

FORM 6 ADDENDUM

APPOINTMENT TO ACT AS A LETTING AGENT FOR LONG TERM and WEEKLY TERM LETTINGS

Part 11 - Sole agent

In appointing the agent under this letting appointment, the client acknowledges that the agent is the only person authorised to arrange letting and management of the property.

Part 12 - Bank account details

Payments to the client shall be paid by:

cheque mailed to the client at _____

payment by transfer o: | Bank _____

BSB _____

Account No _____

Account Name _____

Part 13 - Insurance

The client:

- must maintain a public liability insurance policy for at least \$10 million;
- must maintain contents and landlord's insurance, which must cover items including the furniture and effects in the property, loss of rent and damage by customers;
- must provide to the agent the following details of such insurance;
- in the event that the client itself does not do so, authorises the agent to put in place and maintain, in the client's name and on the client's behalf, the above insurances and for that purpose appoints the agent as the client's agent to select an insurer with which to place such insurance; and
- authorises the agent to receive and treat any insurance claim proceeds, to the extent that they relate to a claim for loss of rent, as rent derived by the client and to which this appointment applies including without limitation part 23 relating to payments to the agent or Hercules Northshore Pty Ltd ACN 146 311 569 (**Hercules Northshore**)

Name of insurer: _____

Policy number _____

Name of contact at insurance agent
or broker: _____

Phone number and email address of
above insurance contract: _____

Part 14 - Presentation of property

The agent lets other premises in the complex in which the property is situated and will act as fairly as possible in offering the property to prospective customers. Customers include, without limiting, long term tenants, weekly tenants and guests. The agent will act consistently with the preferences and requirements of the prospective customers for premises of different types, sizes, qualities, location and rental rates and within such constraints will share occupancies as fairly as possible.

Part 15 - Agent's responsibilities

The agent will suggest the proposed rentals based on market conditions and the condition and facilities of the property, so as to maximise the rental income for the client.

The agent is not required to commence legal proceedings for overdue rents or damage or otherwise. However, the agent will notify the client of any default extending beyond a reasonable period or any material damage to the property or its contents. During the term of the Property Management Agreement or Rental Guarantee provided by Hercules Northshore the agent has the right to commence and proceed with such above legal proceedings on behalf of the client.

Other than where caused by the negligence or default of the agent, the agent will not be responsible for the replacement of lost, stolen, damaged or worn furniture, equipment or accessory items, those things being the responsibility of the client.

Part 16 Client's responsibilities and acknowledgements

If there is more than one client, the clients authorise the agent to accept instructions from either or all of them.

If the amount payable to the agent is in excess of the rents collected by the agent, the client will pay such excess to the agent within 14 days of such demand for it by the agent.

The client shall accept the risk and loss of non-payment of rent and charges by customers, except in the event of proven negligence by the agent. The client may at the client's cost instruct the agent to take legal proceedings to recover unpaid rent, charges and property damage.

The client acknowledges that:

- (a) the amount of any fees or charges in the Schedule or elsewhere (including without limitation cleaning services, advertising or promotional levies or the like), may comprise, in addition to any actual wages, expense or outlay incurred by the agent in engaging others or in purchasing materials in relation to the item or service, an amount payable to the agent for the agent's time, labour, risk and effort expended in providing, arranging, coordinating, managing and/or supervising the item or the service;
- (b) in all such cases the client is paying the agent to provide the item or service and not reimbursing the agent for incurring an expense on behalf of the client in relation to the item or service.

The client acknowledges that the agent may provide services to customers for example apartment cleaning, linen hire, equipment hire, dry cleaning, ironing & washing, food/beverage, internet services, concierge services, etc. The client acknowledges that where customers make payment to the agent's trust account of funds which include rent and payment for such services provided by the agent, the agent will profit from the provision of those services and is entitled to draw from the agent's trust account any amounts so paid to the agent for such services.

The client acknowledges that the agent may provide a key to the property to a prospective customer for the purpose of inspection of the property by the prospective customer.

The client acknowledges that the agent's authority to let the property includes the authority to accept bookings with booking agents including any entity related to the agent.

The client will cause the property to be fully furnished for the purposes of lettings to a standard commensurate with high quality apartment lettings and other units in the complex. During the term of the Property Management Agreement and Rental Guarantee the agent at its discretion can remove the furniture, fixtures & equipment (either in whole or part) provided as part of the Property Management Agreement and store them in safekeeping elsewhere should the agent consider it more lettable without furnishing. In these circumstances the cost of removal, storage, insurance and reinstallation is at the cost of the agent.

Except for emergencies, the agent is authorised to incur expenses on behalf of the client to a maximum of \$1,000.

