

Hi fellow owners,

Please find attached the following update in relation to the Skye Tamarama Development

### 1. Changes to the SOC members

Mark Plaskitt has recently resigned from the SOC to allow him to spend more time with his family. We thank Mark for the time he has spent on the project.

### 2. Summary of the virtual meeting held on Monday 25<sup>th</sup> July 2022 6.30pm to 8pm via Zoom

- *Shrouding update* - the shrouding of the antennas on the western side has commenced and weather permitting should be completed by the end of this week;
- *Penthouses* - we have instructed Sotheby's to put the penthouses on the market this week. See below for update;
- *Sale of the land* - the sale of the land will complete at the end of this month. The net proceeds will be approximately \$4.3m after paying 1.5% in selling costs to Sotheby's. Unfortunately, we are unable to use this money to pay down the Lannock loan as we need it to complete the project;
- *Lannock facility* – from discussion with Lannock we have been made aware that, in addition to the interest being charged on the loan (currently 9.05%) we are also being charged a line fee of approximately 1.4% on the outstanding facility balance which as at 30 June 2022 was \$66.3m. We also note, that the line fee and the establishment fee on the last drawn down has not been paid. These will need to be paid out of the proceeds from the sale of the Penthouses. We have asked Lannock for confirmation of the exact line fee % and the amounts that have yet to be paid and these will be communicated in the next owners communication;
- *Stack Drawings* – David Terry has in individual owner stack drawings. (These have since been emailed to owners).
- *Owners communications going forward* - please note if you have any questions for the SOC, please send your request to [soc@skyetamarama.com.au](mailto:soc@skyetamarama.com.au). Please note in previous owners update the "e" in skye was left off. If you have sent a previous email please resend to the email address above;
- *Owner renovations* - any owners wishing to renovate please refer to the Owners Communication issued on Friday 15th July 2022 by David Terry. This communication details the strata rules that you need to comply with in order to renovate. David Terry has recommended you connect with him and he can help you navigate this process;
- *SPMA update* - Richard Stapleton from SPMA provided an update. The update is attached separately to this owners communication.

### 3. Loan from Lannock

The interest rate on the loan from Lannock has now increased to 9.05% from Monday 25<sup>th</sup> July 2022.

From the special levies paid by owners we have been able to pay down \$5.5m of the loan. As agreed at the Owners General Meeting held on Thursday 16<sup>th</sup> June 2022, any owner who has not made paid the special levy by Friday 29<sup>th</sup> July 2022 will continue to accrue interest on their special levy, equivalent to that on the loan from Lannock.

Should you wish to understand what the balance of your outstanding special levy is please contact Milly Cavaleri via email on [millysp1731@gmail.com](mailto:millysp1731@gmail.com) including your apartment number in the email and Milly will provide you with the details.

#### 4. Settlement of Vacant Land

The settlement of the vacant land has been delayed due to issues with the transfer of title from Owners Corporation to the purchaser. Christine is working to resolve this issue this week.

#### 5. Penthouses on the market

We can confirm that the penthouses are ready to go on the market. We are just waiting for the skyetamarama.com website to be available. We executed the agency agreement last week and here are a few key components of that agreement.

##### a. Agent's remuneration

The Agent shall be entitled to a fee of:

- 1.65% including GST of the sale price of each penthouse at 20 Illawong Avenue, Tamarama. This selling fee applies if each or both penthouses are sold solely by Sydney Sotheby's International Realty.
- 2.2% including GST to be split equally between each agency if a buyer is introduced by another agent to each or both penthouses.

