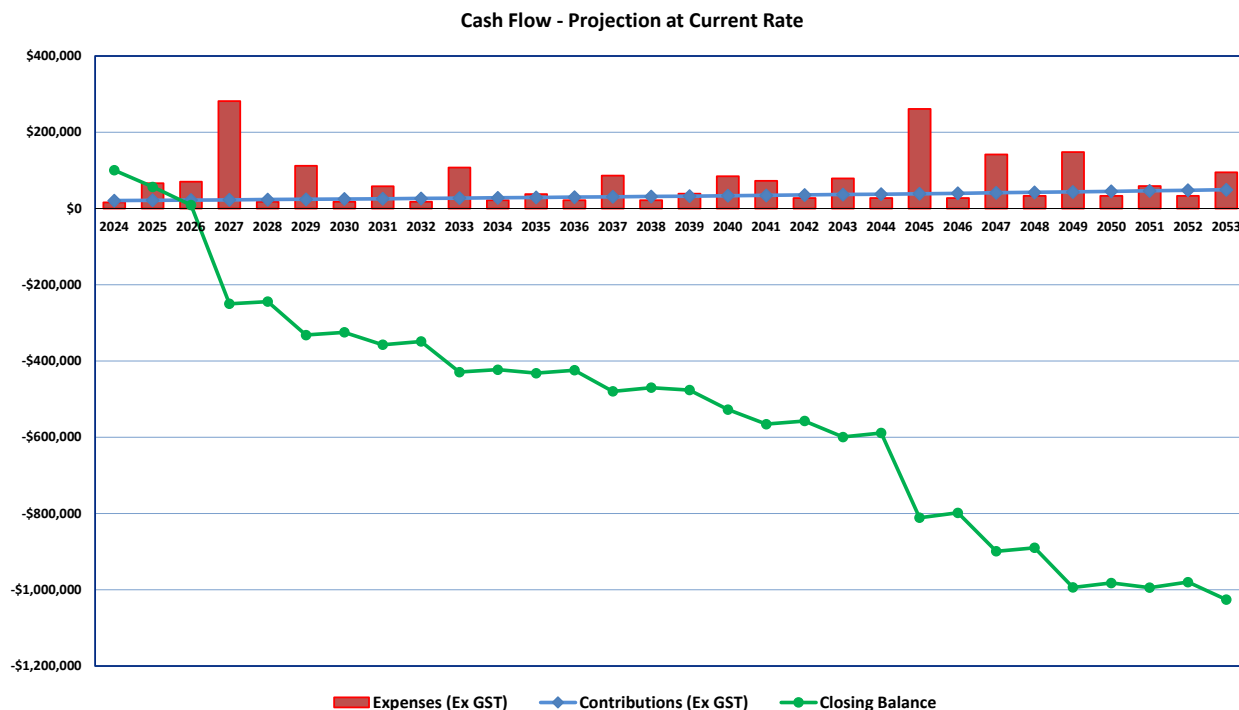
Opening Balance + Total Levy Contributions + Interest – Anticipated Expenses = Closing Balance

Year	Year To	Opening Balance	Total Levy Contributions (Exc. GST)	Interest (After Tax)	Anticipated Expenses (Exc. GST)	Closing Balance
1	31/03/2024	94,791.00	20,870.54	1,184.41	16,286.96	100,558.99
2	31/03/2025	100,558.99	21,496.66	954.42	66,153.04	56,857.03
3	31/03/2026	56,857.03	22,141.56	0.00	70,019.13	8,979.46
4	31/03/2027	8,979.46	22,805.81	0.00	281,476.52	-249,691.25
5	31/03/2028	-249,691.25	23,489.98	0.00	17,797.39	-243,998.66
6	31/03/2029	-243,998.66	24,194.68	0.00	111,939.13	-331,743.11
7	31/03/2030	-331,743.11	24,920.52	0.00	17,797.39	-324,619.98
8	31/03/2031	-324,619.98	25,668.14	0.00	58,253.91	-357,205.75
9	31/03/2032	-357,205.75	26,438.18	0.00	17,797.39	-348,564.96
10	31/03/2033	-348,564.96	27,231.33	0.00	107,593.04	-428,926.67
11	31/03/2034	-428,926.67	28,048.27	0.00	21,887.83	-422,766.23
12	31/03/2035	-422,766.23	28,889.72	0.00	37,952.17	-431,828.68
13	31/03/2036	-431,828.68	29,756.41	0.00	21,887.83	-423,960.10
14	31/03/2037	-423,960.10	30,649.10	0.00	86,313.04	-479,624.04
15	31/03/2038	-479,624.04	31,568.57	0.00	21,887.83	-469,943.30
16	31/03/2039	-469,943.30	32,515.63	0.00	38,602.61	-476,030.28
17	31/03/2040	-476,030.28	33,491.10	0.00	84,722.61	-527,261.79
18	31/03/2041	-527,261.79	34,495.83	0.00	72,682.61	-565,448.57
19	31/03/2042	-565,448.57	35,530.70	0.00	27,177.39	-557,095.26
20	31/03/2043	-557,095.26	36,596.62	0.00	78,647.83	-599,146.47
21	31/03/2044	-599,146.47	37,694.52	0.00	27,177.39	-588,629.34
22	31/03/2045	-588,629.34	38,825.36	0.00	261,227.83	-811,031.81
23	31/03/2046	-811,031.81	39,990.12	0.00	27,177.39	-798,219.08
24	31/03/2047	-798,219.08	41,189.82	0.00	141,968.70	-898,997.96
25	31/03/2048	-898,997.96	42,425.51	0.00	33,106.96	-889,679.41
26	31/03/2049	-889,679.41	43,698.28	0.00	147,884.35	-993,865.48
27	31/03/2050	-993,865.48	45,009.23	0.00	33,106.96	-981,963.21
28	31/03/2051	-981,963.21	46,359.51	0.00	58,883.48	-994,487.18
29	31/03/2052	-994,487.18	47,750.30	0.00	33,106.96	-979,843.84
30	31/03/2053	-979,843.84	49,182.81	0.00	95,074.78	-1,025,735.81

30 Year Cash Flow Graph

The graph below tracks the 'Contributions' (the amount collected in levies), the projected 'Closing balance' of the long-term maintenance fund and the likely 'Expenses' for each year of this plan. The three lines in the graph are:

- Contributions line - Total maintenance fund contributions per year.
- Expenses line – Total anticipated expenses in each year.
- Closing balance line – Shows the amount left in the fund bank account at the end of the year after all anticipated expenses have been allowed for.



Anticipated Expenditures Table Year 1 - 15

This table shows when expenses will occur in the next 30 years. From left to right the columns are:

'Expenditure Items' - lists the different areas and items of expenditure.

'Current Cost' - shows the current maintenance expenditure costs in today's dollars.

Year 1 to 15 - shows the costs in the year in which they occur including the 'Assumed Rate of Inflation' compounded annually until the cost is due.

At the bottom on each column, there are three lines. Firstly, a **'Grand Total (Inc. GST)'** followed by a line calculating the **'Contingency Allowance (Inc. GST)'** for unforeseen and minor expenses and finally **'Total Expenses (Inc. GST)'** for that year. Please note: This page rounds figures to the nearest whole dollar.

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
1. PROPERTY EXTERIOR																
Building wash - soft chemical wash recommended - included in the painting contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - CURRENT CONTRACT IN PLACE	17,027	17,027	17,027	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	69,000	-	-	73,202	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	18,606	-	-	-	18,606	18,606	18,606	18,606	18,606	18,606	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	80,522	-	-	-	-	-	-	-	-	-	80,522	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim	22,883	-	-	-	-	-	-	-	-	-	-	22,883	22,883	22,883	22,883	22,883

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT																
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	88,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	28,413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	97,432	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	34,612	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Glass handrail and balustrade repairs and inspections (Total: 151 lm) - 10%	2,240	-	2,307	-	-	-	-	-	-	-	2,923	-	-	-	-	-
Metal handrail and balustrade repairs and inspections (Total: 143 lm) - 10%	1,350	-	1,391	-	-	-	-	-	-	-	1,761	-	-	-	-	-
Stair access handrail and balustrade repairs and inspections (Total: 72 lm) - 10%	880	-	906	-	-	-	-	-	-	-	1,148	-	-	-	-	-
Sub Total (Incl. GST)		17,027	21,630	73,202	18,606	18,606	18,606	18,606	18,606	18,606	86,354	22,883	22,883	22,883	22,883	22,883
2. WORK AT HEIGHTS ACCESS																
Elevating working platforms - methods to elevations by contractor - exterior - This is included in the painting contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. ROOFING																
Roof covering - coloursteel replacement	110,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Roof covering - coloursteel metal repairs and cleaning (Total: 1112 m2) - 10%	8,109	-	8,352	-	-	-	-	-	9,973	-	-	-	-	-	11,908	-
Flashing repairs and roof inspections	1,740	-	1,792	-	-	-	2,017	-	-	-	2,270	-	-	-	2,555	-

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
Gutter repairs and clean-outs	1,450	-	1,494	-	1,584	-	1,681	-	1,783	-	1,892	-	2,007	-	2,129	-
Rain heads, down pipes and roof-drains clean-outs	870	-	896	-	951	-	1,009	-	1,070	-	1,135	-	1,204	-	1,278	-
Sub Total (Incl. GST)		0	12,534	0	2,535	0	4,707	0	12,826	0	5,297	0	3,211	0	17,870	0
4. DRIVEWAY AND WALKWAY																
Drainage maintenance - allowance	1,100	-	1,133	-	1,202	-	1,275	-	1,353	-	1,435	-	1,523	-	1,615	-
Driveway entry - replacement of bitumen surface topcoat	10,181	-	-	-	-	-	11,803	-	-	-	-	-	-	-	-	-
Driveway entry - bitumen surface repair and reprofile (Total: 182 m2) - 10%	873	-	899	-	-	-	-	-	1,074	-	-	-	-	-	1,282	-
Driveway and basement parking - concrete surface repairs and cleaning (Total: 884 m2) - 5%	3,375	-	3,476	-	-	-	-	-	4,151	-	-	-	-	-	4,956	-
Driveway and walkway - paving repairs and cleaning (Total: 654 m2) - 5%	2,708	-	2,789	-	-	-	-	-	3,331	-	-	-	-	-	3,977	-
Line marking and surface signage repaint	1,773	-	1,826	-	-	-	-	-	-	-	2,313	-	-	-	-	-
Security gate repairs or future replacement funding	900	-	927	-	983	-	1,043	-	1,107	-	1,174	-	1,246	-	1,322	-
Security gate motor repairs or future replacement funding	1,300	-	1,339	-	1,421	-	1,507	-	1,599	-	1,696	-	1,800	-	1,909	-
Pedestrian gate repairs or future replacement funding - includes boundary, garage and entry gates	900	-	927	-	983	-	1,043	-	1,107	-	1,174	-	1,246	-	1,322	-
Walkway - tile and grout repairs (Total: 237 m2) - 10%	3,490	-	3,595	-	-	-	-	-	4,292	-	-	-	-	-	5,125	-
Sub Total (Incl. GST)		0	16,911	0	4,589	0	16,671	0	18,013	0	7,792	0	5,815	0	21,508	0
5. FIXTURES AND FITTINGS																
Letterbox replacement	4,619	-	-	-	-	-	-	-	5,681	-	-	-	-	-	-	-
Complex signage structure - maintain	915	-	-	-	1,000	-	-	-	-	-	-	-	1,267	-	-	-
Sub Total (Incl. GST)		0	0	0	1,000	0	0	0	5,681	0	0	0	1,267	0	0	0
6. FENCING																
Common and boundary fence repairs (Total: 27 lm) - 20%	627	-	-	-	685	-	-	-	771	-	-	-	868	-	-	-
Common and boundary fence repaint	945	-	973	-	-	-	-	-	-	-	1,233	-	-	-	-	-
Sub Total (Incl. GST)		0	973	0	685	0	0	0	771	0	1,233	0	868	0	0	0
7. LIFTS																
Lift interior refurbishment - following upgrades of lifts	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	14,685	-
Lift replacement - 3 Floors, 4-8 person	240,141	-	-	-	262,409	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	262,409	0	0	0	0	0	0	0	0	0	14,685	0

