Boutique Body Corporate & Community Managers

BODY CORPORATE SERVICE LEVEL AGREEMENT

The purpose of this document is to set out the basis of the arrangement between Boutique Body Corporates Limited ("BBCL", "us" or "we") as your Body Corporate Manager and your Body Corporate as referenced in the execution schedule (Body Corporate).

COMMENCEMENT DATE OF AGREEMENT

From date of execution or 9 May 2024, whichever is the earlier.

ADMINISTRATION FEE

$11,646.09 (plus GST) per annum.

DEFINITIONS

"Chairperson" means the Chairperson of the Body Corporate or the Body Corporate Committee, as may be, as Section 108(1) of the Unit Titles Act 2010 (UTA 2010) provides duties and powers may be delegated to either the Chairperson or the Committee.

"Body Corporate" means the Body Corporate and includes, where appropriate, the Committee.

"Committee" means the Committee of the Body Corporate.

"Body Corporate Manager" means the BBCL representative who is engaged by the Body Corporate or the Body Corporate Committee to assist the Chairperson and the Committee with each of their respective obligations under the Act, the Regulations and any delegated authority. A representative for BBCL will be appointed as the initial contact for the Body Corporate.

"emergency situation" means a burst water service, blocked or broken sewerage system, serious roof leak or damage, gas leak, dangerous electrical fault, flooding or threat of flooding, serious flood, storm or fire damage, failure or breakdown of the gas, electricity, water or other essential service supply, or any event of a similar nature resulting in or threatening to result in any serious fault or damage to the common property or any property vested in the Body Corporate or its members.

"Administration Fee" shall mean the annual amount specified for deliverables set out in Schedule One as varied pursuant to clause 3.3.

"GST" shall mean Goods and Services Tax as defined under the Goods and Services Tax Act 1985 or as amended, and in accordance with any rulings issued by the Inland Revenue Department from time to time.

"Rules" means the Operational Rules of the Body Corporate including and incorporating any amendments made to the Rules from time to time.

1. APPOINTMENT AND POWERS

1.1 The Body Corporate confirms BBCL as its agent to carry out the tasks set out in this agreement and its Schedules.

1.2 BBCL accepts the appointment and agrees to perform the services and act as agent, to comply with the code of conduct set out in Schedule 1B of the Regulations.

1.3 A representative of BBCL may be appointed to chair the Annual General Meeting and / or committee meetings if the Chairperson is unable or unwilling to do so.

2. REPRESENTATIVE

2.1 The BBCL representative will be the main point of contact for the Body Corporate.

2.2 The BBCL representative noted in 2.1 may be changed with the agreement of the Body Corporate.

3. FEES AND DISBURSEMENTS

3.1 BBCL shall perform the duties set out in Schedule One, and the Body Corporate shall pay BBCL the Administration Fee. BBCL reports to the body corporate on the performance of the manager's functions and duties at each AGM.

3.2 The Administration Fee shall be paid at the start of each quarter and reviewed annually, thereby increasing by an amount not less than the Consumer Price Index (all groups).

3.3 The Administration Fee is set based on the key and standard deliverables set out in Schedule One. Changes to standard deliverables may result in a revised Administration Fee.

3.4 Additional Services BBCL will provide and the fees for those services are listed at Schedule Two. These fees may be reviewed annually.

3.5 The services listed in Schedule Three may be requested from time to time by individual owners. BBCL will provide these services upon request and will recover the cost from the individual requesting the service as per the pricing in effect at that time.

3.6 The Schedule Four services may be requested from time to time by the Body Corporate and will be provided by BBCL on a time and attendance basis. The additional services and current hourly rates are set out in Schedule Three.

4. TERMINATION

4.1 This Agreement continues in force for a period of twelve months from the date of the agreement.

4.2 Reviews of BBCL's performance (duties set out in Schedule One) and the key performance targets are to be assessed at each AGM and/or at committee meetings.

4.3 In the event the Body Corporate elects to cancel this Agreement it may do so on fourteen days prior written notice.

4.4 BBCL may elect to cancel this Agreement at any time upon giving the Body Corporate one (1) months' written notice, in the event of any one or more of the following occurring:

4.4.1 The Body Corporate being unable to pay any duly authorised expense, cost or fee of the Body Corporate for a period of longer than thirty (30) days;

4.4.2 Abandonment of units by their proprietors or other acts or omissions of proprietors rendering the performance by BBCL of its duties hereunder significantly more onerous than as at the time of signing this Agreement;

4.4.3 The relationship between the Committee and BBCL becoming untenable, in the view of BBCL (at their sole discretion)

4.5 Body corporate files & records and Body Corporate funds shall be returned to the Body Corporate within twenty-one (21) days of service of termination.

5 DISCLOSURE

5.1 It is acknowledged by the Body Corporate that commissions may be paid by insurers or insurance brokers to BBCL as agent in respect of any insurance which may be effected by BBCL as Body Corporate Manager for or on behalf of the Body Corporate. BBCL shall share 30% of any commission paid by the issuer with the Body Corporate.

