



# EXPLANATORY NOTE - PROPOSAL TO AMEND

## 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 5 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 a 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 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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.....  
.....  
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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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