



Body Corporate Contracts

Are they working for you?

Agreed Services vs Professional Services

- Most contracts are split up into two areas: agreed services and professional services.
- Agreed services are services that are included as part of the fixed managerial and disbursement fees.
- Professional services are the work the body corporate manager does for the scheme that is not included in the agreed services. The contract details the costs for each service performed.

Secretarial Services typically list items such as:

- Convene and attend the Annual General Meeting up to [2] hours.
- Call nominations for the position of executive and ordinary members of the Committee.
- Prepare and distribute the notice of AGM and ancillary documentation for statutory motions
- Record, distribute and file minutes of AGM
- Prepare and distribute notices for committee meetings based on [4] meetings
- Attend committee meetings based upon [4] meetings up to [3] hours for each meeting
- Record, distribute and file minutes of committee meetings up to [4] number of meetings
- Arrange for the appointment of a returning officer
- Establish and maintain the roll and registers
- Maintain and keep records
- Pay insurance premiums and organise renewal quotations for renewals
- Receive and administer routine correspondence

Financial Services
typically list items
such as:

- Open, maintain and operate a bank account for the administrative fund and sinking fund
- Prepare a statement of accounts for each financial year
- Prepare a draft budget for each financial year
- Issue notices to lot owners for payment of contributions
- Receipt and bank levies
- Process and pay accounts
- Prepare Financial records and statements as required by the Regulations for the Module

Professional Services can cover any reasonable and lawful request by the body corporate that is not listed as an agreed service. They can include, but are not limited to:

- Any agreed services required to be undertaken outside of normal business hours.
- Preparation of notice of meetings, distribution of minutes and attendance at meetings in excess of those stated as an Agreed Service.
- Preparation and distribution of Voting Outside Committee notices.
- Management of maintenance or other issues.
- Contractor liaison.
- Enforcing by-laws, including preparation of breach notices.
- Provision of non-standard advice.

Terminating an agreement

- 1 Either party may terminate this Agreement in accordance with the Act and/or the Module.
- 2 The Manager may terminate this Agreement at any time and for any reason by giving 30 days written notice to the Body Corporate.
- 3 If the Body Corporate fails to pay the Manager any amount owing to it under this Agreement and the failure continues for a period of 14 days after notice of the failure is given to the Body Corporate by the Manager, then:
 - (1) the Manager may terminate this Agreement by giving 30 days written notice to the Body Corporate: and
 - (2) the Body Corporate will reimburse the Manager for the Manager's costs of recovering that amount from the Body Corporate, including any legal costs on an indemnity basis.

Indemnity

RELEASE & INDEMNITY BY THE BODY CORPORATE

The Body Corporate:

- (1) Releases, discharges and forever holds harmless the Manager (to the extent permitted by law) from any damages, losses, liabilities, costs, expenses and/or claims arising from or in connection with any act or omission of the Body Corporate that did not result from a negligent act or omission of the Manager; and
- (2) Indemnifies and keeps indemnified the Manager against any damages, losses, liabilities, costs, expenses or claims incurred by the Manager (including the Manager being made a party to any litigation commenced by or against the Body Corporate); arising out of or in connection with any act or omission of the Body Corporate that did not result from a negligent act or omission of the Manager.