Expenditure Item	Current Cost	Year 1 (2024)	Year 2 (2025)	Year 3 (2026)	Year 4 (2027)	Year 5 (2028)	Year 6 (2029)	Year 7 (2030)	Year 8 (2031)	Year 9 (2032)	Year 10 (2033)	Year 11 (2034)	Year 12 (2035)	Year 13 (2036)	Year 14 (2037)	Year 15 (2038)
8. ELECTRICAL																
Light fitting maintenance - common systems only - allowance	1,160	-	1,195	-	-	-	1,345	-	-	-	1,514	-	-	-	1,704	-
Electrical maintenance - common systems only - allowance	2,320	-	2,390	-	2,535	-	2,690	-	2,853	-	3,027	-	3,211	-	3,407	-
Security access system upgrades - common systems only - allowance	1,500	-	1,545	-	-	-	1,739	-	-	-	1,957	-	-	-	2,203	-
Intercom and access system - replacement	43,150	-	-	-	-	-	50,023	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	5,130	0	2,535	0	55,797	0	2,853	0	6,498	0	3,211	0	7,313	0
9. FIRE PREVENTION																
Passive and alert systems - allowance over and above contracted fire works	1,750	-	1,803	-	1,912	-	2,029	-	2,152	-	2,283	-	2,422	-	2,570	-
Control panel replacement or upgrade	14,256	-	-	-	-	-	16,527	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	1,802	0	1,912	0	18,556	0	2,152	0	2,283	0	2,422	0	2,570	0
10. WATER																
Plumbing maintenance - common systems only - allowance	2,320	-	2,390	-	-	-	2,690	-	-	-	3,027	-	-	-	3,407	-
Control panel for sump pump - replacement	3,279	-	3,377	-	-	-	-	-	-	-	-	-	-	-	-	-
Sump pump - replacement	4,284	-	4,413	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	10,180	0	0	0	2,690	0	0	0	3,027	0	0	0	3,407	0
11. SPECIAL EXPENDITURES																
Swimming pool, gym and toilets - Costs have been excluded currently as not part of the common property but Capri Apartments has shared access to Beaumont Apartments Swimming pool complex	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (Incl. GST)		17,027	69,160	73,202	294,271	18,606	117,027	18,606	60,902	18,606	112,484	22,883	39,677	22,883	90,236	22,883
Contingency Allowance (Incl. GST)		1,703	6,916	7,320	29,427	1,861	11,703	1,861	6,090	1,861	11,248	2,288	3,968	2,288	9,024	2,288
Grand Total Expenses (Incl. Contingency Allowance and GST)		18,730	76,076	80,522	323,698	20,467	128,730	20,467	66,992	20,467	123,732	25,171	43,645	25,171	99,260	25,171

Anticipated Expenditures Table Year 16 - 30

This table shows when expenses will occur in years 16 - 30. From left to right the columns are:-

'Expenditure Items' - lists the different areas and items of expenditure.

'Current Cost' - shows the current maintenance expenditure costs in today's dollars.

Year 16 to 30 - shows the costs in the year in which they occur including the 'Assumed Rate of Inflation' compounded annually until the cost is due.

At the bottom on each column, there are three lines. Firstly, a **'Grand Total (Inc. GST)'** followed by a line calculating the **'Contingency Allowance (Inc. GST)'** for unforeseen and minor expenses and finally **'Total Expenses (Inc. GST)'** for that year. Please note: This page rounds figures to the nearest whole dollar.

Expenditure Item	Current Cost	Year 16 (2039)	Year 17 (2040)	Year 18 (2041)	Year 19 (2042)	Year 20 (2043)	Year 21 (2044)	Year 22 (2045)	Year 23 (2046)	Year 24 (2047)	Year 25 (2048)	Year 26 (2049)	Year 27 (2050)	Year 28 (2051)	Year 29 (2052)	Year 30 (2053)
1. PROPERTY EXTERIOR																
Building wash - soft chemical wash recommended - included in the painting contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - CURRENT CONTRACT IN PLACE	17,027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	69,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	18,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	80,522	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim	22,883	22,883	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Expenditure Item	Current Cost	Year 16 (2039)	Year 17 (2040)	Year 18 (2041)	Year 19 (2042)	Year 20 (2043)	Year 21 (2044)	Year 22 (2045)	Year 23 (2046)	Year 24 (2047)	Year 25 (2048)	Year 26 (2049)	Year 27 (2050)	Year 28 (2051)	Year 29 (2052)	Year 30 (2053)
and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT																
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	88,574	-	88,574	-	-	-	-	-	-	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	28,413	-	-	28,413	28,413	28,413	28,413	28,413	28,413	-	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	97,432	-	-	-	-	-	-	-	-	97,432	-	-	-	-	-	-
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	34,612	-	-	-	-	-	-	-	-	-	34,612	34,612	34,612	34,612	34,612	34,612
Glass handrail and balustrade repairs and inspections (Total: 151 lm) - 10%	2,240	-	-	3,702	-	-	-	-	-	-	-	4,690	-	-	-	-
Metal handrail and balustrade repairs and inspections (Total: 143 lm) - 10%	1,350	-	-	2,231	-	-	-	-	-	-	-	2,827	-	-	-	-
Stair access handrail and balustrade repairs and inspections (Total: 72 lm) - 10%	880	-	-	1,455	-	-	-	-	-	-	-	1,843	-	-	-	-
Sub Total (Incl. GST)		22,883	88,574	35,801	28,413	28,413	28,413	28,413	28,413	97,432	34,612	43,972	34,612	34,612	34,612	34,612
2. WORK AT HEIGHTS ACCESS																
Elevating working platforms - methods to elevations by contractor - exterior - This is included in the painting contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3. ROOFING																
Roof covering - coloursteel replacement	110,944	-	-	-	-	-	-	206,389	-	-	-	-	-	-	-	-
Roof covering - coloursteel metal repairs and cleaning (Total: 1112 m2) - 10%	8,109	-	-	-	-	14,219	-	-	-	-	-	16,978	-	-	-	-
Flashing repairs and roof inspections	1,740	-	-	2,876	-	-	-	3,237	-	-	-	3,643	-	-	-	4,100

Expenditure Item	Current Cost	Year 16 (2039)	Year 17 (2040)	Year 18 (2041)	Year 19 (2042)	Year 20 (2043)	Year 21 (2044)	Year 22 (2045)	Year 23 (2046)	Year 24 (2047)	Year 25 (2048)	Year 26 (2049)	Year 27 (2050)	Year 28 (2051)	Year 29 (2052)	Year 30 (2053)
Gutter repairs and clean-outs	1,450	2,259	-	2,397	-	2,543	-	2,697	-	2,862	-	3,036	-	3,221	-	3,417
Rain heads, down pipes and roof-drains clean-outs	870	1,355	-	1,438	-	1,526	-	1,618	-	1,717	-	1,822	-	1,933	-	2,050
Sub Total (Incl. GST)		3,614	0	6,711	0	18,288	0	213,941	0	4,579	0	25,479	0	5,154	0	9,567
4. DRIVEWAY AND WALKWAY																
Drainage maintenance - allowance	1,100	1,714	-	1,818	-	1,929	-	2,046	-	2,171	-	2,303	-	2,443	-	2,592
Driveway entry - replacement of bitumen surface topcoat	10,181	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,992
Driveway entry - bitumen surface repair and reprofile (Total: 182 m2) - 10%	873	-	-	-	-	1,531	-	-	-	-	-	1,828	-	-	-	-
Driveway and basement parking - concrete surface repairs and cleaning (Total: 884 m2) - 5%	3,375	-	-	-	-	5,918	-	-	-	-	-	7,067	-	-	-	-
Driveway and walkway - paving repairs and cleaning (Total: 654 m2) - 5%	2,708	-	-	-	-	4,748	-	-	-	-	-	5,670	-	-	-	-
Line marking and surface signage repaint	1,773	-	-	2,931	-	-	-	-	-	-	-	3,712	-	-	-	-
Security gate repairs or future replacement funding	900	1,402	-	1,488	-	1,578	-	1,674	-	1,776	-	1,884	-	1,999	-	2,121
Security gate motor repairs or future replacement funding	1,300	2,025	-	2,149	-	2,280	-	2,418	-	2,566	-	2,722	-	2,888	-	3,064
Pedestrian gate repairs or future replacement funding - includes boundary, garage and entry gates	900	1,402	-	1,488	-	1,578	-	1,674	-	1,776	-	1,884	-	1,999	-	2,121
Walkway - tile and grout repairs (Total: 237 m2) - 10%	3,490	-	-	-	-	6,120	-	-	-	-	-	7,307	-	-	-	-
Sub Total (Incl. GST)		6,543	0	9,873	0	25,682	0	7,812	0	8,289	0	34,377	0	9,329	0	33,890
5. FIXTURES AND FITTINGS																
Letterbox replacement	4,619	-	-	-	-	-	-	-	-	9,116	-	-	-	-	-	-
Complex signage structure - maintain	915	-	-	-	-	1,604	-	-	-	-	-	-	-	2,032	-	-
Sub Total (Incl. GST)		0	0	0	0	1,604	0	0	0	9,116	0	0	0	2,032	0	0
6. FENCING																
Common and boundary fence repairs (Total: 27 lm) - 20%	627	977	-	-	-	1,099	-	-	-	1,237	-	-	-	1,393	-	-
Common and boundary fence repaint	945	-	-	1,562	-	-	-	-	-	-	-	1,979	-	-	-	-
Sub Total (Incl. GST)		977	0	1,562	0	1,099	0	0	0	1,237	0	1,979	0	1,393	0	0
7. LIFTS																
Lift interior refurbishment - following upgrades of lifts	10,000	-	-	-	-	-	-	-	-	19,736	-	-	-	-	-	-
Lift replacement - 3 Floors, 4-8 person	240,141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	19,736	0	0	0	0	0	0

