

Dear Committee

As you may aware, we have recently indicated our intention add a further 5 year option to our caretaking and letting agreements. We would like to take this opportunity to explain why this is beneficial to the body corporate.

It is common for bodies corporate to be asked by resident managers to extend or renew management rights agreements. Management rights are an integral part of large community titles schemes such as Bretts Wharf. The complex has been managed since its inception and it has proven to be the most efficient and effective form of management, providing sound caretaking services and good returns for letting owners.

Management rights, for their success for unit owners and managers, depend on a sound tenure. That is something that a manager and a financier seek and is the reason why managers regularly seek to "top up" their agreements. Currently, there are 11 years remaining on our caretaking and letting agreements. There are a number of reasons why a further term is of significant importance.

Almost all major lenders in the management rights industry require a term of at least 15 years in order to fund an investor. If there is an insufficient number of years remaining on the agreements, the body corporate is unlikely to attract a manager who is competent and will continue to provide a good service to owners. For this reason, if the term of the agreements continue to decrease, this will only detriment the body corporate.

We consider that some of the other benefits in having us (or any new manager) as your resident manager include:

1. Being extremely familiar with the complex, the manager becomes aware of and rectify, any issues that require attention as and when they occur. Contractors not only do not have this level of familiarity with the complex, but do not have a vested interest in the complex.
2. As we are also letting agent for many owners, tenants and guests have access to and assistance from the manager which they would not get with an offsite agent who has no knowledge of, or concern for, the complex. This provides for a better experience for tenants and guests, making the complex more attractive for them, reducing vacancy rates and increasing returns for investor owners.
3. Being onsite, but independent from the body corporate, allows us to provide owners with an unbiased report on common property issues which affect owner occupiers and investor owners alike.

For all of the above reasons, we trust that we will be able to count on your support for our proposed extension and that you will vote "Yes" to our motion at a future general meeting. We would welcome the opportunity to answer any queries you might have about our proposal.

Yours Sincerely