Costs Agreement

DATE:	2 December 2010
TO:	The Owners - Strata Plan No 50785 c/- Strata Title Management (Sydney South) PO Box 2727 TAREN POINT NSW 2229
BY EMAIL:	nhowell@stratatitle.com.au
FILE NUMBER:	102891

This document is an offer to enter into a costs agreement between Grace Lawyers Pty Ltd (**we**) and The Owners - Strata Plan No 50785 (**you**).

The work we have been instructed to do is to act for you in a dispute with Lot 105.

The disclosure requirements which we are required to provide you under the *Legal Profession Act* 2004 are contained in **Annexure A** (the Costs Disclosure) which forms part of this document.

1. Acceptance of Offer

If you accept this offer you will be regarded as having entered into a costs agreement. This means you will be bound by the terms and conditions set out in this document, including being billed in accordance with it. Acceptance may be by any one of the following ways:

- signing and returning a copy of this document;
- giving us instructions after receiving this document;
- oral acceptance.

Failure to accept our offer within 7 days of dispatch of this document can result in the immediate withdrawal of our offer to act on your behalf.

Directors:
Colin Grace
Daniel Reuman

Associate Directors:
Michelle Jones
David Andrews

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2. Termination of Agreement

(a) We will not continue to do the Work: if you fail to pay our bills; if you fail to provide us with adequate instructions within a reasonable time; if you give instructions that are deliberately false or intentionally misleading; if you fail to accept an offer of settlement which we think is reasonable; if you fail to accept advice we (or counsel) give you; if you engage another law practice to advise you on this matter without our consent; if we, on reasonable grounds, believe that we may have a conflict of interest, or if you indicate to us that we have lost your confidence; or for other just cause.

(b) We will give you at least fourteen (14) days' notice of our intention to terminate our agreement, and of the grounds on which the notice is based.

(c) You may terminate this agreement at any time.

(d) If the agreement is terminated either by you or us, you will be required to pay our professional fees and charges for work done, and for expenses and disbursements incurred, up to the date of termination. For lump sum fee matters, you must pay the part of our lump sum fee that we reasonably estimate has been incurred in respect of the legal services provided to you up to the date of termination, plus charges, expenses and disbursements, subject to your right to a costs assessment. You will be liable to pay our costs whether or not the other party to any court proceedings has to pay your costs of the proceedings.

(e) On termination, we are entitled to retain possession of your papers and documents while there is money owing to us for our charges and expenses, unless and until security is provided for our costs.

3. Retention of your documents

We will, on completion of the Work, retain any papers to which you are entitled, but leave in our possession (except documents deposited in safe custody) for no more than seven (7) years and on the undertaking that we have your authority to destroy the file seven years after the date of the final bill rendered by us in this matter.

4. Privacy Protection

Personal information about you, provided by you and other sources, is protected under the *Privacy Amendment (Private Sector) Act 2000.* Disclosure of such information may be compelled by law (eg. under the *Social Security Act*). You also authorise us to disclose such information where necessary to others in furtherance of your claim/matter (eg. within the law practice, to the Court, the other party or parties to litigation, to valuers, experts, barristers etc).

5. Payment / Money on Account

Either:
We may ask you to pay us, in advance, some money on account of payments which will be made to others and our costs.

OR
We will ask you to repay the money paid on your behalf in clause 2[3] of the costs disclosure document as and when we send you bills for these payments.

6. Authorisation to Transfer Money from Trust Account

You authorise us to receive money directly into our trust account any judgment or settlement money, or money received from any source in furtherance of your work, and to pay ourselves our costs, disbursements and expenses in accordance with the provisions of clauses 88(3)(a)(i) of the *Legal Profession Regulation 2005*.

Signed:

Client	**Date**
Lawyer	**Date**

Annexure A - Costs Disclosure

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This document and the Agreement **attached** disclose information about the costs of our legal services, and your rights, as required by the *Legal Profession Act 2004* NSW (the Act).

1. GST

All rates, charges, expenses etc in this document are GST exclusive unless otherwise stated. Where the service provided is subject to GST, GST of 10% will be added and charged to you.

2. Costs - how calculated

2.1 Professional Fees

We will charge you professional fees for the work we do:

Lawyer Director:	$400.00
Associate Lawyer Director:	$375.00
Senior Lawyer:	$350.00
Intermediate Lawyer:	$300.00
Junior Lawyer:	$275.00
Graduate Lawyer:	$240.00
Paralegal / Law Clerk:	$180.00
Admin Assistants:	$95.00

These rates will be proportionately charged for work involving shorter periods less than an hour. Our charges are structured in 6 minutes units. For example, the time charged for an attendance of up to

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Associate Directors:
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6 minutes will be 1 unit and the time charged for an attendance between 6 and 12 minutes will be 2 units.