##### b. Agreed marketing budget

Description	Cost
<i>Visual campaign</i>	
8x12 Signboard including installation and removal	\$1,200.00
A4 prestige four sided colour brochure	\$350.00
Campaign management fee	\$150.00
<i>Internet campaign</i>	
<a href="http://www.sydneysothebysrealty.com">www.sydneysothebysrealty.com</a>	Included in agent's remuneration
<a href="http://www.wechat.com">www.wechat.com</a>	Included in agent's remuneration
<a href="http://www.sothebysrealty.com">www.sothebysrealty.com</a> (sir.com)	Included in agent's remuneration
<a href="http://www.domain.com.au">www.domain.com.au</a> (Platinum Package + e-brochure)	\$3,240.00
<a href="http://www.realestate.com.au">www.realestate.com.au</a> (Premiere Package)	\$3,017.00
<i>Online &amp; Print Advertising - Wentworth Courier &amp; Daily Telegraph Campaign</i>	
Week 1 - Double Page (booked for Wed 10 <sup>th</sup> Aug)	\$3,500.00
Week 2 - Double Page	\$3,500.00
Week 3 - Double Page	\$3,500.00
Week 4 - Double Page (4th week Promotion)	\$1,450.00
Week 5 - Double Page (5th week Promotion)	\$1,450.00
Upgraded Digital Package from NX Sliver to Gold	Included in above package
Guaranteed "Penthouse or Apartment of the Week" editorial special feature	Included in above package
3x On The Market editorial features in the Wentworth Courier	Included in above package
5x Free Quarter Page ads in the Saturday Daily Telegraph	Included in above package
Realestate.com.au magazine	Included in above package
Total cost (Please note, all of the costs set out above are inclusive of GST)	\$21,357.00

## 6. Stack finalisation timeline and costs

As relayed previously, it had been the intended approach for the stack work replacement project to look to retain the existing metal branch lines to those apartments that were not renovating. This was to avoid the situation whereby the replacement of these lines would result in a requirement for each apartment to re-waterproof (and hence renovate) their bathrooms. Unfortunately, a full detailed audit of all existing branch lines intended for retention has now identified that the vast majority are in a poor condition and would be likely to leak if reconnected. On this basis, we will now need to undertake a full replacement of branch lines with PVC in every bathroom. This work will damage the waterproofing membranes of all bathrooms, and will therefore mean that all bathrooms will require some degree of renovation / repair. The cost of any bathroom works will not be paid for out of the project funds, which means each owner will incur their own costs.

Given these changes, it is understood that some owners may wish to modify their previous advice as to whether they intend to change the layout of their existing bathrooms.

### **ACTION REQUIRED BEFORE COB THURSDAY 4<sup>th</sup> AUGUST 2022 – from 41 unit owners who have not previously indicated they are renovating.**

See attachment in the email "Skye Tamarama Renovation-status-list 310722" for a list of the 41 owners who have not previously indicated they are renovating.

If any owner now wishes to consider changing the location of their branch lines we require written notice to [soc@skyetamarama.com.au](mailto:soc@skyetamarama.com.au), by COB Thursday 4<sup>th</sup> August of this intention with the email heading "Potential Change to Branch Line Location Apartment XX". This will allow us to put your apartment works on hold for two weeks while you assess your options.

This email would simply state that "I am considering renovating the bathrooms in my Apartment XX"

It is important that the work to replace the stacks and branch lines is not delayed, therefore the short timeframe for this step, and the next step below. We realise that this will require some urgency on behalf of owners but unfortunately this is unavoidable.

**ACTION REQUIRED BEFORE COB THURSDAY 18<sup>th</sup> AUGUST 2022** - In this period of two weeks owners will be required to make one of the following decisions:

1. Owner to provide final layout drawings for branch line penetration locations. Plans to provide purpose of penetration (e.g. toilet, shower, floor waste, etc), pipe size, dimensioned set out and any trap requirements. A variation price will be advised by Point Built who can complete the works, if desired.
2. Alternatively, if the Owner wishes to amend layouts of their bathrooms/kitchens but has not finalised designs, branch line connection points can be left above the floor slab of the Apartment to allow for the relocations to be managed within the apartment via raised floors to the relevant areas. This is the approach being taken in the apartments renovating with Pure. A variation price will be advised by Point Built who can complete the works, if desired.  
All Pure apartments that are relocating branch lines will also incur this variation cost.
3. Alternatively, if the Owner wishes to amend layouts of their bathrooms/kitchens but has not finalised designs, branch lines can be installed to the current existing locations in PVC. The relocation of the lines if then required can then be managed by the Apartment Owner under the standard renovation policies of the Building outside of the Owners Corporation works.

If we do not receive a response from owners in the above timeframe option 3 will be undertaken for your apartment.