

Explanatory note—proposal to amend

Body Corporate and Community Management Act 1997

This form is effective from 29 August 2011

Section 1—Notes

THIS EXPLANATORY NOTE DEALS WITH A PROPOSAL TO AMEND:

- THE TERMS OF AN ENGAGEMENT OF A SERVICE CONTRACTOR; OR
- AN AUTHORISATION AS A LETTING AGENT

WHEN THAT AMENDMENT INCLUDES A RIGHT OR OPTION OF EXTENSION OR RENEWAL

The relevant legislation requires this explanatory note to be given to members of a body corporate which is considering an amendment of a person's engagement as a service contractor or an amendment of a person's authorisation as a letting agent *to include a right or option of extension or renewal of the term of the engagement or authorisation*. It must accompany the material circulated for the relevant general meeting.

You should consider this information before voting on the motion to amend an engagement or authorisation.

The regulation module applying to the scheme may provide that a body corporate may only amend a person's engagement as a service contractor or a person's authorisation as a letting agent **to include a right or option of extension or renewal if:**

- The subsequent right or option is for a **period which is not longer than five years**; and
- The unexpired term of the engagement or authorisation, (calculated from the day the resolution approving the subsequent right or option is passed by the body corporate,) **is not more than the maximum term permitted in the regulation module applying to the scheme.**

The regulation module applying to the scheme may provide that the motion approving the amendment must be passed by ordinary resolution and decided by secret ballot. A body corporate cannot consider a motion of this type more than once in a financial year for the body corporate. More information concerning a motion of this type is contained in the regulation module applying to the scheme.

The **following details must be provided** about the service contract and/or the letting authorisation subject to the proposed amendment.

Section 2—Service contract

Name of service contractor

Current expiry date of service contract

Length of proposed right or option of extension or renewal.....

Current annual remuneration

Does the service contractor carry out general caretaking and cleaning duties?
 Yes No (tick one)

Does the service contractor supervise employees or contractors?
 Yes No (tick one)

Who pays for the equipment required to carry out general caretaking and cleaning duties?
 Body Corporate Service Contractor Both (tick one)

Who pays for the materials required to carry out general caretaking and cleaning duties?
 Body Corporate Service Contractor Both (tick one)

Details of any areas of common property the use of which is granted to the service contractor by way of an occupation authority.

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Section 3—Letting agent authorisation

Name of letting agent

Current expiry date of service contract

Length of proposed right or option of extension or renewal.....

Any restrictions on the type of letting (eg Permanent, short term or holiday) imposed in the letting authorisation:.....

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Details of any areas of common property the use of which is granted to the letting agent by way of an occupation authority:

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