J.S. MUELLER & CO.

SOLICITORS & ATTORNEYS
ESTABLISHED 1979

JEFFREY STEVEN MUELLER, B.Com., LL.B.
BRUCE WILLIAM BENTLEY, B.A., LL.B., LL.M.

1st Floor
240 Princes Highway
Arncliffe NSW 2205
Australia
DX 25315 Rockdale
Tel: 02 9562 1266
Fax: 02 9567 8551

Our Ref: AM:SW:7934

4 May 2011

The Secretary
The Owners – Strata Plan No. 50785
c/- Strata Title Management
PO Box 2727
TAREN POINT NSW 2229

By email: nhowell@stratatitle.com.au

Dear Madam

RE: FEE PROPOSAL TO REVIEW AND RE-WRITE BY-LAWS

Thank you for inviting us to provide a fee proposal to review and re-write the by-laws for Cote D'Azur.

Fee Proposal

We estimate that our charges to review and re-write the by-laws would be as follows:

Description	Cost (including GST)
Take instructions and review existing by-laws	$990.00
Re-write by-laws	$4,400.00 - $6,600.00
Negotiate by-laws with restaurant owners	$2,200.00 - $4,400.00

All work will be charged at the hourly rate of $360.00 plus GST.

Explanation of Fee Proposal

It is difficult for us to know exactly how much we will charge to review, re-write and negotiate the terms of the by-laws for Cote D'Azur. This is why our fee proposal contains estimates and is not a quotation. The amount of our fees will largely depend on the amount of time we need to spend attending the site and meeting with the executive committee (if required), and the extent of any negotiations with the restaurant owners and others about the terms of the by-laws.

Liability limited by a scheme approved under Professional Standards Legislation

Costs Agreement

We enclose our costs agreement and cost disclosure document which set out the terms of our retainer and contain more information about our fees and charges. If our fee proposal is satisfactory please sign and return our costs agreement.

Solicitor Responsible

Adrian Mueller would be responsible for your matter. Adrian has previously acted for the owners corporation in relation to several matters and is familiar with Cote D'Azur and the relationship between the residential and commercial components of your building. Adrian has specialised in strata titles law for close to a decade with a particular focus on the drafting and interpretation of by-laws. He is well placed to provide you with the legal services you require.

We look forward to assisting the owners corporation re-write the by-laws for Cote D'Azur.

Yours faithfully



J.S. MUELLER & CO
Encls.

Standard Costs Agreement

DATE:	4 May 2011
TO:	The Owners – Strata Plan No. 50785
ADDRESS:	c/- Strata Title Management PO Box 2727 Taren Point NSW 2229
FROM:	J S Mueller & Co. Solicitors
ADDRESS:	First Floor, 240 Princes Highway, Arncliffe NSW 2205
MATTER:	Review, Re-write and Negotiate Terms of By-Laws

A. This document is an offer to enter into a costs agreement with you.

B. The work we have been instructed to do is review, re-write and negotiate the terms of the by-laws for Cote D'Azur.

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

D. 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.

E. Termination of Agreement

E1. 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.

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.

E2. You may terminate this agreement at any time.

E3. 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.

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.

F. 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.

G. 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).

H. 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.

I. Authorisation to Transfer Money from Trust Account

You authorise us to receive 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 clause 88(3)(a)(i)of the *Legal Profession Regulation 2005*.

Signed:

_____	_____
Client	**Date**
	04/05/2011
_____	_____
Solicitor	**Date**

Annexure "A"

Standard Costs Disclosure

This document and the Form attached disclose information about the costs of our legal services, and your rights, as required by the *Legal Profession Act 2004* NSW (the Act). You may negotiate and enter into a costs agreement with us based on the information contained in this document. A standard costs agreement is attached.

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:

(a)	an hourly rate of :	$400.00 (plus 10% GST) for a partner.
(b)	an hourly rate of : solicitor.	$360.00 (plus 10% GST) for an employed
(c)	an hourly rate of : services.	$90.00 (plus 10% GST) for secretarial

These rates will be proportionately charged for work involving shorter periods less than an hour. Our charges are structured in 6 minute units. For example, the time charged for an attendance of up to 6 minutes will be 1 unit and the time charged for an attendance between 6 and 12 minutes will be 2 units. Travelling time will be charged at these rates.

2.2 Charges

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

2.2.1	photocopying :	$1.20 per page (plus 10% GST)
2.2.2	faxes incoming and outgoing:	$1.20 per page (plus 10% GST)
2.2.3	printing of incoming emails:	$1.20 per page (plus 10% GST)
2.2.4	obtaining an electronic search:	$10.00 per search (plus 10% GST)

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; 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.

We estimate the cost of the work to be:

Professional fees (incl GST):	
Take instructions and review existing by-laws	$990.00
Re-write by-laws	$4,400.00 - $6,600.00
Negotiate by-laws with restaurant owners	$2,200.00 - $4,400.00
TOTAL (GST inclusive):	**$7,590.00 - $11,990.00**

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

- the amount of time we need to spend on site or meeting the executive committee;
- the number of amendments you require to the by-laws we prepare;
- the extent of any negotiations with the restaurant owners and others about the terms of the by-laws.

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 intervals determined by us **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 current rate is 6.75% per annum, but 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 accompanying 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. Persons responsible for your matter and legal costs

Mr Adrian Mueller will be responsible for your matter. You may contact him regarding your matter and your legal costs.

8. 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.

9. 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.

10. Applicable law

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

11. Release of File

If at any time you require your file to be removed from our custody we shall be entitled to take a copy of all or any part of that file for retention by this firm and to charge you for that photocopying at the rate set out in paragraph 2.2.1. Payment of those costs shall be a precondition for release of the file to you.

12. Progress reports

You are entitled to request, at reasonable intervals, written progress reports on your matter. Our normal charge-out rates will apply for this service. You are entitled to request a written report on the legal costs incurred to date since the last bill of costs was given to you, free of charge.

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 itemized 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** titled *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).

If you are an owners corporation then you are required to give a copy of our costs disclosure to each owner and executive committee member within 7 days of the disclosure being made in accordance with section 230A of the *Strata Schemes Management Act 1996*.