5.2 Unless advised to the contrary, all funds belonging to the Body Corporate will be deposited in a trust account with ASB Bank. The Trust Account is in the name of Boutique Body Corporates Limited Trust Account and the Body Corporate's funds are held within a named partitioned account for the benefit of the Body Corporate.

5.3 BBCL will commission and meet the cost of reviews of the BBCL Trust Account by an independent accountant at least three times annually and will on request provide reports from the last three (3) reviews.

5.4 The financial reports of the Body Corporate will be reviewed once every three year cycle as part of the BBCL Trust Account review. There is no additional charge for this service.

5.5 Where BBCL is requested to manage term deposits on behalf of the Body Corporate, BBCL shall be entitled to receive a commission of 1/20 of the interest earned on such term deposits in consideration of such management.

6 MAINTENANCE & CONTRACTORS

6.1 BBCL will on instructions seek and present agreements/contracts between third party suppliers and the Body Corporate to meet identified regular common maintenance requirements, including the items identified on any compliance schedule as prescribed in the Building Act.

6.2 In an emergency situation involving maintenance, BBCL shall be authorised to take such steps as are necessary for the protection of the property, be it common property or individual property, and the Body Corporate will indemnify BBCL for expenses incurred while acting in good faith in the best interests of the Body Corporate.

6.3 Contractors used to carry out Body Corporate repairs shall be either:

6.3.1 From the Body Corporate's or BBCL's preferred contractor list;

6.3.2 or as appointed by the Committee or a majority of owners;

6.3.3 or as approved at the Annual General Meeting.

6.4 All contractual relationships shall be between the Body Corporate and the contractor, and the Body Corporate acknowledges all persons engaged to work on the property (other than persons directly employed by BBCL) are contractors to or employees of the Body Corporate and under the control of the Body Corporate.

6.5 BBCL will not receive any commission from suppliers or contractors to the Body Corporate other than as detailed in 5.1.

6.6 The contractors so appointed shall not be construed as agents of BBCL, and BBCL shall have no responsibility for the acts or omissions of any contractors appointed by the Body Corporate.

EXECUTION

SIGNED by BODY CORPORATE 209549
("Body Corporate"):

Signature of Chairperson

CATHERINE A McGRATH
Print name of Chairperson

Date: 8·04·2024

Signature of Committee Member

Karen Law
Print name of Committee Member

Date: 8/04/2024

SIGNED for and on behalf of BOUTIQUE BODY COROPORATES LTD by:

Sandy Wu
Boutique Body Corporates Ltd
DDI: 09 523 6547
Ph: 09 524 9785
Mobile: 021 103 2691
Email: sandy@bbcl.co.nz

Name of Signatory

Authorised Signatory

BODY CORPORATE MANAGER

Position of Signatory

8 April 2024

Date:

SCHEDULE ONE

The Body Corporate Manager shall cause the following to be carried out:

Key Service Deliverables:

1. Convene and attend the Annual General Meeting (Chairing if requested) of the Body Corporate and prepare minutes of the meeting.
2. Calculate, invoice and distribute minutes and levies within fourteen (14) days of an annual general meeting (unless instructed otherwise by the Chairperson or Committee).
3. Process Trust account transactions on a daily basis and provide access to real-time financial reports to Committee via the BBCL client portal.
4. Provide, as reasonably requested, interim financial statements, with an accompanying financial report that summarises performance and comments on material variances against budget to the Committee.
5. BBCL will attend up to **2** committee meetings in the first 12 months from the commencement date of engagement on invitation by the Committee, either in person or by audio-visual. Following any 12 months of engagement the minimum number of committee meetings under this provision shall be **2.**

Standard Service Deliverables:

6. Operation and maintenance of the Body Corporates accounts receivables and payables.
7. Establish a draft annual budget for the Body Corporate and prepare notices levying members of the Body Corporate for administrative and maintenance fund contributions, contingency and capital improvement funds as agreed by the Body Corporate.
8. Preparation and circulation of Annual General Meeting paperwork including agenda, budget, annual financial statements.
9. Maintain a members list of the Body Corporate pursuant to Section 85 of the Unit Titles Act 2010.
10. Maintain the minute register and all accounting records of the Body Corporate.
11. Complete a notice for each committee member in terms of any delegated authority under s108 of the Act.
12. Deal with inward and outward correspondence for the Body Corporate.
13. Arrange quotes for renewal of a Long-Term Maintenance Plan for the Body Corporate.
14. On request, arrange quotes for maintenance and repairs to common property, assets designed for use in connection with the common property, infrastructure, and building elements (including private property affecting more than one unit).
15. Arrange quotes for annual insurance renewal.
16. Effect insurances, as required, pursuant to the Act subject to the Body Corporate having sufficient funds to cover the cost of insurances.