The client must not during or after the end of the term of this appointment use or allow any agent or representative of the client to use any trademark, logo or website content owned or used by the agent.

Part 17 - Cancellation policy	
	<p>If the booking is cancelled and sufficient notice is given by the customer in accordance with the agent's cancellation policy, an administration fee as set out in the Schedule may be charged by the agent and deducted from any deposit paid by the customer, but all other funds will be returned to the customer.</p> <p>If insufficient notice is provided by the customer in accordance with the cancellation policy such that any deposit or rent paid by the customer is forfeited, the agent may charge commission, management fee and the advertising/promotion levy on the amount forfeited and pay the remaining balance to the client.</p>
Part 18 - Not used	
	Not used
Part 19 - Not used	
	Not used
Part 20 - Assignment	
	The client releases the previous agent, in respect of anything that occurs after the date this Appointment is assigned to a new agent.
Part 21 - Increase in charges	
	<p>The agent may, by giving written notice to the client by 31 July in any year, increase any or all of the fees and charges (but not the rate of commission, management fee or advertising/promotion levy or the like unless otherwise stated in the Schedule) referred to in this Appointment or any schedule from 1 July in any year by up to the greater of 5% or the increase in the consumer price index for Brisbane from the March quarter in the previous year to the March quarter in the relevant year.</p> <p>From the date of any change in the statutory GST rate, all fees and charges (other than those calculated as a percentage) will change to reflect the change in the GST rate.</p>
Part 22 - Commission	
	Details of commission are contained in the Schedule
Part 23 - Other conditions	
	<p>The client undertakes that in the event of the property being sold or otherwise transferred, notice will be given to the buyer or transferee of all advance bookings or tenancies and an undertaking shall be obtained from that buyer or transferee to accept the purchase or transfer subject to the conditions of such advance bookings or tenancies and such undertaking shall be part of the contract for the purchase or transfer of the property and the client indemnifies the agent against any claim due to non-compliance with this part and against any loss the agent may suffer due to any such non-compliance.</p> <p>The client authorises the agent to sign on the client's behalf any tenancy agreement, to terminate any tenancy agreement and to deal with any tenancy agreement as the agent determines (including without limitation dealings with RTA bonds and disputes with customers).</p> <p>The client authorises the agent to arrange and enter into on the client's behalf agreements with service providers for the supply to the property of utility services including without limitation electricity, gas, hot water, telephone, PABX, Internet & Wi-Fi, Pay TV services, etc.</p> <p>The client authorises the agent to pay on behalf of the client any invoices the agent receives from a supplier or issuer of an invoice for outgoings relating to the property including, without limitation, insurances, rates, property taxes, tourism and bed levies and taxes, body corporate levies, booking agent fees, utility services including electricity, gas, hot water, telephone, PABX, internet, Pay TV services etc. and regular servicing requirements including smoke alarm, pest control, mattress treatment, carpet and upholstery cleaning, air conditioning, windows etc.</p> <p>The client authorises the agent to pay or reimburse any outgoings, costs, expenses, charges, fees or invoices pursuant to this appointment plus adjustments that may be made in accordance with the terms of any Property Management Agreement under which the client is provided a rental guarantee by</p>

Hercules Northshore from any monies held on trust by the agent on behalf of the client from time to time.

The client agrees that payments may be made by the agent from any monies held on trust by the agent in accordance with the following priorities (1) charges payable under this form 6; (2) adjustments that may be made in accordance with the terms of any property management agreement under which the client is provided a rental guarantee by Hercules Northshore; and (3) any other payments.

The client acknowledges that any carparking space allocated to the property:

- (i) may be substituted with another carparking space in the building; or
 - (ii) if not being utilised by tenants or guests, may be let to other tenants and guests;
- and authorises the agent to enter into, on the client's behalf, a licence agreement with such other tenants and guests where they utilise carparking spaces allocated to the property.

Part 24 - Transfer of management rights

The client and the agent acknowledge and agree that the following conditions are incorporated into and form part of this letting appointment. The agent acknowledges that the special conditions apply in relation to the operation of the scheme and that scheme members, including the client, have the rights set out in these special conditions.

These special conditions only apply if the agent is operating a serviced strata scheme within the meaning of the Corporations Act. This would usually mean that the Agent is operating the scheme as a hotel, motel, resort or serviced apartment complex. Therefore these conditions only apply for the time when the property is being utilised for short term lettings.

In these special conditions, the operator is the agent and the scheme is the letting out of units in the complex in which the property referred to in this letting appointment is situated.

