

CHANGES TO REGULATIONS AND GUIDELINES

1. Cost Allocation

Some changes have been made to the Regulations and Guidelines to make clearer the responsibility for costs in various circumstances between a shareholder and the Company.

It is important that all shareholders understand when work or repairs will be paid for collectively (i.e. through levies paid by all shareholders), and when those costs are met by an individual shareholder.

A new regulation (30B) provides that the allocation of costs of works and repairs will be determined by reference to the principle of fairness and equity. That principle is explained in the revised Guidelines by general statements (para. 1.5.7) and examples (para.1.5.8). The general principles include that shareholders are responsible for costs associated with their decisions to renovate their units. Shareholders should read those paragraphs. They seek to strike a balance between communal and collective responsibility, and individual responsibility, in a way which will be financially sustainable for all shareholders.

2. Renovation conditions

Some additions to the parts of the Regulations and Guidelines dealing with renovations have also been made.

An example of the type of conditions in approval to renovate has been added. These conditions simply make clear how those parts of the Regulations already in place might be articulated in an approval.