Expenditure Item	Current Cost	Year 16 (2039)	Year 17 (2040)	Year 18 (2041)	Year 19 (2042)	Year 20 (2043)	Year 21 (2044)	Year 22 (2045)	Year 23 (2046)	Year 24 (2047)	Year 25 (2048)	Year 26 (2049)	Year 27 (2050)	Year 28 (2051)	Year 29 (2052)	Year 30 (2053)
8. ELECTRICAL																
Light fitting maintenance - common systems only - allowance	1,160	-	-	1,917	-	-	-	2,158	-	-	-	2,429	-	-	-	2,734
Electrical maintenance - common systems only - allowance	2,320	3,614	-	3,835	-	4,068	-	4,316	-	4,579	-	4,858	-	5,153	-	5,467
Security access system upgrades - common systems only - allowance	1,500	-	-	2,479	-	-	-	2,790	-	-	-	3,141	-	-	-	3,535
Intercom and access system - replacement	43,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		3,614	0	8,231	0	4,068	0	9,264	0	4,579	0	10,428	0	5,153	0	11,736
9. FIRE PREVENTION																
Passive and alert systems - allowance over and above contracted fire works	1,750	2,726	-	2,892	-	3,069	-	3,256	-	3,454	-	3,664	-	3,887	-	4,124
Control panel replacement or upgrade	14,256	-	-	-	-	-	-	-	-	-	-	29,849	-	-	-	-
Sub Total (Incl. GST)		2,726	0	2,892	0	3,069	0	3,256	0	3,454	0	33,513	0	3,887	0	4,124
10. WATER																
Plumbing maintenance - common systems only - allowance	2,320	-	-	3,835	-	-	-	4,316	-	-	-	4,858	-	-	-	5,467
Control panel for sump pump - replacement	3,279	-	-	-	-	-	-	6,100	-	-	-	-	-	-	-	-
Sump pump - replacement	4,284	-	-	7,081	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	10,916	0	0	0	10,416	0	0	0	4,858	0	0	0	5,467
11. SPECIAL EXPENDITURES																
Swimming pool, gym and toilets - Costs have been excluded currently as not part of the common property but Capri Apartments has shared access to Beaumont Apartments Swimming pool complex	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total (Incl. GST)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (Incl. GST)		40,357	88,574	75,986	28,413	82,223	28,413	273,102	28,413	148,422	34,612	154,606	34,612	61,560	34,612	99,396
Contingency Allowance (Incl. GST)		4,036	8,857	7,599	2,841	8,222	2,841	27,310	2,841	14,842	3,461	15,461	3,461	6,156	3,461	9,940
Grand Total Expenses (Incl. Contingency Allowance and GST)		44,393	97,431	83,585	31,254	90,445	31,254	300,412	31,254	163,264	38,073	170,067	38,073	67,716	38,073	109,336

Building Data List from the Property Inspection for Capri on Pilot Bay

This table has all the data collected by the building inspector while inspecting the complex. The columns from left to right are:

'Items' – identifies and describes the maintenance item

'Qty' – lets you know the quantity of that item in scope

'Unit' – is the unit rate used to measure the quantity

'Rate' – is the cost of each unit in dollars

'Value' - is the quantity (Qty) multiplied by the Rate (\$)

'Next Due' - is the remaining life in years until an item needs money spent on it.

'Total Life' - is the total life of the item after it is replaced, repaired or repainted.

'Comments' - details any useful explanatory notes for the item.

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
1. PROPERTY EXTERIOR							
Building wash - soft chemical wash recommended - included in the painting contract	1	Item	0.00	0.00	1	1	Quotation required
Painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - CURRENT CONTRACT IN PLACE	1	Item	17,026.90	17,027.00	1	1	Quotation provided by Carus Ltd - Contract is 7 years and ends in 2025 Yr 2
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	1	Item	69,000.00	69,000.00	3	7	Quotation provided by Carus Ltd - First year only - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	1	Item	18,606.00	18,606.00	4	1	Quotation provided by Carus Ltd - Year 2-7 of painting contract - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	1	Item	80,522.20	80,522.00	10	1	Quotation provided by Carus Ltd - First year only - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	1	Item	22,883.00	22,883.00	11	1	Quotation provided by Carus Ltd - Year 2-7 of painting contract - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	1	Item	88,574.42	88,574.00	17	1	Quotation provided by Carus Ltd - First year only - Contract is 7 years

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	1	Item	28,413.00	28,413.00	18	1	Quotation provided by Carus Ltd - Year 2-7 of painting contract - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - 1ST YEAR INITIAL COST	1	Item	97,431.86	97,432.00	24	1	Quotation provided by Carus Ltd - First year only - Contract is 7 years
Assumed renewal of painting contract - repaint elevations - all previously painted surfaces - soffits, fascia, walls, garage doors, doors and door frames, detail trim and boundary walls and fences - YEAR 2-7 OF PAINTING CONTRACT	1	Item	34,612.00	34,612.00	25	1	Quotation provided by Carus Ltd - Year 2-7 of painting contract - Contract is 7 years
Glass handrail and balustrade repairs and inspections (Total: 151 lm) - 10%	16	lm	140.00	2,240.00	2	8	Repair as required
Metal handrail and balustrade repairs and inspections (Total: 143 lm) - 10%	15	lm	90.00	1,350.00	2	8	Repair as required
Stair access handrail and balustrade repairs and inspections (Total: 72 lm) - 10%	8	lm	110.00	880.00	2	8	Repair as required
2. WORK AT HEIGHTS ACCESS							
Elevating working platforms - methods to elevations by contractor - exterior - This is included in the painting contract	1	Item	0.00	0.00	1	1	Costs are included in the painting contract
3. ROOFING							
Roof covering - coloursteel replacement	1112	m2	99.77	110,944.00	22	50	Quotation required
Roof covering - coloursteel metal repairs and cleaning (Total: 1112 m2) - 10%	112	m2	72.40	8,109.00	2	6	Future funding or repair as required
Flashing repairs and roof inspections	29	Item	60.00	1,740.00	2	4	Ongoing maintenance program
Gutter repairs and clean-outs	29	Item	50.00	1,450.00	2	2	Ongoing maintenance program
Rain heads, down pipes and roof-drains clean-outs	29	Item	30.00	870.00	2	2	Ongoing maintenance program
4. DRIVEWAY AND WALKWAY							
Drainage maintenance - allowance	2	Item	550.00	1,100.00	2	2	Ongoing maintenance program
Driveway entry - replacement of bitumen surface topcoat	182	m2	55.94	10,181.00	6	24	Quotation required
Driveway entry - bitumen surface repair and reprofile (Total: 182 m2) - 10%	19	m2	45.94	873.00	2	6	Future funding or repair as required
Driveway and basement parking - concrete surface repairs and cleaning (Total: 884 m2) - 5%	45	m2	75.00	3,375.00	2	6	Future funding or repair as required
Driveway and walkway - paving repairs and cleaning (Total: 654 m2) - 5%	33	m2	82.05	2,708.00	2	6	Future funding or repair as required
Line marking and surface signage repaint	197	lm	9.00	1,773.00	2	8	Repaint as required
Security gate repairs or future replacement funding	2	ea	450.00	900.00	2	2	Future funding or repair as required

Items	Qty	Unit	Rate (\$)	Value (\$)	Next Due	Total Life	Comments
Security gate motor repairs or future replacement funding	2	ea	650.00	1,300.00	2	2	Future funding or repair as required
Pedestrian gate repairs or future replacement funding - includes boundary, garage and entry gates	6	ea	150.00	900.00	2	2	Future funding or repair as required
Walkway - tile and grout repairs (Total: 237 m2) - 10%	24	m2	145.42	3,490.00	2	6	Repair as required
5. FIXTURES AND FITTINGS							
Letterbox replacement	31	ea	149.00	4,619.00	8	16	Quotation required
Complex signage structure - maintain	1	ea	915.00	915.00	4	8	Ongoing maintenance program
6. FENCING							
Common and boundary fence repairs (Total: 27 lm) - 20%	6	lm	104.47	627.00	4	4	Ongoing maintenance program
Common and boundary fence repaint	27	lm	35.00	945.00	2	8	Quotation required
7. LIFTS							
Lift interior refurbishment - following upgrades of lifts	2	ea	5,000.00	10,000.00	14	10	Quotation required
Lift replacement - 3 Floors, 4-8 person	2	ea	120,070.26	240,141.00	4	30	Quotation required
8. ELECTRICAL							
Light fitting maintenance - common systems only - allowance	29	Item	40.00	1,160.00	2	4	Ongoing maintenance program
Electrical maintenance - common systems only - allowance	29	Item	80.00	2,320.00	2	2	Ongoing maintenance program
Security access system upgrades - common systems only - allowance	1	Item	1,500.00	1,500.00	2	4	Upgrade as required
Intercom and access system - replacement	1	Item	43,150.00	43,150.00	6	30	Replace as required
9. FIRE PREVENTION							
Passive and alert systems - allowance over and above contracted fire works	1	Item	1,750.00	1,750.00	2	2	Ongoing maintenance program
Control panel replacement or upgrade	1	Item	14,255.60	14,256.00	6	20	Quotation required
10. WATER							
Plumbing maintenance - common systems only - allowance	29	Item	80.00	2,320.00	2	4	Ongoing maintenance program
Control panel for sump pump - replacement	1	ea	3,279.46	3,279.00	2	20	Quotation required
Sump pump - replacement	1	ea	4,284.27	4,284.00	2	16	Quotation required
11. SPECIAL EXPENDITURES							
Swimming pool, gym and toilets - Costs have been excluded currently as not part of the common property but Capri Apartments has shared access to Beaumont Apartments Swimming pool complex	1	Item	0.00	0.00	0	0	If requested we can add this into the Ltmp

Building Photo Section

Item Group

PROPERTY EXTERIOR



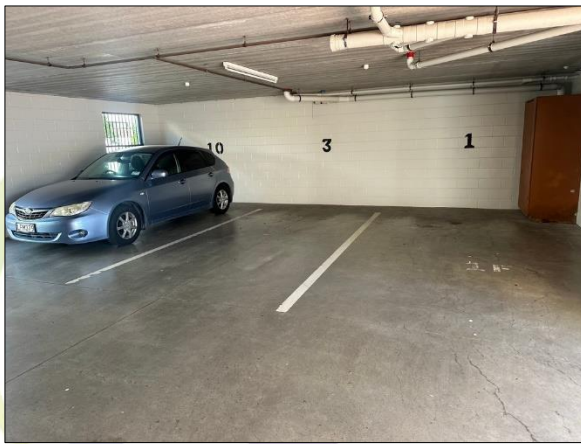
A painting contract is currently in place. The building is recommended a regular wash at least every 2 years and a re-paint every 10 years. This is reflected in the report.

Item Group**WORK AT HEIGHTS ACCESS**

The scaffolding is required to carry out painting on the building. It is recommended to carry out any other maintenance work while the scaffolding is available. This is reflected in the report.