2.2 Charges

We will charge you for services we use or supply. Our rates are:

Black & White A4 copy and print	$1.00 per page
Colour A4 copy and print	$0.80 per page
Black & White A3 copy and print	$2.00 per page
Colour A3 copy and print	$1.00 per page
Facsimile (local):	$1.50 per page
Facsimile (STD) intrastate and interstate	$2.00 per page
Facsimile (STD) international	$2.00 per page
Document lodgement and searches at Courts etc	$20.00
Archive File Retrieval Fee	$30.00

2.3 Expenses & Disbursements

We may incur expenses and disbursements (being money which we pay or are liable to pay) to others on your behalf. These may include:

Search fees; enquiry fees; court filing fees; process servers; clinical records from hospitals; medical reports; experts' reports; witnesses expenses; travel expenses, transcripts; barrister's fees and others.

We will inform you of these expenses and disbursements as well as any other payments required to be made, as soon as is reasonably practicable.

3. Estimate of Costs

The following estimate is based on the information available to us to date. It is an **estimate, not a quotation** and subject to change.

These estimates are made on the information available us at this time. They may, change when more information is available to us. The major factors which will affect the estimates are:

Description of Work:	**Stage 1 – Interim Order** o Review document o Draft submissions o Liaising with you o Lodge application for Interim Order	**Stage 2 - Mediation** o Draft application for mediation o Lodge application for mediation
Fee (Est):	$750.00 - $1,000.00	$500.00 - $750.00
External Exp (Est):	$75.00 - $100.00	$50.00 - $75.00
Internal Exp (Est):	$37.50 - $50.00	$25.00 - $37.50
GST (Est):	$86.25 - $115.00	$57.50 - $86.25
TOTAL:	**$948.75 - $1,265.00**	**$632.50 - $948.75**

Description of Work:	**Stage 3 – Attending Mediation** o Attending Mediation (hourly rate)	**Stage 4** o Substantive Application for Orders of an Adjudicator
Fee (Est):	$400.00 (per hour)	$3,000.00 - $3,500.00
External Exp (Est):	$0.00	$300.00 - $350.00
Internal Exp (Est):	$0.00	$150.00 - $175.00
GST (Est):	$40.00 (per hour)	$345.00 - $405.50
TOTAL:	**$440.00 (per hour)**	**$3,795.00 - $4,427.50**

(a) attending any meeting of the owners corporation or executive committee;

(b) negotiating major amendments with parties;

(c) volume of documentation;

(d) revisions to draft documentation;

(e) settlement negotiations;

(f) settlement documentation;

(g) additional work / preparation of evidence;

(h) further submissions;

(i) attending Council; and

(j) liaising with you.

4. Billing arrangements

We will send you a bill of costs containing information of our professional fees and charges, disbursements and expenses, including GST, **either** after completion of the work, **or** monthly, or at other times as agreed with you, when the work is in progress.

5. Interest on unpaid costs

If our costs are not paid within 30 days of giving you our bill of costs, we may charge you interest on the unpaid amount at or under the maximum rate prescribed in Regulation 110A, of the *Legal Profession Regulation 2005*, the Cash Rate Target specified by the Reserve Bank of Australia, increased by 2%, which may vary at the time the Bill of Costs is issued.

6. Dispute as to legal costs

In addition to the rights set out in the accompany Form you also have the right to have the costs mediated if the dispute is less than $10,000 (referral for mediation must be made before an application for assessment is accepted by the Manager, Costs Assessment).

7. Engagement of another law practice *(e.g. barrister)*

It may be necessary for us to engage, on your behalf, the services of another law practice to provide specialist advice or services, including advocacy services, or to act as our agent. We will consult you as to the terms of that law practice's engagement, but you may be asked to enter into a costs agreement directly with that law practice. The law practice engaged by us will disclose costs in a similar manner and we will disclose those costs to you.

8. Persons responsible for your matter and legal costs

You may contact us regarding your matter and your legal costs.

9. Substantial changes to disclosure

You will be informed, as soon as is reasonably practicable, of any substantial changes to anything contained in this disclosure document.

10. Applicable law

The law of NSW applies to legal costs regarding this matter. However, see your rights in the accompanying Form.

Form of disclosure of costs to clients
(Clause 109A *Legal Profession Regulation 2005 – Form 2)*

Legal costs – your right to know

You have the right to:

- Negotiate a costs agreement with us
- Receive a bill of costs from us
- Request an itemised bill of costs after you receive a lump sum bill from us
- Request written reports about the progress of your matter and the costs incurred in your matter
- Apply for costs to be assessed within 12 months if you are unhappy with our costs
- Apply for the costs agreement to be set aside
- Accept or reject any offer we make for an interstate costs law to apply to your matter
- Notify us that you require an interstate costs law to apply to your matter.

For more information about your rights, please read the **facts sheet** title *Legal Costs – your right to know.* You can ask us for a copy, or obtain it from your local law society or law institute (or download it from their website).