FORM B2

Attachment 3 (Part 1 of 4)

Form Approval No. B1331

(Note 1)

WESTERN AUSTRALIA
TRANSFER OF LAND ACT 1893 AS AMENDED

BLANK INSTRUMENT FORM

MANAGEMENT STATEMENT

FORM 25

STRATA TITLES ACT 1985

SECTION 5C(1)

THE OWNERS OF BLUEWATER

STRATA PLAN NO. 62323

MANAGEMENT STATEMENT

(Name of original proprietors of land the subject of the plan)
BLUEWATER LIVING PTY LTD (ACN 141 243 825).

(Description of parcel the subject of the Plan)

Lot 800 on Deposited Plan 69037 the whole of the land in Certificate of Title Volume 2794 Folio 496.

This Management Statement lodged or to be lodged with a strata plan in respect of the above land sets out the Bylaws of the strata company or amendments to the Bylaws contained in schedule 1 and schedule 2 of the *Strata Titles Act 1985* that are to have effect upon registration of the strata plan.

1. The Schedule 1 Bylaws are amended and repealed or added to as follows:
   The Bylaws in Schedule 1 to the Act and numbered 1 to 15 inclusive, as they apply to the scheme referred to in the strata plan are repealed and the Schedule 1 Bylaws numbered 1 to 57 inclusive as appears in the Schedule hereto are adopted.
2. The Schedule 2 Bylaws are amended, repealed or added to as follows:
   The Bylaws in Schedule 2 to the Act are repealed.

Dated this 14TH day of APRIL 2014.

EXECUTED by BLUEWATER LIVING PTY LTD (ACN 141 243 825) pursuant to section 127 of the *Corporations Act 2001*:)

Director

Director/Secretary *

CALDEN MARK ROGERS
Full Name (Please Print)
*** Delete if inapplicable**

GARY WARREN DEMPSEY
Full Name (Please Print)

PLEASE REFER NEXT PAGE

ENCUMBRANCE

WESTPAC BANKING CORPORATION ACN 007 457 141
ENCUMBRANCE Document & No. **Mortgage M049596**

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SCHEDULE 1

BY-LAWS

1. DEFINITIONS

1.1 The following words have these meanings in the Schedule 1 Bylaws whether appearing in capitals or not unless the contrary intention appears:

"Act" means *Strata Titles Act 1985* as amended;

"Bylaws" means the Bylaws adopted by the strata company from time to time;

"Commercial Lot" means a lot which is not a Residential Lot and which is intended for commercial use;

"Common Property" has the same meaning as in the Act;

"Council" means the Council of the strata company established pursuant to the Bylaws;

"Facilities" means all the facilities in or about the Common Property intended for the use and enjoyment of Proprietors and including but not limited to the swimming pool;

"Fixtures and Fittings" means any fixtures and fittings in or about a lot;

"Insured Risk" means fire, lightning, explosion, aircraft (including articles dropped from aircraft), riots, civil commotion, malicious persons, earthquakes, storm, tempest, floor, bursting and overflowing of water pipes, tanks and other apparatus and impact by road vehicles and such other risks as the strata company may from time to time insure against;

"Land" means all the land comprised in the strata plan;

"Local Authority" means the local authority as may from time to time have jurisdiction over the scheme;

"Lot" or **"lot"** means a strata lot formed upon registration of the strata plan;

"Original Proprietor" means the registered proprietor of the land before the scheme was constituted by registration of the strata plan;

"Proprietor" means the proprietor from time to time of a lot and the proprietor's successors in title, personal representatives, permitted assigns and transferees or registered mortgagee in possession;

"Proprietor's Invitee" means each of the proprietor's agents, contractors, tenants, lessees, licensees, invitees and those persons who at any time are under the control of and in or upon a lot or the common property with the consent (express or implied) of a proprietor;

"Premises" means the proprietor's lot together with the fixtures and fittings and that portion of the common property which is exclusive use property;

"Residential Lot" means a lot which is intended for use as a residence;

"Rules" means the rules adopted by the strata company from time to time pursuant to Bylaw 40 of the Schedule 1 Bylaws;

"Schedule 1 Bylaws" means these Schedule 1 Bylaws;

"Scheme" means the strata scheme constituted upon registration of the strata plan;

"Strata Company" means the strata company constituted by the registration of the strata plan;

"Strata Company Manager" means the person who is appointed from time to time as strata company manager pursuant to Bylaw 42 of the Schedule 1 Bylaws;

"Strata Plan" means the strata plan and any subdivision thereof registered from time to time in respect of the land.

1.2 **Interpretation**

In the Schedule 1 Bylaws:

1.2.1 Reference to any statute or statutory provision includes a reference to:

1.2.1.1 that statute or statutory provision as from time to time amended, extended, re-enacted or consolidated; and

1.2.1.2 all statutory instruments or orders made pursuant to it.