Item Group**ROOFING**

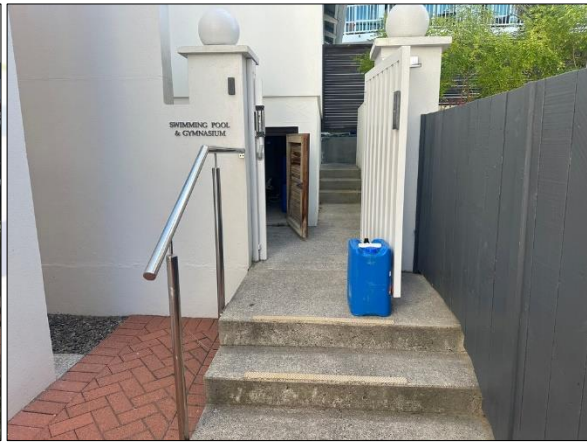
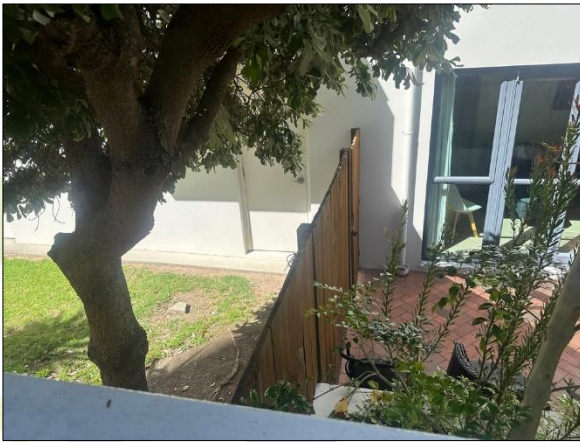
The roofing, gutters and flashings require regular maintenance, cleaning, inspections and or repairs. This is reflected in the report.

Item Group**DRIVEWAY AND WALKWAY**

The asphalt, concrete and paving driveway and the tile and paving walkways require regular maintenance, cleaning, inspections and or repairs. This is reflected in the report.

Item Group**FIXTURES AND FITTINGS**

The fixtures and fittings require repairs or replacement at the end of its life cycle. This is reflected in the report.

Item Group**FENCING**

The timber fences require regular maintenance, cleaning, and or repairs. This is reflected in the report.

Item Group**LIFTS**

The lifts and its components require regular maintenance and a replacement or repair cost in the long term plan . This is reflected in the report.

Item Group**ELECTRICAL**

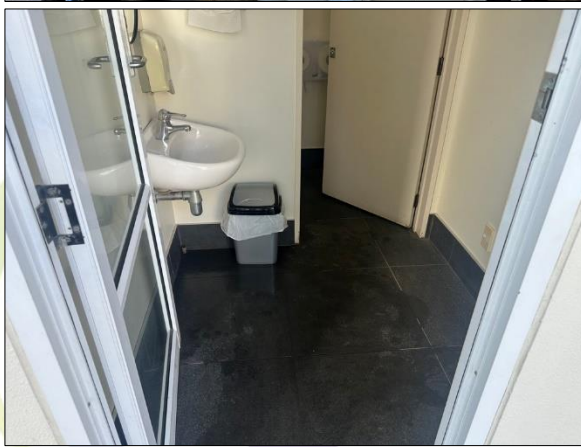
The common electrical systems require regular maintenance and or repairs. This is reflected in the report.

Item Group**FIRE PREVENTION**

The fire prevention systems requires regular maintenance and or repairs that is above regular contracted works. This is reflected in the report.

Item Group**WATER**

The common water systems require regular maintenance and or repairs. This is reflected in the report.

Item Group**SPECIAL EXPENDITURES**

Costs have not been included as this is shared with Beaumont Apartments. The swimming pool, gym, toilets and plant require regular maintenance, cleaning, inspections, replacement and or repairs. This is reflected in the report.

Inspector's Report for Capri on Pilot Bay

1. **INFLATION** - It is necessary to offset the effects of inflation on construction materials and labour costs and to ensure that adequate funds are available to provide for major works. These major works can frequently become necessary as the property ages but cannot be reliably forecast this far in advance. Based on historical data and current trends, we anticipate that construction and maintenance costs will increase by 50% every 15 years. The fund balance will be reviewed in light of current price levels and the state of the property at the time of each update.
2. **UPDATES** - We recommend that this report is updated every 3 years to ensure that it captures market variations and any changes to the property itself.
3. **ADMINISTRATION EXPENSES** - We assume that small repairs & improvements, regular maintenance items are financed via the administration fund and therefore are not included in this report.
4. **FINANCIAL YEAR ALREADY STARTED** - Starting levies in this report have already been set. Any adjustments will be made from the following financial year onwards.
5. **COSTS PROVIDED** - Some costings in this report were provided in the work order for projected maintenance works.
6. **HARSH ENVIRONMENT** - A harsh environment can shorten the service life of many items and will lead to accelerated wear and tear on a wide range of surfaces and materials. Any signs of corrosion or deterioration should be assessed and rectified as soon as possible.
7. **SALT AIR ENVIRONMENT** - Exposure to salt air can shorten the service life of many items and will lead to accelerated wear and tear on a wide range of surfaces and materials. Any signs of corrosion or deterioration should be assessed and rectified as soon as possible.
8. **PAINT WITHIN LOT BOUNDARIES** - The measurements and estimated costs for painting include all surfaces identified by the inspector, including those within lot boundaries. While the maintenance costs of some of these surfaces are technically the responsibility of the individual lot owners, it is usual to include the painting of these areas to preserve the appearance of the property and to reduce overall costs for individual lot owners.
9. **PAINT QUOTATIONS** - It is recommended that quotations are obtained for painting well in advance of when the work is to be carried out to allow for any shortfall or excess in funds. The costs estimated for painting are as accurate as possible but will vary from actual painting quotations.
10. **PAINT SERVICE-LIFE** - Paint serves to protect a surface as well as improving its appearance. Paint seals the surface from water, salt, or air pollutants. Although paint may hold its appearance for at least ten years before cracking and/or peeling occurs, it may become porous and lose its protective abilities before this point.
11. **POWDER COAT REPAINT** - Powder coated surfaces have a lengthy maintenance-free period when new. After this period, these surfaces may be repainted to maintain their appearance. It is important to note that powder coated surfaces will require special preparation for repainting.
12. **POWDER COAT WARRANTY** - Powder coated surfaces may be subject to a manufacturer's warranty. Therefore, the manufacturer's cleaning and maintenance recommendations should be followed.
13. **ELEVATING WORKING PLATFORMS** - Funds allocated for elevating working platforms (EWP's) can be used for many types of access equipment including, but not limited to; scaffolding, boom lifts, cherry pickers, etc.
14. **BITUMEN SURFACES** - Bitumen surfaces are more susceptible to environmental factors than other areas of the property. It is important that any deterioration is addressed promptly, as the deterioration of bitumen tends to accelerate when not maintained, significantly increasing overall maintenance costs.
15. **SURFACE CLEANING** - Surface cleaning may be carried out using high pressure water or a chemical wash. Care should be taken to meet relevant water restrictions.
16. **FENCES OR WALLS DIVIDING PRIVATE LOTS** - For aesthetic and practical reasons, the maintenance costs for certain fences or walls dividing private lots from one another have been included in this report.
17. **FENCES OR WALLS DIVIDING COMMON PROPERTY FROM LOTS** - For aesthetic and practical reasons, the maintenance costs for fences or walls dividing the common property from individual lots have been included in this report.

18. **BOUNDARY FENCES OR WALLS** - Maintenance of fences or walls between properties is regulated under the Fencing Act 1978, which states that neighbours have equal responsibility for dividing fences or walls (excluding retaining walls). As such, a 50% rate has been used for all maintenance work on boundary fences or walls.
19. **BOUNDARY RETAINING WALLS** - The law regarding retaining walls dividing properties is not settled and therefore the responsibility for maintaining them varies depending on a range of factors including who built the retaining wall, whose property it is on, and who benefits from its construction. For the purpose of this report we have presumed that the maintenance costs will be shared equally with neighbouring properties. As such, a 50% rate has been used for all maintenance work on boundary retaining walls.
20. **LIFTS** - The design of a lift requires continual maintenance. Maintenance is required due to the complexity of the engineering and electronic systems in the structure, external elements and the lift car. We have provisioned replacement costs which are normally outside of the comprehensive lift maintenance contract which, in our professional opinion, all buildings with lifts must have in place.

After 20 to 30 years of service, lifts may reach the end of their cost effective life. From this point lifts may experience decreasing performance along with an increase in required service. We have provisioned for lift replacement based on the age and current visual condition of the lift. In addition we take into account the following factors:

- **Obsolescence (Mechanical, Electrical & Software)**

Even though these elements can be supported at a stretch, it is prohibitively expensive to do so which adds cost and complexity into the maintenance regime. The additional cost in maintenance to facilitate reliability far outweighs the cost of new lift in the long term.

- **Building Code changes from year to year**

What may be relevant today, tends to change over time – hence the requirement to plan for upgrades every 10 years or as required.

- **Unforeseen environment impacts**

Flooding, Electrical surges & Misuse/Vandalism which are not covered by either the maintenance contract or building insurance.

21. **METAL ROOFS** - Metal roofs may have a service life of 60 years or more with proper care and maintenance.
22. **PAINTING CONTRACT** - A painting contract has been included in this report for years 1-2. It has been assumed that this contract will be renewed at the end of its life, with a cost increase for inflation.
23. **PROPERTY AGEING** - The current levies are too low to maintain and improve the property over the next 30 years. The maintenance cost on this type of property during the early years is typically low but as the property ages, it is essential to budget for major works and upgrades.
24. **MEETING** - I want to thank Andrew Carey for meeting with me, giving me access to the building and informing me of past, current & proposed works.
25. **HEIGHT ALLOWANCE** - Funds allocated for painting & remedial works can be used for many types of access equipment including, but not limited to scaffolding, boom lifts, cherry pickers, rope access, etc.
26. **ALUMINIUM** – Aluminium materials and structures may have a service life of 40 years or more with proper care and maintenance.

Report Notes

Long-Term Maintenance Plan Review

This forecast satisfies the current requirements of the *Unit Titles Act 2010*, the *Unit Titles (Strengthening Body Corporation Governance and Other Matters) Amendment Act 2022* and the *Unit Titles Regulations 2011*.

Unit Titles Act 2010 (NZ) Section 116 Long-Term Maintenance Plan Review

- (1) A body corporate must establish and regularly maintain a Long-Term Maintenance Plan Review.
- (2) A Long-Term Maintenance Plan Review must cover a period of at least 10 years from the date of the plan or the last review of the plan.
- (3) The purpose of a Long-Term Maintenance Plan Review is to –
 - (a) Identify future maintenance requirements and estimate the costs involved; and
 - (b) Support the establishment and management of the funds; and
 - (c) Provide a basis for the levying of owners of principal units; and
 - (d) Provide ongoing guidance to the body corporate to assist it in making its annual maintenance decisions.

