

MINUTES OF TRUSTEES' SPECIAL GENERAL MEETING

D&K Leete Superannuation Fund

At: 95 Palmerston Street, Carlton VIC 3053
On: 7 June 2022

Present: Ms Ngoc Kim Leete
Mr Darren Gerard Leete
D&K Leete Pty Ltd
ACN: 619 875 508

Chairperson: Ms Ngoc Kim Leete

Trusteeship: The Company acts as Trustee of the D&K Leete Superannuation Fund

Purpose: A burst sprinkler on 17 February 2022 caused significant water damage to Unit 304 of 2-20 Finlay Place. The purpose of this Special GM is to agree on how to proceed with the insurance claim against Strata Community Insurance for water damage caused by the sprinkler, and to record the Trustee's agreement for the tenant to not pay rent until the water damage is fixed.

Background: On 23 July 2021, the Trustee entered into a residential tenancy agreement to lease Unit 304 (the Trust property) to a tenant.

On 17 February 2022, the sprinkler in the bedroom of Unit 304 burst. The sprinkler is maintained by the building management. Water from the sprinkler flooded the entire apartment, causing significant water damage to the floating floorboards, the plastered walls, bathroom and kitchen cabinetry, personal belongings and furniture of the tenant. The water damaged several other apartments on the same floor and also leaked to the basement carpark.

On 18 February 2022, the Trustee instructed SCA Owners Corp (the building management) to make a claim on its behalf for water damage caused by the burst sprinkler against the building's Insurer, Strata Community Insurance (Claim CRS20173914).

On 21 February 2022, the Trustee arranged for a builder (Hammer Time Construction) to assess the unit and provide a quote to repair the damage caused by the burst sprinkler.

On 8 March 2021, the Insurer arranged for a different builder (H2O Solutions Insurance Repairs) to assess the damage and provide a quote for repairs.

H2O's quote for repairs was significantly less than Hammer Time Constructions. At the request of the Trustee, a third builder (Precise Home Maintenance Services) was engaged to assess the damage and provide a quote for repairs.

On 22 April 2022, the Trustee made a further claim for loss of rent against the Insurer. This is because the tenant was forced to move out of Unit 304 to emergency accommodation at her own cost on the night the sprinkler burst (and to the best of the Trustee's knowledge, the tenant is still not residing in the unit due to the mould that has arisen from the water damage).

The Trustee on 17 March 2022 refunded the tenant the rent already paid from 17 February to 5 March 2022 on the grounds that the unit was not in a liveable

condition. Furthermore, the Trustee agreed to waive rental payments owing from the tenant until such time the unit is fixed and restored to a liveable condition.

After constant follow-up with SCA Owners Corp and Strata Community Insurance with minimal response, on 7 June 2022, DL Brown Adjusting Pty Ltd (loss adjuster appointed by the Insurer), advised the Trustee the Insurer has authorised a cash settlement of \$13,479.73 for the water damage.

Discussion: Careful consideration by Trustee/Members of how to proceed with the insurance claim. Although the cash settlement offer is lower than the repairs quoted by Hammer Time Construction of \$35,387.86, the Members agree to accept the cash settlement due to the delays already caused by the insurance dispute, the unwillingness of the Insurer to negotiate more, the lack of communication from the Insurer and the loss of rent incurred to date.

Resolution: All Members agree to accept the cash settlement amount of \$13,479.73. The Trustee will keep Members informed of the outcome of the loss of rent claim (still pending).

All resolutions for this meeting were made in accordance with Regulation 4.08 of the *SIS Act* and Regulations.

There being no further business the meeting then closed.

Signed as a true and correct record.



Ms Ngoc Kim Leete
Chairperson