1.2.2 Words denoting the singular number shall include the plural and vice versa.

1.2.3 Words denoting any gender include all genders and words denoting persons shall include firms and corporations and vice versa.

1.2.4 Headings are inserted for convenience only and shall not affect the construction or interpretation of the Schedule 1 Bylaws.

1.3 **Severability**

If any Schedule 1 Bylaw is invalid or unenforceable, then the remaining Schedule 1 Bylaws shall be valid enforceable.

1.4 **Application**

The Schedule 1 Bylaws:

1.4.1 apply in respect of the common property and all lots; and

1.4.2 bind a proprietor's invitees.

2. DUTIES OF PROPRIETOR, OCCUPIERS, ETC.

2.1 A proprietor shall:

2.1.1 forthwith carry out all work that may be ordered by any competent public authority or local government in respect of his lot other than such work as may be for the benefit of the building generally and pay all rates, taxes, charges, outgoings and assessments that may be payable in respect of his lot;

2.1.2 repair and maintain his lot, and keep it in a state of good repair, reasonable wear and tear, and damage by fire, storm, tempest or act of God excepted.

2.2 A proprietor shall:

2.2.1 notify the strata company forthwith upon any change of ownership, including in the notice an address of the proprietor for service of notices and other documents under the Act; and

2.2.2 if required in writing by the strata company, notify the strata company of any mortgage or other dealing in connection with his lot, including in the case of a lease of a lot, the name of the lessee and the term of the lease.

2.3 A proprietor, occupier or other resident of a lot shall:

2.3.1 use and enjoy the common property in such a manner as not unreasonably to interfere with the use and enjoyment thereof by other proprietors, occupiers or residents, or of their visitors; and

2.3.2 not use the lot or permit it to be used in such manner or for such purpose as causes a nuisance to any occupier of another lot (whether a proprietor or not) or the family of such an occupier;

2.3.3 take all reasonable steps to ensure that his visitors do not behave in a manner likely to interfere with the peaceful enjoyment of the proprietor, occupier or other resident of another lot or of any person lawfully using common property; and

2.3.4 take all reasonable steps to ensure that his visitors comply with the Bylaws of the strata company relating to the parking of motor vehicles.

3. CONSTITUTION OF THE COUNCIL

3.1 The powers and duties of the strata company shall, subject to any restriction imposed or direction given at a general meeting, be exercised and performed by the council of the strata company and a meeting of the council at which a quorum is present shall be competent to exercise all or any of the authorities, functions or powers of the council.

3.2 Until the inaugural meeting of the strata company, the original proprietor of all the lots shall constitute the council. So long as the original proprietor is the proprietor of a lot it may nominate one person to be a member of the Council without the necessity of the nominee requiring to nominate for election each year. When the original proprietor no longer is the proprietor of a lot its nominee shall resign and this Bylaw shall no longer apply.

3.3 The council shall consist of not less than 3 nor more than 7 proprietors as is determined by the strata company.

3.4 The members of the council shall be elected at each annual general meeting of the strata company.

3.5 In determining the number of proprietors for the purposes of this Bylaw, co-proprietors of a lot or more than one lot shall be deemed to be one proprietor and a person who owns more than one lot shall also be deemed to be one proprietor.

3.6 If there are co-proprietors of a lot, one only of the co-proprietors shall be eligible to be, or to be elected , a

member of the council and the co-proprietor who is so eligible shall be nominated by his co-proprietors, but, if the co-proprietors fail to agree on a nominee, the co-proprietor who owns the largest share of the lot shall be the nominee or if there is no co-proprietor who owns the largest share of the lot, the co-proprietor whose name appears first in the certificate of title for the lot shall be the nominee.

3.7 On an election of members of the council, a proprietor shall have one vote in respect of each lot owned by him.

3.8 The strata company may by special resolution remove any member of the council before the expiration of his term of office.

3.9 A member of the council vacates his office as a member of the council:

3.9.1 if he dies or ceases to be a proprietor or a co-proprietor of a lot;

3.9.2 upon receipt by the strata company of notice in writing of his resignation from the office of member;

3.9.3 at the conclusion of an annual general meeting of the strata company at which an election of memb of the council takes place and at which he is not elected or re-elected; or

3.9.4 where he is removed from office under Bylaw 3.8 of the Schedule 1 Bylaws.

3.10 Any casual vacancy on the council may be filled by the remaining members of the council, except that, in a case where a casual vacancy arises because of the removal from office of a member under Bylaw 3.8 of the Schedule 1 Bylaws, the strata company may resolve that the casual vacancy shall be filled by the strata company at a general meeting.