Unit Titles Regulations 2011 (NZ) Section 30 Long-Term Maintenance Plan Reviews (as amended)

- (1) A Long-Term Maintenance Plan Review must—
 - (a) cover—
 - (i) the common property, building elements, and infrastructure of the unit title development; and
 - (ii) any additional items that the body corporate has decided by ordinary resolution to include in the plan; and
 - (aa) summarise the current state of the common property; and
 - (b) identify those items that the body corporate may decide by ordinary resolution not to maintain for any period during the lifetime of the plan; and
 - (c) state the period covered by the plan; and
 - (d) state the estimated age and life expectancy of each item covered by the plan; and
 - (e) state the estimated cost of maintenance and replacement of each item covered by the plan; and
 - (f) state whether there is a long-term maintenance fund; and
 - (fa) state the sources of funding for the plan; and
 - (g) if there is a long-term maintenance fund, state the amount determined by the body corporate to be applied to maintain the fund each year; and
 - (h) state who has prepared the plan.

(1A) A body corporate must apply the amount each year to maintain the fund that it has determined under subclause (1)(g), less any amount that has been applied to maintain any item in that year.

(2) A body corporate must carry out a review of its plan once every 3 years.

(3) Subject to subclause (2), a body corporate may carry out a review of its plan as frequently as it considers necessary.

Unit Titles (Strengthening Body Corporate Governance and Other Matters) Amendment Act 2022 Section 30A Long-Term Maintenance Plan Reviews for large unit title developments

- (1) This regulation applies to a Long-Term Maintenance Plan Review for a large unit title development.
- (2) Regulation 30(1)(d), (e), and (g) does not apply to a large unit title development's Long-Term Maintenance Plan Review in respect of the period that is more than 10 years from the date of the plan for the last review of the plan (years 11 to 30).
- (3) A large unit title development's Long-Term Maintenance Plan Review must provide a high-level indication of the expected cost of maintenance and replacement of the items covered by the plan in respect of years 11 to 30.

Figures used and updates - The figures used in the forecast are typical for this type of building and normal usage. The Body Corporate has some discretion in the timing of most maintenance items. The purpose of this plan is to ensure monies are available when required to cover foreseeable expenses.

Contingency - A contingency has been allowed for any unforeseen expenses. Please refer to the second page of the report.

Interest, Taxation and Inflation - The standard interest rate used by Solutions in Engineering is based on the Reserve Bank of New Zealand's historical interest rates for the previous fifteen years. The company tax rate is applied

to interest income unless Solutions in Engineering is advised that the Body Corporate is exempt from tax on external income. The standard inflation rate used by Solutions in Engineering is based upon RBNZ historical data for Construction Producer Price inflation, commencing December 1997. While historical figures are not an accurate predictor of specific future outcomes, over the life of this report (fifteen years), interest rates and inflation should approach long-term averages. Changes in economic conditions may affect the accuracy of these figures. This report should be updated at regular intervals to ensure that any such changes are taken into account.

Leaky Buildings - The requirement for a Long-Term Maintenance Plan Review applies to all buildings whether they are a leaky building or not. A Long-Term Maintenance Plan Review assesses the typical maintenance costs and useful lives of building components based on the building being properly and professionally constructed. It is important to note that this report is not a Leaky Building Report. A full leaky building report requires destructive testing, engineering assessment, specification writing and the calling of competitive tenders to ascertain full costs. A Long-Term Maintenance Plan Review obviously does not involve this process. However, the report will calculate the remaining life of each building component based on its condition at the time of inspection so deterioration caused by a leaky building issue will affect this part of the building data collected.

Safety - The inspection does not cover safety issues.

Lifts - Due to the many types of lift contracts covering varying parts and aspects of lift maintenance, no allowance is made unless instructed by the Body Corporate Committee/Representative.

Fire Maintenance – We have assumed that the Fire Maintenance Contractor has covered the Fire Maintenance Items; no allowance is made unless instructed by the Body Corporate Committee/Representative.

Items with Indefinite Lives - There is no allowance for replacement of items that, if properly maintained, should last indefinitely, (unless otherwise requested by the body corporate). This plan deals only with estimating the timing of physical obsolescence.

Improvements - The Body Corporate may resolve to undertake improvements not related to normal maintenance. No allowance has been made for these items unless instructed.

Defects - No allowance has been made for correction of defects resulting from faulty construction except where nominated in the report. The inspectors report summarises only issues observed during our inspection and is not a structural report.

Ongoing Maintenance Programs - The lives of some items overall may have been extended indefinitely due to the use of an ongoing maintenance program. When there is any doubt in our minds about how and when an item may need replacement or maintenance, we give control to the Body Corporate. Allowances for ongoing maintenance programs allows funds to be available for maintenance, gradual replacement or in some cases accumulation of funds for total replacement in the long term. The lives of some items can vary considerably, especially with issues such as:

- Usage.
- Accidental damage to floor tiles, which may or may not be still available or in stock.
- Fences can be maintained and replaced gradually or all at once.
- Metal and Aluminium Balustrades can last anywhere between 10 and 50 years, depending on the original quality, coatings (painting) and maintenance.
- Concrete driveways that have been cracked but are still perfectly sound and serviceable.
- Pumps and Fans can last indefinitely or wear out relatively quickly. This often depends on the quality of internal construction and finish.

Updates - The forecast is made with the best available data at this time. The forecast must be reviewed at least once every three years according to section 30(2) of the *Unit Titles Regulations 2011*. We recommend a minimum of bi-annual updates.

Your FREE amendment (conditions) - In order to ensure that this service is provided to all clients in an efficient and productive manner we ask that you fully review your report and list anything you would like changed in a single email allowing for the requested amendments to be dealt with in one effort. Due to the extra work involved and inefficiency created by an incomplete initial amendment request further amendments requests will be charged for based on the hours and effort required.

Supply terms and conditions - All services provided by Solutions in Engineering are supplied on the basis of **Supply Terms and Conditions** which are available from our Office and from our website www.solutionsinengineering.com

Please read the information and the notes on the Inspector's report to gain the most from this report.

Draft Annual Report

Capri on Pilot Bay Body Corporate S86277
For the year ended 31 March 2024

Prepared by BDO Tauranga Limited

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DRAFT

Compilation Report

Capri on Pilot Bay Body Corporate S86277 For the year ended 31 March 2024

Compilation Report to the Directors of The Capri on Pilot Bay Body Corporate S86277.

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of The Capri on Pilot Bay Body Corporate S86277 for the year ended 31 March 2024.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

The Committee are solely responsible for the information contained in this financial report and have determined that the accounting policies used are appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with The Capri on Pilot Bay Body Corporate S86277 other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on this financial report.

BDO Tauranga Limited
Level 1, The Hub
525 Cameron Road
Tauranga

Dated:

Entity Information

Capri on Pilot Bay Body Corporate S86277 For the year ended 31 March 2024

Legal Name of Entity

The Capri on Pilot Bay Body Corporate S86277

IRD Number

073-324-394

Body Corporate Number

S86277

Postal Address

PO Box 256, TAURANGA, 3140

Chartered Accountant

BDO Tauranga Limited

Level 1, The Hub

525 Cameron Road

TAURANGA

Main Methods Used by Entity to Raise Funds

Levies to Body Corporate Members

Approval of Financial Report

Capri on Pilot Bay Body Corporate S86277 For the year ended 31 March 2024

The Director or Body Corporate Administrator is pleased to present the approved financial report including the historical financial statements of The Capri on Pilot Bay Body Corporate S86277 for year ended 31 March 2024.

APPROVED

Director / BC Administrator

Date

DRAFT

Statement of Service Performance

Capri on Pilot Bay Body Corporate S86277 For the year ended 31 March 2024

Body Corporate Responsibilities

The Capri on Pilot Bay Body Corporate S86277 follow a long term maintenance plan to proactively maintain the Capri on Pilot Bay Apartment Buildings and other improvements; and keep the common property in a good state of repair.

The Capri on Pilot Bay Body Corporate S86277 operates in compliance with the law and maintains the following values:

- To be prudent financial managers
- Consultative and responsive to owner's needs
- Transparent in our administrative processes
- Educative about the rights and responsibilities for owners and occupiers

Funding

Unit holders are levied four times annually to finance the body corporate operations. The Capri on Pilot Bay Body Corporate keeps members informed of their activities by providing key documents and financial information to unit holders and holding Annual General Meetings.

Building Maintenance

The financial statements reflect a commitment to ongoing maintenance across the complex. During the year ended 31 March 2024, \$14,806 was spent from the Long Term Maintenance fund in regard to maintenance activities that are identified in the Long Term Maintenance Plan. Additional complex maintenance was paid out of operating expenditure and details of this expenditure can be found in the minutes of the Body Corporate committee meetings. The committee reviews and reconsiders its maintenance expenditure on a regular basis and takes professional advice from external experts as part of the LTMP review every three years, and where appropriate for operating expenditure. Larger maintenance expenditure, operating or LTMP, is subject to multiple quotes or estimates as the committee deems appropriate.

Additional Information

During the year no transfer was made from Revenue Reserve to cover any additional expenses incurred this year. Total expenses were below budgeted figures, which has resulted in a net surplus to the Body Corporate of \$10,955.04.

Statement of Financial Performance

Capri on Pilot Bay Body Corporate S86277

For the year ended 31 March 2024

	NOTES	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	2025 BUDGET
Revenue					
Apartment Owners Levies		151,999	176,394	176,394	195,058
Total Revenue		151,999	176,394	176,394	195,058
Expenses					
Administration		1,411	1,184	1,500	1,500
Bank Fees		84	84	84	84
Body Corporate Administration		11,099	10,434	11,128	10,854
Building Act Compliance		99	284	150	500
Legal & Accounting		3,000	1,300	3,000	1,500
Common Area Cleaning					
Cleaning - Carparks		750	1,140	800	1,300
Cleaning - General & Exterior		5,315	6,577	10,000	10,000
Total Common Area Cleaning		6,065	7,717	10,800	11,300
Fire Alarm Monitoring/Serviceing		3,307	3,935	4,000	4,000
Health and Safety		480	480	500	500
Insurance					
Insurance - Excess		175	348	-	-
Insurance - Office Bearers Liability		1,250	-	-	-
Insurance - Replacement		22,616	29,263	29,200	32,753
Insurance - Valuation		1,160	1,260	1,200	1,300
Total Insurance		25,201	30,871	30,400	34,053
Lawns & Gardening		1,870	2,627	2,500	3,000
Landscaping & Gardening		6,465	-	-	-
Lift Maintenance (Incl Telephone)		2,715	1,917	3,000	3,000
Light & Power		2,579	2,716	2,800	2,900
Management		23,492	25,508	25,532	26,367
Plumbing & Sump Pump		117	-	500	500
Pool					
Pool - Chemicals & Servicing		5,905	9,896	6,500	12,000
Pool - Heating		1,277	1,219	1,500	1,500
Pool - Repairs & Maintenance		1,897	7,034	2,000	10,000
Total Pool		9,079	18,150	10,000	23,500
Repairs and Maintenance					
Repairs & Maintenance - Common Area		4,870	2,888	10,000	10,000
Repairs & Maintenance - Electrical		1,195	1,383	3,000	3,000
Total Repairs and Maintenance		6,064	4,271	13,000	13,000
Security					
Security - Static Guard		-	-	500	500
Total Security		-	-	500	500

