

## FAQs AGENTS

### What is company title?

Company title pre-dates strata title which was introduced in New South Wales in 1961. Under company title, the company owns the building and land. Shares are held in groups corresponding to the comparative value of the units as perceived by the original developers based on the size and location of the units in the building.

The owner of a group of shares has the right to exclusive occupancy of his or her unit (subject to the Constitution of the Company--previously called the Memorandum and Articles of Association of the Company). The owner does not have a title deed but rather a Share Certificate.

Groups of shares (and hence units) may be bought and sold in a manner that may appear similar way to when strata title units are bought and sold, but there are important differences. The major differences from strata title units are that (i) under company title what is transferred is a group of shares and (ii) prospective owners must be approved by the Board of Directors of the company to enable settlement of the unit purchase and sale to be completed and the share transfer registered.

Mont Clair is a company title building and its Articles of Association are a contract between the company and the shareholders regulating the relationship between the company and its shareholders (subject to the Corporations Act 2001). The rights given by the Articles of Association to shareholders and approved tenants to occupy units are subject to their observing the House Rules.

### What is role of the Board of Directors?

Mont Clair has a board consisting of seven (7) directors (one for each floor of the building) which is elected by shareholders at the Annual General Meeting. The board is supported by a company secretary and managing agent who is not a director. The directors work in a voluntary capacity and are not paid directors fees. The management and the governance of the company is vested in the directors by the shareholders under the Constitution. The board of directors makes all decisions and formulates House Rules for the management, conduct and good order of the company. However, the directors require the consent of an annual general or extraordinary general meeting to make or permit any structural alterations to the building or to borrow money for the company. The board forms sub-committees of directors to co-ordinate major projects and to interview and approve all prospective shareholders and tenants before a unit may be occupied.

### Why are prospective tenants interviewed?

In addition to satisfying legal requirements for occupying a unit, a prospective tenant must satisfy the board through providing references and attending an interview that he or she will abide by the House Rules and be a considerate neighbour.

### How do I arrange an interview for a prospective tenant?

The board requires at least 5 working days notice that an interview for a prospective tenant. Tenant interviews are arranged by contacting the Company Secretary. She will contact the board and then contact you to advise the preferred day and time for an interview.

### What information do I have to supply to the prospective tenant prior to the interview?

Agents should inform a prospective tenant that Mont Clair is a company title building and that he or she will be required to attend an interview before the lease can be finalised. The prospective tenant must be provided with a copy of Mont Clair's application form and the House Rules (both available on this site) prior to the interview. The board requires three written references including a reference from a current employer (or equivalent), current landlord (or letting agent) and a character reference. At the interview the prospective tenant will be required to sign a House Rules Agreement to ensure that he or she has read, understands and agrees to be abide by the House Rules. Leases of 12 months duration are preferred, however, a lease may be approved for a minimum of six months.

How much does an interview cost?

The directors do not charge a fee for shareholder interviews. However, a charge of \$100 applies for tenant interviews. Please note that a premium fee (\$200) is charged where less than 5 working days notice is provided and where more than two tenant interviews are required for a unit in a twelve months period.

How and when will I know if a prospective tenant has been approved?

Following the interview, the board will contact the Company Secretary within 24 hrs to inform her of the board's decision. The Board is not required to give and does not give reasons for declining to approve a tenant. The Company Secretary will then contact the real estate agent or shareholder on the same day to let them know the outcome.

What if something inside the unit needs attention?

Interior maintenance of a unit is the responsibility of the shareholder. Tenants should contact their letting agent in the first instance to report any problems. The letting agent will contact the shareholder (or the Company Secretary) to obtain approval for repairs and to make necessary arrangements. Tenants will be given reasonable notice about the arrangements for the repairs to be carried out and will be required to provide access to their unit.

What if something in the public areas needs attention?

The Company Secretary should be contacted if something in the common areas needs attention. If required, she will contact the board and following approval will arrange for repairs to be carried out.

What do I do when a tenant notifies me they are moving out?

The Company Secretary should be contacted immediately when a tenant notifies you that they will be moving out. The tenant should be also be reminded that they must ensure that the front door is not left open and unattended and that the public areas of the building including the lift must be not be damaged and must be left clean and tidy. Expenses for repairs or cleaning will be charged to the shareholder and it will be up to the shareholder to seek reimbursement from the tenant's bond or from the tenant direct.