3.11 Except where the original proprietor constitutes the council, a quorum of the council shall be 2 where the council consists of 3 or 4 members 3, where it consists of 5 or 6 members and 4, where it consists of 7 members.

3.12 The continuing members of the council may act notwithstanding any vacancy in the council, but so long as the number of members is reduced below the number fixed by these Bylaws as the quorum of the council, the continuing members or member of the council may act for the purpose of increasing the number of members of the council or convening a general meeting of the strata company, but for no other purpose.

3.13 All acts done in good faith by the council shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment or continuance in office of any member of the council, be as valid as if that member had been duly appointed or had duly continued in office.

4. ELECTION OF COUNCIL

4.1 The procedure for nomination and election of members of a council shall be in accordance with the following rules:

4.1.1 the meeting shall determine, in accordance with the requirements of Bylaw 3.3 of the Schedule 1 Bylaws the number of persons of whom the council shall consist;

4.1.2 the chairman shall call upon those persons entitled to nominate candidates to nominate candidates for election to the council.

5. CHAIRMAN, SECRETARY AND TREASURER OF COUNCIL

5.1 The members of a council shall, at the first meeting of the council after they assume office as such members, appoint a chairman, a secretary and a treasurer of the council.

5.2 A person:

5.2.1 shall not be appointed to an office referred to in Bylaw 5.1 of the Schedule 1 Bylaws unless he is a member of the council; and

5.2.2 may be appointed to one or more of those offices.

5.3 A person appointed to an office referred to in Bylaw 5.1 of the Schedule 1 Bylaws shall hold office until:

5.3.1 he ceases to be a member of the council;

5.3.2 receipt by the strata company of notice in writing of his resignation from that office; or

5.3.3 another person is appointed by the council to hold that office,

whichever first happens.

5.4 The chairman shall preside at all meetings of the council at which he is present and, if he is absent from any meeting, the members of the council present at that meeting shall appoint one of their number to preside at that meeting during the absence of the chairman.

6. CHAIRMAN, SECRETARY AND TREASURER OF STRATA COMPANY

6.1 Subject to Bylaw 6.2 of the Schedule 1 Bylaws the chairman, secretary and treasurer of the council are also respectively the chairman, secretary and treasurer of the strata company.

6.2 A strata company may at a general meeting authorise a person who is not a proprietor to act as the chairman of the strata company for the purposes of that meeting.

6.3 A person appointed under Bylaw 6.2 of the Schedule 1 Bylaws may act until the end of the meeting for which he was appointed to act.

7. MEETINGS OF COUNCIL

7.1 At meetings of the council, all matters shall be determined by a simple majority vote.

7.2 The council may meet together for the conduct of business and adjourn and:

7.2.1 otherwise regulate its meetings as it thinks fit, but the council shall meet when any member of the council gives to the other members not less than 7 days' notice of a meeting proposed by him, specifying in the notice the reason for calling the meeting;

7.2.2 subject to any restriction imposed or direction given at a general meeting of the strata company, delegate to one or more of its members such of its powers and duties as it thinks fit, and at any time revoke the delegation.

7.3 A member of a council may appoint a proprietor, or an individual authorised under section 45 of the Act by a corporation which is a proprietor, to act in his place as a member of the council at any meeting of the council and any proprietor or individual so appointed shall, when so acting, be deemed to be a member of the council.

7.4 A proprietor or individual may be appointed under Bylaw 7.3 of the Schedule 1 Bylaws whether or not he is a member of the council.

7.5 If a person appointed under Bylaw 7.3 of the Schedule 1 Bylaws is a member of the council he may, at any meeting of the council, separately vote in his capacity as a member and on behalf of the member in whose place he has been appointed to act.

7.6 The council shall keep minutes of its proceedings.

8. POWERS AND DUTIES OF SECRETARY OF STRATA COMPANY

8.1 The powers and duties of the secretary of a strata company include:

8.1.1 the preparation and distribution of minutes of meetings of the strata company and the submission of a motion for confirmation of the minutes of any meeting of the strata company at the next such meeting;

8.1.2 the giving on behalf of the strata company and of the council of the notices required to be given under the Act;

8.1.3 the supply of information on behalf of the strata company in accordance with section 43 (1)(a) and (b) of the Act;

8.1.4 the answering of communications addressed to the strata company;

8.1.5 the calling of nominations of candidates for election as members of the council; and

8.1.6 subject to sections 49 and 103 of the Act the convening of meetings of the strata company and of the council.