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

	NOTES	2023 ACTUAL	2024 ACTUAL	2024 BUDGET	2025 BUDGET
Review of LTMP		-	1,511	-	-
SKY TV		23,009	23,789	24,000	25,000
Water Rates		7,990	7,980	9,000	9,000
Total Expenses		134,126	144,759	152,394	171,058
Net Surplus/ (Deficit)		17,873	31,635	24,000	24,000
Provisions					
Less Provision for LTMF		24,000	24,000	24,000	24,000
Total Provisions		24,000	24,000	24,000	24,000
Net Surplus/ (Deficit) after Provisions		(6,127)	7,635	-	-
Other Income					
Capital Distribution Received		1,500	1,500	-	-
Interest Received		919	2,543	-	-
Total Other Income		2,419	4,043	-	-
Depreciation					
Buildings		13	11	-	-
Total Depreciation		13	11	-	-
Net Surplus/ (Deficit) before Taxation		(3,721)	11,667	-	-
Income tax expense					
Tax Provision		257	712	-	-
Total Income tax expense		257	712	-	-
Extraordinary Items					
Transfer from LTMF as per committee		(14,413)	(14,806)	-	-
Items paid by LTMF		14,413	14,806	-	-
Total Extraordinary Items		-	-	-	-
Total Net Surplus/(Deficit) for the Year		(3,978)	10,955	-	-

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Financial Position

Capri on Pilot Bay Body Corporate S86277

As at 31 March 2024

	NOTES	31 MAR 2024	31 MAR 2023
Assets			
Current Assets			
Bank accounts and cash			
Westpac - Cheque Account		43,413	35,401
Westpac - Online Saver 027 Account		9	9
Westpac - Online Saver 029 Account		105,867	94,893
Total Bank accounts and cash		149,289	130,302
Debtors and prepayments		24,135	15,369
Income tax		51	19
Payments in Advance		33,091	29,585
Goods and services tax		-	384
Total Current Assets		206,566	175,659
Non-Current Assets			
Property, Plant and Equipment		64	75
Total Non-Current Assets		64	75
Total Assets		206,630	175,734
Liabilities			
Current Liabilities			
Creditors and accrued expenses			
Goods and services tax		1,628	-
Accounts Payable		6,029	3,009
Total Creditors and accrued expenses		7,658	3,009
Levies Received in Advance		44,099	38,000
Total Current Liabilities		51,756	41,009
Total Liabilities		51,756	41,009
Net Assets		154,874	134,725
Equity			
Revenue Reserve		50,889	39,934
Long-Term Maintenance Reserve		103,985	94,791
Total Equity		154,874	134,725

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Assets Purchased

Capri on Pilot Bay Body Corporate S86277

For the year ended 31 March 2024

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
For the Year Ended 31 March 2001 & Prior						
Entrance Gates	797	25	-	-	4	21
Entrance Gates Door Closer	688	22	-	-	3	19
Outdoor Furniture	1,840	6	-	-	1	5
Pool Ladder	408	5	-	-	1	4
Sign - Parking	287	17	-	-	2	15
Total For the Year Ended 31 March 2001 & Prior	4,020	75	-	-	11	64
For the Year Ended 31 March 2002						
Access Control System on Gate	511	511	-	-	-	511
Gas Heating System for Pool	2,437	2,437	-	-	-	2,437
Total For the Year Ended 31 March 2002	2,948	2,948	-	-	-	2,948
For the Year Ended 31 March 2003						
Rowing Machine	1,096	-	-	-	-	-
Treadmill and Exercycle	3,326	1,663	-	-	-	1,663
Total For the Year Ended 31 March 2003	4,422	1,663	-	-	-	1,663
For the Year Ended 31 March 2004						
Replacement Pool Heater	2,131	-	-	-	-	-
Total For the Year Ended 31 March 2004	2,131	-	-	-	-	-
For the Year Ended 31 March 2006						
4 x Sun Loungers (share of)	662	-	-	-	-	-
Cupboard around switchboard	6,799	6,799	-	-	-	6,799
Pool Cover and Rollers	1,067	-	-	-	-	-
Pump and Hose	1,880	1,880	-	-	-	1,880
Signs - 12 Caution and 1 Pool Use	324	324	-	-	-	324
Total For the Year Ended 31 March 2006	10,732	9,003	-	-	-	9,003
For the Year Ended 31 March 2007						
Heat Pump and Control	3,574	3,574	-	-	-	3,574
Total For the Year Ended 31 March 2007	3,574	3,574	-	-	-	3,574
For the Year Ended 31 March 2008						
6 x Sun Loungers (share of)	894	894	-	-	-	894
Total For the Year Ended 31 March 2008	894	894	-	-	-	894
For the Year Ended 31 March 2010						
Basement Screens and Door	7,058	7,058	-	-	-	7,058
Boundary Fence (share of)	1,203	1,203	-	-	-	1,203
Outdoor Furniture (share of)	552	552	-	-	-	552

NAME	COST	OPENING VALUE	PURCHASES	DISPOSALS	DEPRECIATION	CLOSING VALUE
Pool Cover (share of)	1,046	1,046	-	-	-	1,046
Total For the Year Ended 31 March 2010	9,859	9,859	-	-	-	9,859
For the Year Ended 31 March 2011						
Aluminium Sectional Garage Doors	2,595	2,595	-	-	-	2,595
Cross Trainer (share of)	129	129	-	-	-	129
Rower/Spinner Bike (share of)	928	928	-	-	-	928
Total For the Year Ended 31 March 2011	3,652	3,652	-	-	-	3,652
For the Year Ended 31 March 2012						
Heat Pump	1,729	1,729	-	-	-	1,729
Total For the Year Ended 31 March 2012	1,729	1,729	-	-	-	1,729
For the Year Ended 31 March 2017						
Insulated Pool Cover (37% Share)	1,675	1,675	-	-	-	1,675
Total For the Year Ended 31 March 2017	1,675	1,675	-	-	-	1,675
For the Year Ended 31 March 2018						
Garden Furniture for pool area (37% share)	1,077	1,077	-	-	-	1,077
Total For the Year Ended 31 March 2018	1,077	1,077	-	-	-	1,077
For the Year Ended 31 March 2019						
New BBQ (share of)	222	222	-	-	-	222
Total For the Year Ended 31 March 2019	222	222	-	-	-	222
For the Year Ended 31 March 2020						
Unifi AC Pro Mesh Wifi Units X 3	1,170	1,170	-	-	-	1,170
Total For the Year Ended 31 March 2020	1,170	1,170	-	-	-	1,170
For the Year Ended 31 March 2021						
Poolside Tables and Benches	1,441	1,441	-	-	-	1,441
Total For the Year Ended 31 March 2021	1,441	1,441	-	-	-	1,441
For the Year Ended 31 March 2022						
CCTV Installation	3,782	3,782	-	-	-	3,782
Upright Bike and Rower	1,106	1,106	-	-	-	1,106
Total For the Year Ended 31 March 2022	4,888	4,888	-	-	-	4,888
Total	54,433	43,869	-	-	11	43,858

Notes to the Financial Statements

Capri on Pilot Bay Body Corporate S86277 For the year ended 31 March 2024

1. Statement of Accounting Policies

Reporting Entity

The Financial statements presented here are for the entity The Capri on Pilot Bay Body Corporate S86277, a body corporate formed under the Unit Titles Act 2010.

Nature of Business

The body corporate is engaged in body corporate administration. The nature of the body corporate's business has not changed during the year under review.

Basis of Preparation

The entity has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses equal to or less than \$2,000,000. All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Historical Cost

These financial statements have been prepared on a historical cost basis.

Functional Currency

The financial statements are presented in New Zealand dollars (\$NZ) and all values are rounded to the nearest \$NZ, except where otherwise indicated.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently during the year.

Goods and Services Tax (GST)

The entity is registered for GST. All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Income Tax

The Capri on Pilot Bay Body Corporate S86277 is not liable for taxation on levies collected. Taxation is only payable on income from outside sources therefore, the tax is calculated on a cash basis.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Long Term Maintenance Fund

The Long Term Maintenance Reserve is a fund raised to allow for future high cost maintenance items such as repainting of the building. This reserve fund spreads such costs over a longer period and ensures a more equitable contribution by Apartment

Owners

Assets

FRS 3 required fixed assets to be capitalised and depreciated. Assets purchased during and pre 31 March 2001 have been capitalised and depreciated at the maximum rates permitted by the Income Tax Act 2004. Since 1 April 2001, the Committee have departed from this standard by expensing assets instead as they believe it is more appropriate for their circumstances. A register of these assets is shown in the Assets Purchased Schedule.

Receivables

Receivables are stated at their estimated realisable value. Bad Debts are written off in the year in which they are identified.

2. Audit

These financial statements have not been audited.

	2024	2023
3. Long Term Maintenance Reserve		
LTMF Opening Balance	94,791	85,204
Transfer from Financial Performance	24,000	24,000
Item Paid from LTMF	(14,806)	(14,413)
Total Long Term Maintenance Reserve	103,985	94,791

	2024	2023
4. Revenue Reserve		
Opening Balance	39,934	43,912
Current year earnings	10,955	(3,978)
Trf to Financial Performance	-	-
Total Revenue Reserve	50,889	39,934

5. Contingent Liabilities

At balance date there are no known contingent liabilities (2023: \$nil)

6. Events After Balance Date

There were no events that have occurred after balance date that would have material impact on the Performance Report.

(2023: \$nil)

7. Ability to Continue Operating

The entity will continue to operate into the foreseeable future.

25 October 2024

Email david@quayproperty.co.nz

Body Corporate 86277 (Capri)
C/- Quay Property Management Limited
Tauranga

For: David Shea

Legal Advice: Operational Rules Update

- 1 I refer to Body Corporate 86277's instructions to provide legal advice and proposed wording for changes to the body corporate operational rules to address the use of principal units for short-term accommodation such as Airbnb and the placement and storage of furniture, pot plants and other items on decks attached to or forming part of principal units.
- 2 For the purpose of this advice, I understand that there are proposals to amend the body corporate operational rules to:
 - (a) prohibit unit owners from letting their principal units on a short-term basis through platforms such as Airbnb or other private holiday letting/rental agents and require them to use the Manager (i.e., the property manager for the unit title development) as the sole holiday letting agent for the development; and
 - (b) restrict the size, number, and type of items, including furniture and pot plants, that owners may place or store on the decks attached to or forming part of their principal units so as to avoid damage to the underlying waterproofing and ensure the exterior appearance of the development remains uniform and aesthetically pleasing.
- 3 By way of background, the Body Corporate's rule-making powers are set out in section 106 of the Unit Titles Act 2010 (**UTA**), which provides that:

106 Amendments, revocations, and additions to body corporate operational rules

- (1) Any amendment or addition to the body corporate operational rules must relate to—
 - (a) the control, management, administration, use, or enjoyment of the principal units, future development units, accessory units, or common property; or
 - (b) the regulation of the body corporate.
- (2) No powers or duties may be conferred or imposed on the body corporate that are not incidental to the powers and duties conferred or imposed on the body corporate under this Act.
- (3) Any amendment, revocation, or addition—

- (a) must be made by ordinary resolution at a body corporate general meeting; and
 - (b) does not have effect until the body corporate has notified the Registrar in the prescribed form.
- (4) Any amendment or addition that is inconsistent with any provision of this Act or any other enactment or rule of law is invalid.