Procedures for transferring management rights

Transfer of management rights

- (a) If a majority of scheme members advise the operator in writing that they wish to terminate the operator's engagement, the operator must within 9 months transfer the management rights to a person:
 - (i) who is chosen by the operator; and
 - (ii) has not been involved in the operation (including promotion) of the scheme; and
 - (iii) is not controlled by a person that has been involved in the operation (including promotion) of the scheme.
- (b) If the operator does not complete the transfer within the 9 month period, the operator must cause the transfer of the management rights to a replacement operator named in a written notice given by a majority of scheme members, at the price set out in the notice.
- (c) A transfer referred to in paragraphs (a) or (b) must be done as soon as practicable, but if there is a body corporate for the real property to which the scheme relates, there must be a reasonable time for members of the body corporate to consider whether to make a decision referred to in paragraph (f) unless the body corporate has consented to the transfer.

Consent of body corporate to new caretaking arrangements

- (e) If the operator receives a notice under paragraph (b), the operator must advise all body corporate members of the name of the person to whom the transfer is to be made.
- (f) Unless the body corporate has consented to the transfer, an operator does not have to transfer the management rights to the person named in the notice given under paragraph (b) if a majority of body corporate members state in writing to the operator that the person should not be engaged by the body corporate to perform caretaking functions.
- (g) If a majority of body corporate members make a decision referred to in paragraph (f), a majority of scheme members may then at any time name a replacement operator by a written notice, to whom the operator must transfer the management rights at a price set out in the notice and the notice will be taken to be given in accordance with paragraph (b).
- (h) Paragraphs (e) to (g) do not apply if the body corporate or a majority of body corporate members agree in writing to the transfer to the person named in a notice under paragraph (b) or (g) before that notice is given to the operator.

Price payable on transfer

- (i) The price specified by scheme members in a notice under paragraph (b) must be one of the following:
- (i) the average of two valuations of the management rights by independent qualified valuers nominated by the Australian Property Institute (or another relevant independent professional body approved by ASIC); or
 - (ii) the highest bona fide bid for the management rights (excluding a bid by the operator or its associates) at an auction of which at least 60 days' notice had been given; or
 - (iii) the highest bona fide amount tendered (excluding any tender by the operator or its associates) for the management rights following reasonable efforts to market the property for at least 60 days.

Voting

- (j) In working out if there is a majority of scheme members or body corporate members, the operator and its associates and any person nominated as a replacement operator and associates of that person must not be counted.
- (k) For scheme members, a majority is based on their entitlement to vote at body corporate meetings if there is a body corporate for the property to which the scheme relates, and otherwise each member shall have one vote.
- (l) For body corporate members, a majority is based on their entitlement to vote at body corporate meetings.
- (m) A scheme member or a body corporate member makes a decision by signing a document that sets out the decision.

Costs

- (n) Any member may arrange a valuation or auction of, or may market, the management rights before or after the expiration of the 9 month period referred to in paragraph (a) for the purposes of setting a price to be specified in a notice under paragraph (b).
- (o) If a member incurs any reasonable valuation, auction or marketing costs under paragraph (n) that member is entitled to be reimbursed out of the price payable by any person nominated by the members as transferee of the management rights when the price is paid to the operator.

Assistance

- (p) The operator must give reasonable assistance to enable the transferee to operate the resort, hotel, motel or serviced apartment complex including making available information about any future bookings.

Part 25 - Signatures

Agent

Client (owner)

Form 6**Privacy Statement and Consent**

Personal information collected by the agent is treated as confidential and complies with the requirements of the Privacy Act 1988.

When you provide the agent with your contact details or other personal information:

- the agent will record your e-mail address and other contact details;
- the agent will only use your contact details address for the purpose for which you provided it;
- it will not be added to an external mailing list;
- the agent may provide your personal information to any person or entity which is a the holder or transferee of a Letting Appointment for the lot you own;
- the agent will not use your contact details for any other purpose;
- the agent will not disclose it without your consent except where it may be required by law to disclose certain information.

You can contact the agent at the address set out in the Form to which this addendum is attached.

**SCHEDULE TO POA FORM 6 LONG TERM & WEEKLY TERM LETTINGS
FEES AND CHARGES – ALL GST INCLUSIVE UNLESS OTHERWISE INDICATED**

Notes: The term **Gross Rental Income** when used in this document means all non-refundable sums received by the agent from tenants, guests or occupants in respect of the letting of the property.

Long Term Lettings are for letting terms longer than 3 months. Weekly Term Lettings are for all letting terms for 3 months or less (this is not restricted to weekly periods i.e. includes daily periods less than a week and for monthly periods).