17. Submit common property insurance claims to the Body Corporate Insurer.
18. Apply insurance moneys due to the Body Corporate in or towards reinstatement of the development.
19. Spend, borrow and invest money and distribute surplus money and property pursuant to Sections 130 and 131 of the Act and as authorised by the Body Corporate.
20. Ensure payment of ground rents, if any, as per Section 87 of the Act.
21. Carry out any other provisions of the Act, any other Act, or the Regulations delegated to the Body Corporate Manager subject to any limitations to those powers and duties in this Act, any other Act, or the Regulations.

SCHEDULE TWO

ADDITIONAL SERVICES TO BE PROVIDED TO THE BODY CORPORATE

1. IR4 Tax Return:
   a. BBCL is appointed as the agent of the Body Corporate to file an IR4 return and if applicable, attend to the calculation and payment of provisional and terminal tax and any withholding tax.
   b. BBCL will charge an IR4 Tax Return Fee for the completion of this exercise, based on the BBCL schedule of charges applicable at the time. The fee is included in the current year Body Corporate budget and is renewable annually.
   c. When completing taxation returns BBCL is acting as the agent of the Body Corporate and not as an accountant or tax consultant. BBCL does not provide tax advice but can facilitate the obtaining of tax advice if requested by the Body Corporate.

2. GST Return:
   Should the Body Corporate be GST registered, BBCL will act as the agent to file GST returns and accounts to the IRD for monies due or receivable by the Body Corporate. The fee is included in the current year Body Corporate budget and is renewable annually.

SCHEDULE THREE

SERVICES WHICH MAY BE REQUESTED BY INDIVIDUAL OWNERS

1. From time to time BBCL may receive requests from individual unit owners for the provision of additional services. These may include, without limitation, the following:
   a) Pre Contract Disclosure Statements.
   b) Pre Settlement Disclosure Statements (PSD) which will be provided on behalf of the Body Corporate and at its cost provided that BBCL shall oncharge the unit owner requesting the PSD.
   c) Copies of previously provided information such as copies of prior AGM minutes.
   d) Requests for information to be supplied to prospective purchasers of units as required by Section 147 of the Act.
   e) Variable levy payment plans where approved by the Body Corporate.
   f) Overdue levy payment plans where approved by the Body Corporate.

g) Act as an agent for the unit owners who lease or license their principal unit and are absent for the purpose of enforcing the Body Corporate Operational Rules
h) Sign documents on behalf of an owner pursuant to Section 86 of the Act.

2. BBCL shall be entitled to charge and retain for its own benefit reasonable fees for the preparation and provision of the above services. All costs relating to the provision of additional services requested by individual members of the Body Corporate, including if applicable the costs of debt collection, shall be met by the individual member requiring or generating the service.

SCHEDULE FOUR

ADDITIONAL SERVICES WHICH MAY BE REQUESTED BY THE BODY CORPORATE

1. BBCL may at its discretion provide additional services as set out below at a fixed price or on a time and attendance basis as directed by the Committee and/or Body Corporate:
   a) Attendances associated with, and resulting from, the calling and conduct of Extraordinary General Meetings.
   b) Attendance at committee meetings other than those set out in schedule one.
   c) Attendances associated with levy collection, and resulting from, breaches of the Unit Titles Act 2010, Unit Titles Regulations 2011 or Body Corporate operational rules.
   d) Facilitation and coordination of insurance claims for damage to private and/or common property.
   e) Any matter that is subject to legal action or requires legal or other professional advice. This includes but is not limited to:
      i. Procedures defined under the Unit Titles Act 2010 or other relevant legislation that may be required from time to time including redevelopments, designated resolutions etc.;
      ii. Revision or amendment of Operational Rules;
      iii. Reassessment of Ownership / Utility Interest
      iv. Leases of equipment or property or leases/licences pertaining to the common property;
      v. Attendance to audits by the Inland Revenue Department or auditors appointed by the Body Corporate or any other statutory authority;
      vi. Inspection of the property in accordance with the Rules;
      vii. Enforcement of the provisions of the Fencing Act;
      viii. Heritage protection matters;
      ix. Legal action by or against the Body Corporate in any court or tribunal including without limitation the Disputes Tribunal, District Court, High Court and the Tenancy Tribunal.
   f) Facilitation of extraordinary maintenance, for example assisting in resolving weathertight, structural or other significant defect matters.
   g) Processing and issue of invoices under Section 126 recovery of costs incurred by the Body Corporate that is determined to be substantially for one or some units, in addition to those set out in Schedule One.
   h) Manage a debt collection process in accordance with any policies adopted by the Body Corporate.

i) Any other matter in the nature of the services set out in this Schedule and not included in Schedule one.

2. The hourly rate pursuant to clause 1 will be for the first year of service shall be $245.00 (plus GST) Director, $195.00 (plus GST) Senior Body Corporate Manager, $175.00 (plus GST) Body Corporate Manager, $145.00 (plus GST) Executive Administration Support and $95 (plus GST) for Administration Support. The hourly rate may be reviewed from time to time.
3. Where applicable costs associated with additional services may be recoverable from the unit owner/s.