- 4 The core powers and duties conferred and imposed on the Body Corporate under the UTA are set out in section 84. Any rule that is not incidental to those powers and duties or that is inconsistent with the UTA will be *ultra vires* (unlawful) and unenforceable.

Short-Term Accommodation

- 5 In my opinion, a rule prohibiting short-term accommodation (Airbnb) will be *ultra vires* because it is not incidental to a power or duty of the Body Corporate under the UTA.
- 6 A rule intended to prohibit short-term accommodation was the subject of a decision of the Tenancy Tribunal. In that case, *Housley v Body Corporate 199318* [2020] NZTT Auckland 9018322, the body corporate operational rules provided that: “no owner or occupier may let, rent or licence his or her unit for a period of less than 3 months”. The Tenancy Tribunal found the rule invalid and of no effect because it is inconsistent with sections 50, 52, and 79(a) of the UTA that give owners a basic right to tenant their units. That right has also been recognised by the High Court in *Russell Management Ltd v Body Corporate no. 341073* (2008) 10 NZCPR 136 and *Wu v Body Corporate 366611* [2011] 2 NZLR 837.
- 7 It is also my opinion that a rule requiring owners to use the Manager’s Holiday Letting Service would also be *ultra vires* for the same reasons. And, the decision in *Russell Management Ltd* is also authority for the position that it is *ultra vires* for a body corporate to grant a property manager exclusive rights to operate an on-site holiday letting service over the entire development.
- 8 As an alternative, if the concerns about short-term accommodation relate to security and behaviour issues that impact the common property, or the use or enjoyment of other units, the Body Corporate may adopt rules that control **how** short-term letting is carried out. These rules are set out in the attached schedule for owners to consider.

Decks

- 9 A rule providing for Body Corporate Committee approval of all furniture, pot plants and other items on decks is likely to be lawful and within the Body Corporate’s rule-making powers because it relates to the management of a building elements (decks) that relate to and serve more than one unit in terms of their aesthetics and contribution to weathertightness, structural integrity, and drainage. A suggested rule is set out in the attached schedule.
- 10 Going forward, owners may wish to consider adopting a deck design guide that could form part of the body corporate operational rules to assist owners and the Body Corporate Committee to determine what is and is not appropriate on decks.

Motion

- 11 If the Body Corporate wishes to change its body corporate operational rules to adopt any or all of the suggested rules, it must pass an ordinary resolution at a general meeting. A suggested motion is as follows:

That Body Corporate 86277 resolves by ordinary resolution under section 106 of the Unit Titles Act 2010 to amend its operational rules by inserting [*delete if not adopted* the rules relating to short-term accommodation] [*select or delete* and/or] [*delete if not adopted* replacing rule 18 with the rule relating to decks] attached to the agenda for this general meeting and arrange for a notice of change to body corporate operational rules to be registered with Land Information New Zealand.

Please let me know if anything further is required.

Yours faithfully

Toan Law



Vicki Toan

Director

E vicki@toanlaw.com

T + 64 21 537 547

Suggested Changes to Body Corporate Operational Rules

New Rule

36 Short-Term Accommodation

36.1 In rules 36-37:

- (a) **“short-term accommodation”** means using all or part of a Unit for visitor accommodation, bed and breakfast accommodation, or other short-term or casual letting, including letting via a platform such as Airbnb, Bookabach, or any other such site, for reward that is not covered by the Residential Tenancies Act 1986 or any amendment or replacement legislation; and
- (b) **“Accommodation Guest”** means any person or persons occupying a Unit for the purpose of short-term accommodation.

36.2 An owner or occupier who uses his or her Unit for short-term accommodation must:

- (c) notify the Body Corporate and Manager in writing prior to the commencement of any short-term accommodation activities;
- (d) provide the Body Corporate or Resident Manager with information regarding the proposed short-term accommodation activity reasonably requested by the Body Corporate or Manager;
- (e) comply with all lawful directions made by the Body Corporate in relation to the short-term accommodation activity and Accommodation Guests, including complying with these rules;
- (f) ensure, and is solely responsible for, compliance with all applicable legal requirements including any requirements under the Resource Management Act 1991 including the district plan, the Building Act 2004 including the Building Code, and upon request, provide the Body Corporate with written evidence of such compliance;
- (g) when requested by the Body Corporate for insurance purposes, provide written confirmation as to the owner or occupiers current and intended use of his or her Unit during the upcoming insurance year and any other information required by the Body Corporate's insurer to ensure that the building is appropriately insured;
- (h) pay any increase in the Body Corporate's insurance premium that arises out of the use of his or her Unit for short-term accommodation;
- (i) ensure that all Accommodation Guests staying in his or her unit are met on arrival by the owner or occupier, or the Manager, or an agent, employee or contractor and are given an induction into the unit title development including the health and safety plan, evacuation plan, security systems, and the body corporate operational rules;
- (j) advise all Accommodation Guests that they are bound by and must comply with the body corporate operational rules;
- (k) include in any short-term accommodation contract or agreement with any letting platform and Accommodation Guest a clause whereby the Accommodation Guest

acknowledges that they are bound by the body corporate operational rules and will comply with them and attach a full set of the body corporate operational rules to the contract or agreement;

- (l) prior to the Accommodation Guests' arrival provide the Body Corporate and Manager with:
 - (i) contact details for the owner or occupier or the owner or occupiers, agent, employee or contractor responsible for greeting their Accommodation Guests if that role is not performed by the Manager;
 - (ii) contact details for the Accommodation Guests;
 - (iii) information as to the number of Accommodation Guests staying in the Unit; and
 - (iv) the duration of the Accommodation Guests' stay; and
 - (v) update that information immediately should it change.

36.3 If, as a result of an owner or occupier using a Unit for short-term accommodation, the Manager is required to perform duties outside the terms of his or her building management contract with the Body Corporate, the owner or occupier shall be responsible for any additional costs the Manager or Body Corporate may incur as a result of those additional duties.

37 An Accommodation Guest must not bring into the Unit onto the common property any pet or other animal.

Replacement Rule (additions in underline; deletions in ~~striketrough~~)

18 Outdoor Furniture and Plants

18.1 ~~An Owner shall comply with the specifications and standards for outdoor furniture and plants/shrubs on balconies, set by the Body Corporate from time to time in his or her Unit.~~ An Owner must not place or store any furniture, pot plants, or other items on the deck or balcony attached to or forming part of the Owner's Unit without the prior written approval of the Body Corporate, such approval not to be unreasonably or arbitrarily withheld. The purpose of this rule is to ensure:

- (a) an attractive and uniform appearance of the unit title development; and
- (b) the integrity of the decks or balconies as building elements that relate to or serve more than one unit in respect of their contribution to the weathertightness, structural integrity, and drainage system serving the building.



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Body Corporate S86277

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30/03/2024

Insurance Renewal Report

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Introduction

Crombie Lockwood is pleased to provide its Insurance Renewal Report for Body Corporate S86277 for the period 30/03/24 to 30/03/25.

We have prepared this report to outline the options and our recommendations for the 2024-2025 insurance period. It includes:

- Information about the current insurance market for your programme
- Updates on the terms we have negotiated on your behalf
- Our recommendations for renewal of and any changes to your insurance programme
- Important information about insurance and issues you need to consider when evaluating our recommendations for renewal of your insurance programme

We are recommending the quotes detailed in this report as we believe that they meet all of your requirements as we understand them to be. Please review the report to ensure that it accurately reflects the coverage, limits and conditions that you require. If it is not in accordance with your requirements please advise us immediately.

We draw your attention to the policy exclusions, warranties and subjectivities as detailed in the attached quotation.

Important Points Relating To This Report:

- You must advise all changes or information likely to affect the insurers' acceptance of the risks insured, or result in an increased premium in recognition of them
Examples of such disclosures could include:
 - change of occupation, structural alterations to building, unoccupancy of insured premises, change of tenants, installation of a commercial fat fryer, and the like

Yours Sincerely,



Annie Wood

Senior Broker

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Risk and Insurance

Commercial property owners have a broad range of insurable risks, the most obvious being property damage. While this risk and the associated cost of insurance is rightly a key focus, there are also numerous additional risks which must be considered when developing and placing insurance which has the appropriate integrity to protect the business while minimising premium cost.

The dual need for cost reduction and insurance integrity is never more important than in the current post Covid-19 financial environment and within an insurance market that is extremely difficult for properties in high hazard earthquake regions or which have construction types that are perceived as having a high fire risk.

Reducing insurance cost through adopting an uninformed approach to reducing the amount of insurance purchased could well lead to the business being more financially exposed should a major claim occur.

Achieving the dual imperatives of cost reduction and maintaining insurance integrity, commences with understanding the insurable risks confronted by commercial property owners. The following briefly summarises the major risks and their implications on insurance.

The Risks	The issues
High risk earthquake zones and insurance	Availability and affordability of insurance can both be compromised
Building Standards incl % NBS	Reliability of engineering reports and insurer focus on the New Building Standard can result in insurance difficulties
Bank Covenants requiring "full insurance"	A particular issue in high risk earthquake zones where, as noted above, availability and cost are both major concerns
High insurer imposed earthquake deductibles	These can be excessive, putting the viability of repair/rebuild at risk if a major loss occurs as the property owner must pay the deductible to commence the repair
High hazard construction	Insurance affordability can be a concern particularly for Expanded Polystyrene (EPS) and some exterior cladding types
High Risk tenancies in shared buildings	Insurance cost for all tenants increase, causing tenancy disputes
Construction involving existing and new builds	Inter-link between "operational" insurance and construction is critical to avoid claim disputes. Insurance for new builds must protect the property owner and other parties at the lowest cost
Increased attention on Health and Safety	A significantly growing risk of liability if tenants are injured in the building
Statutory awareness and compliance	Breaches of statute, no matter the business size and structure, can result in significant cost and reputational damage
Advice provided as a property manager	If the advice results in financial loss to a third party, it can result in liability for the loss plus substantial legal costs
Cyber attack	An inescapable risk for all businesses from phishing or similar attack with a growing trend towards attacks on services.

Coverage Summary

We have set out a brief summary of the cover provided by the policies, Full policy wordings are available on request.