Commission	<p>Long Term Lettings: 8.8% of Gross Rental Income</p> <p>Weekly Term Lettings: 13.2% of Gross Rental Income</p> <p>Note: Commission for both Long Term Lettings and Weekly Term Lettings is reduced to 7.5% plus GST for the duration of the Property Management Agreement and Rental Guarantee provided by Hercules Northshore.</p>
Advertising/promotion/marketing services	<p>Long Term Lettings: 2.2 % of Gross Rental Income for duration of lease, charged in full at lease commencement.</p> <p>Weekly Term Lettings: 5.5% of the Gross Rental Income, charged monthly.</p>
New Tenant Let fee	<p>Long Term Lettings: An amount equal to 1 weeks rent plus GST</p> <p>Weekly Term Lettings: An amount equal to 5.5% of the Gross Rental Income, charged monthly.</p>
Letting Agreement Negotiation / Renewal Fee	Long Term Letting: Amount equal to one half of one week's rent plus GST
Standard exit clean ("Sparkle clean") on termination of permanent lease to ensure consistency of re-representation of unit after letting	<p>1 bedroom unit - \$44</p> <p>2 bedroom unit - \$66</p>
Quarterly Inspections	Up to 4 per year – no charge
Window cleaning (as required)	<p>1 bedroom unit - \$27.50</p> <p>2 bedroom unit - \$33.00</p>
Booking Fees to Booking Agents, Corporate Rental Agents, Online Agents, etc.	The Fees actually paid to / charged by them.
Administration fee for cancelled bookings where deposit refunded to Customer	13.2% of the deposit paid by the customer or a fixed amount of \$22 per booking whichever is the greater.
Non Standard Exit Clean	In circumstances where the customer has not properly cleaned the property as per any tenancy agreement the client authorises the agent to clean the property and be paid a service fee of \$44 per hour. If permissible and practical the agent on behalf of the client will seek reimbursement from the customer or any bond.
Packaged Services	<p>Packaged Services means Weekly Term Lettings where the offer of supply of accommodation also includes a cleaning service during the stay of the customer or upon exit but does not include daily service cleans (e.g. weekly cleans).</p> <p>Where the Agent supplies a Packaged Service to a customer, the agent must apportion the monies paid by the customer between Gross Rental Income and Cleaning Service Income, on a reasonable basis. The Agent is entitled to be paid for the Cleaning Service Fee component of Packaged Services either directly from the customer or if paid to the clients trust account from the trust account.</p>

Pay TV,Internet & Wi-Fi & PABX	Actual cost of installation,plus: PAY TV - \$60.00 per month Internet & Wi-Fi - \$60.00 per month PABX - \$16.50 per month
Credit and debit card transaction fees and commissions, direct debit and similar bank charges	Reimbursement of actual charge incurred.
Fees for making international payments	A handling fee of 2.75% of the amount converted to foreign currency (where the client requires the agent to pay the client's funds in foreign currency) plus any bank currency conversion and payment costs, such as telegraphic transfer.
Postage, photocopying, telephone calls, facsimile transmissions	\$16.50 per month
Fee for attending to payment of invoices on behalf of client where requested or authorised including without limitation insurances, rates, body corporate levies, utility services and Foxtel	\$5.50 per invoice/item
Preparing Entry Condition Report at commencement of tenancy	Included in letting fee
Pest Control	Invoiced cost plus 11% unless paid for by the body corporate
Smoke alarm and air-conditioning inspection and maintenance per visit, as required	Invoiced cost plus 11%
Mediation / Tribunal Hearing Fee per hour	\$99 per hour when required
Replacements	Inventory replacements: The actual cost of any item in the property requiring replacement plus, as the agent's administration fee for obtaining, supplying and installing any replacements, 11% of the actual cost thereof or \$1 whichever is the greater. Fixtures and fittings replacements: The actual cost of any item in the property requiring replacement plus, as the agent's administration fee for the agent's time in obtaining, supplying and installing any replacements, at the rate of \$44 per hour (minimum charge of 1 hour).
Processing insurance claims	The time taken by the agent to attend to the claim, calculated at the rate of \$44 per hour.
Maintenance and Repairs External service provider	If an item is deemed to be part of the regular maintenance of a unit (e.g. carpet cleaning, bed sanitising, curtains and upholstery cleaning and the like) and is carried out by an external service provider, the charge is the actual cost of the requisite maintenance plus an administration fee of 11% of the invoice amount. If an item is a non-regular maintenance or repair (e.g. repairs to a shower screen, repairing an electrical fault or repairs to an air conditioning unit or the like), the charge is the actual cost of any requisite maintenance and repairs plus an administrative fee calculated at the rate of \$44 per hour for the agent's time for arranging such items.
Maintenance and Repairs Internal service provider	If an item can be repaired or maintained by the agent's internal maintenance team, the charge is the cost of any parts plus the time taken by the maintenance team to attend to the item calculated at the rate of \$44 per hour.
Other Items/Charges	Any other fees charges commissions or expenses incurred by, or payable to, the agent, with the authority of the client.