Material Damage

- Buildings automatically insured on reinstatement conditions as per the Registered Valuer's valuation plus a margins clause of 10%. This eliminates any discrepancies in the valuation or inflation during the period of insurance.
- Replacement by natural disaster, earthquake, volcanic eruption and tsunami is included
- Hidden Gradual Damage this policy covers Loss or Damage during the Period of Insurance to Insured Property due to gradual damage, mildew, mould or rot caused by water that leaks, overflows or is discharged from any internal piping or water system installed at the premises. The Insurer's liability for such damage will not exceed the special limit shown in the Policy Schedule Policy exclusion 9(a) does not apply to this clause.
- Landslip and Subsidence sub-limited to \$250,000 per event
- Landlord's Contents extension If any Unit is rented to a tenant, then any dishwashers, stoves, refrigerators, washing machines, dryers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit. Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred. The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Public Liability

- To Cover general liability for damaged or injury happening in connection with the Body Corporate activities. Cover includes associated defence costs.

Statutory Liability

- To cover fines or penalties imposed for unintentional breaches of certain statutes. Cover includes as associated defence costs.

Office Bearers Liability

- To protect against claims brought against committee members. Cover includes associated defence costs.

Premium Summary

Policies	Vero/NZI Expiry	Vero/NZI Renewal
Material Damage Sum Insured -Replacement Value	\$ 17,665,000	\$ 18,470,000
Public Liability -Limit of Indemnity	\$ 5,000,000	\$ 5,000,000
Statutory Liability -Limit of Indemnity	\$ 1,000,000	\$ 1,000,000
Office Bearers Liability -Limit of Indemnity	\$ 2,000,000	\$ 2,000,000

Excesses	Vero/NZI Expiry	Vero/NZI Renewal
Residential Units – Owner Occupied	\$ 400.00	\$ 400.00
Residential Units – Tenanted	\$ 650.00	\$ 650.00
Residential Units - Unoccupied Units	\$ 1,000.00	\$ 1,000.00
Common Areas	\$ 500.00	\$ 500.00
Burglary	\$ 1,000.00	\$ 1,000.00
Theft	\$ 2,500.00	\$ 2,500.00
Money	\$ 500.00	\$ 500.00
Natural Disaster	5.0% of the site sum insured with a minimum of \$5,000	5.0% of the site sum insured with a minimum of \$5,000
Public Liability	\$ 500.00	\$ 500.00
Statutory Liability	\$ 500.00	\$ 500.00
Office Bearers Liability	\$ 1,000.00	\$ 1,000.00

Premiums	Vero/NZI Expiry	Vero/NZI Renewal
Company Premium	\$ 12,930.26	\$ 15,990.21
Natural Disaster	\$ 6,925.56	\$ 7,365.15
EQC	\$ 7,680.00	\$ 7,680.00
Fire Service Levy	\$ 1,717.20	\$ 1,717.20
GST	\$ 4,387.96	\$ 4,912.89
Total	\$ 33,640.98	\$ 37,665.45

Body Corporate Endorsement

This endorsement applies to and contains extensions, conditions and definitions in addition to those appearing in the Crombie Lockwood Vero agreed Material Damage policy wording applicable to insured property containing at least one residential unit.

Endorsements Office Bearers Liability:

The following endorsements to apply:

- 1) Definition Of You Extension: The Definition of You is extended to include the Body Corporate Chairperson.
- 2) Failure To Maintain Insurance: You are not insured for liability in connection with a failure to obtain or maintain adequate insurance.

Further Extensions: Advancement of Defence Costs - Amount payable for Defence Costs Emergency Defence Costs - 10% of the amount payable for Defence Costs Investigations and Inquiries - Amount payable for Defence Costs

ADDITIONAL EXTENSIONS

Common Property extension

This extension covers Loss or Damage to carpets, drapes and light fittings that are in common areas of the insured Building(s).

The Insurer's maximum liability under this extension is \$100,000 in total for any one event.

The indemnity provided by this extension will not increase the Insurer's liability under the policy beyond the sum(s) insured shown in the Policy Schedule.

Computer Breakdown extension

This extension covers the breakdown of any computer at the Location.

The Insurer's maximum liability under this extension for any one event is \$5,000 and \$10,000 for any Period of Insurance.

This extension applies only to property owned by the Insured and not to property owned by any individual Unit owner.

Exclusion 10 of the Crombie Lockwood Vero agreed Material Damage policy wording does not apply to this clause.

Cost of Re-Letting extension

Following Loss or Damage to a Unit that is tenanted that renders the Unit uninhabitable the Insurer will reimburse the Unit owner for reasonable letting costs, provided that the tenant of the Unit at the time of the Loss or Damage advises that they will not be reoccupying the leased Unit upon reinstatement of the Loss or Damage.

The Insurer's maximum liability in reimbursing these reasonable letting costs is \$1,000 per Unit and \$5,000 in total for any one event.

Landlord's Contents extension

If any Unit is rented to a tenant, then any dishwashers, stoves, refrigerators, washing machines, dryers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit.

Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred.

The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Short Term Rentals

If any Unit is rented on a short term basis, in the letting pool, including managed letting pools and air BNB's then any dishwashers, stoves, refrigerators, washing machines, dyers, built in microwaves, drapes, curtains, blinds, and fixed light fittings will be covered in addition to the Building sum insured for the replacement value, up to a maximum of \$25,000 per Unit.

Where there is a claim for Loss or Damage to drapes, curtains, or blinds under this extension, the Insurer will only pay for those items that are in the room or rooms where the Loss or Damage occurred.

The maximum amount that the Insurer will pay is \$100,000 in total in any one Period of Insurance, unless a different limit appears in the Policy Schedule.

Landscaping extension

This extension covers Loss or Damage to gardens (including hedges, trees, shrubs, and plants) garden edging, lawns and permanently installed ornamental fish ponds and water features that are not connected to the Building's water supply.

The Insurer's liability under this extension is limited to \$10,000 for any one event.

Loss of Rent extension

Where there is Loss or Damage to a tenanted Unit that renders it uninhabitable the Insurer will pay or reimburse the Unit owner for the lost rent, provided that:

1. the Unit was occupied by a tenant at the time of the Loss or Damage; or
2. at the time of the Loss or Damage, there was a signed tenancy agreement for a new tenant to let the Unit for an ongoing period intended to be no less than 90 days.

The Insurer will indemnify the Unit owner under this extension for:

(a) an amount equal to the average weekly rental received for renting out the Unit during the weeks it was rented in the 12 months prior to the Loss or Damage, or

where a tenancy agreement was signed prior to the Loss or Damage, the amount of the weekly rental in the agreement; and

(b) any other costs incurred with the Insurer's written consent.

The Insurer will not reimburse the lost rent where the Unit:

- (a) is not uninhabitable;
- (b) owner or the Unit tenant chooses to or are encouraged to move out of the Unit while repair or rebuilding is effected.

The Insurer's maximum liability for loss of rent under this extension is for the lesser of:

- (a) the period necessary to replace or repair the Unit up to a maximum of 12 months; or
- (b) \$35,000 per Unit.

Where a Unit is uninhabitable the Insured may only claim under this extension or the Alternative Accommodation automatic extension but not under both extensions for the same loss.

Machinery Breakdown

It is agreed that automatic coverage clause MD08 Electrical Damage is replaced by the following:

This policy covers machinery breakdown.

There is no cover for Loss or Damage to lighting or heating elements, fuses or protective devices, or electrical contacts where sparking or arcing occurs as part of its normal function.

The Insurer's liability under this extension is limited to \$10,000 for any one event.

The special limit does not apply to Loss or Damage that would be recoverable under this insurance without the benefit of this clause.

Exclusion 10 of this policy does not apply to this clause.

Margins Clause

The amounts shown on the Policy Schedule of Insured Property are the sums insured declared for insurance purposes. Except where expressly provided for to the contrary, the Insurer's liability for Loss or Damage to any item of Insured Property will not exceed 110% of the sum insured shown on the Policy Schedule for that item up to a maximum of the total sum insured.

This Margins Clause does not apply to Loss or Damage caused by Natural Disaster.

Meeting Room Hire

This extension covers the cost to hire temporary meeting room facilities for the purposes of holding annual general meetings or committee meetings where Loss or Damage to a designated meeting room at the damaged property is unable to be occupied for its intended purpose due to the Loss or Damage.

This extension covers the costs for temporary meeting room facilities for meetings held during the period of time that is reasonably necessary for repairs to be carried out and access to be established.

The Insurer's maximum liability under this extension is \$5,000 for any one Period of Insurance.

Reinstatement of Records extension

This extension covers the clerical, legal, and other charges reasonably incurred in consequence of the Loss or Damage, in the replacement or restoration of deeds and other documents (including stamps thereon), manuscripts, plans, specifications and writings of every description and books

(written and printed), books of accounts, card indexes, computer systems records, electronic records and other business records.

The Insurer's maximum liability under this extension is \$20,000 for any one event.

Removal of Trees

This extension covers the professional removal of trees or parts of trees, including the costs of treating the stump to prevent regrowth, which have fallen and damaged Insured Property or landscaped gardens.

The Insurer's maximum liability under this extension for any one event is \$5,000 and \$10,000 for any one Period of Insurance.

Total Loss Stress Cover extension

Where Loss or Damage to a Unit is deemed a total loss by the Insurer, the Insurer will also pay the individual owner of that Unit for the stress caused by the loss.

The Insurer's maximum liability under this extension is the lesser of:

- (a) \$2,000 per Unit that is a total loss; or
- (b) \$50,000 in total for all Units that are a total loss in any one event.

For the purposes of this extension, total loss means so damaged that the Unit or Units, by reason only of that Loss or Damage, cannot be repaired.

ADDITIONAL MATERIAL DAMAGE CONDITIONS

Alternative Accommodation

It is agreed that automatic coverage clause MD02 Alternative Residential Accommodation in the Crombie Lockwood Vero agreed Material Damage policy wording is extended to cover the boarding out of domestic pets or security dogs normally kept at the Location.

The Insurer's maximum liability for this extension is \$35,000 per Unit per event up to a maximum of 12 months.

Where a Unit is uninhabitable the Insured may only claim under this extension or the Loss of Rents automatic extension but not under both extensions for the same loss.

Money

It is agreed that automatic coverage clause MD18 Money applies only to Money owned by the Insured and not to Money owned by any individual Unit owner.

Reduced Natural Disaster Excess for Certain Property

It is agreed that there is a \$5,000 excess for Loss or Damage caused by Natural Disaster, where the Loss or Damage is solely to the following property: fixed signs and lettering, tanks, poles, power lines and their supports, walls, gates, fences landscaping, gardens, ornamental trees and shrubs, roads, paths, yards and the like.

Spoilage

Where a claim is made under automatic coverage clause MD37 Spoilage in the Crombie Lockwood Vero agreed Material Damage policy wording it is agreed that it applies only to property owned by the Insured and not to property owned by any individual Unit owner.

Transit

It is agreed that automatic coverage clause MD41 Transit applies only to property owned by the Insured and not to property owned by any individual Unit owner.

DEFINITIONS

For the purposes of this endorsement the following definitions apply.

Uninhabitable

Means the Unit is no longer a safe or sanitary place to live, as determined by government or local authorities, or by the Insurer, due to Loss or Damage to the Unit, and where notice to this effect has been issued.

It does not mean a disinclination by the Insured or a tenant(s) to remain in occupancy of an otherwise safe or sanitary Unit.

Unit

Means each self contained part of the Buildings designated for separate residential occupancy.