POWERS AND DUTIES OF TREASURER OF STRATA COMPANY

9.1 The powers and duties of the treasurer of a strata company include:

9.1.1 the notifying of proprietors of any contributions levied pursuant to the Act;

9.1.2 the receipt, acknowledgment and banking of and the accounting for any money paid to the strata company;

9.1.3 the preparation of any certificate applied for under section 43 of the Act; and

9.1.4 the keeping of the books of account referred to in section 35(1) (f) of the Act and the preparation of the statement of accounts referred to in section 35 (1) (g) of the Act.

10. GENERAL MEETINGS OF STRATA COMPANY

10.1 General meetings of the strata company shall be held once in each year and so that not more than 15 months

shall elapse between the date of one annual general meeting and that of the next.

10.2 All general meetings other than the annual general meeting shall be called extraordinary general meetings.

10.3 The council may whenever it thinks fit and shall upon a requisition in writing made by proprietors entitled to a quarter or more of the aggregate unit entitlement of the lots convene an extraordinary general meeting.

10.4 If the council does not within 21 days after the date of the making of a requisition under the Bylaw 10.3 of the Schedule 1 Bylaws proceed to convene an extraordinary general meeting, the requisitionists, or any of them representing more than one-quarter of the aggregate unit entitlement of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by the council, convene an extraordinary general meeting, but any meeting so convened shall not be held after the expiration of 3 months from the date on which the requisition was made.

10.5 Not less than 14 days' notice of every general meeting specifying the place, the date and the hour of meeting and in case of special business the general nature of that business, shall be given to all proprietors and registered first mortgagees who have notified their interests to the strata company, but accidental omissio. give the notice to any proprietor or to any registered first mortgagee or non-receipt of the notice by any proprietor or by any registered first mortgagee does not invalidate any proceedings at any such meeting.

10.6 If a proprietor gives notice in writing to the secretary of an item of business that the proprietor requires to be included on the agenda for the next general meeting of the strata company, the secretary shall include that item on the agenda accordingly and shall give notice of that item as an item of special business in accordance with Bylaw 10.5 of the Schedule 1 Bylaws.

11. PROCEEDINGS AT GENERAL MEETINGS

11.1 All business shall be deemed special that is transacted at an annual general meeting, with the exception of the consideration of accounts and election of members to the council, or at an extraordinary general meeting.

11.2 Except as otherwise provided in these Bylaws, no business may be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

11.3 One-half of the persons entitled to vote present in person or by duly appointed proxy constitutes a quorum.

11.4 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of proprietors, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the persons entitled to vote and present constitute a quorum.

11.5 Bylaws 11.3 and 11.4 of the Schedule 1 Bylaws do not apply to a general meeting of a strata company referred to in Section 5OB.

11.6 The chairman, may with the consent of the meeting, adjourn any general meeting from time to time and from place to place but no business may be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.7 All resolutions must be proposed by a proprietor or his or her duly appointed proxy and seconded by another

proprietor or his or her duly appointed proxy.

11.8 Except where otherwise required by or under the Act, resolutions may be passed at a general meeting by a simple majority vote.

11.9 At any general meeting a resolution by the vote of the meeting shall be decided on a show of hands unless a poll is demanded by any proprietor present in person or by proxy.

11.10 Unless a poll be so demanded a declaration by the chairman that a resolution has on the show of hands been carried is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

11.11 A demand for a poll may be withdrawn.

11.12 A poll if demanded shall be taken in such manner as the chairman thinks fit and the result of the poll shall be deemed to be the resolution of the meeting at which such poll was demanded.

11.13 In the case of equality in the votes whether on a show of hands or on a poll, the question is determined in the negative.

12. RESTRICTION ON MOVING MOTION OR NOMINATING CANDIDATE

A person is not entitled to move a motion at a general meeting or to nominate a candidate for election as a member of the council unless the person is entitled to vote on the motion or at the election.

13. VOTES OF PROPRIETORS

13.1 On a show of hands each proprietor has one vote.

13.2 On a poll the proprietors have the same number of votes as the unit entitlements of their respective lots.

13.3 On a show of hands or on a poll votes may be given either personally or by duly appointed proxy.

13.4 An instrument appointing a proxy shall be in writing under the hand of the appointee or his attorney and may be either general or for a particular meeting.

14. A PROXY NEED NOT BE A PROPRIETOR.

14.1 Except in cases where by or under the Act a unanimous resolution or resolution without dissent is required, no proprietor is entitled to vote at any general meeting unless all contributions payable in respect of his lot have been duly paid and any other moneys recoverable under the Act by the strata company from him at the date of the notice given to proprietors of the meeting have been duly paid before the commencement of the meeting.

14.2 Co-proprietors may vote by proxy jointly appointed by them and in the absence of such a proxy are not entitled to vote on a show of hands, except when the unanimous resolution of proprietors is required by the Act.

14.3 On any poll each co-proprietor is entitled to such part of the vote applicable to a lot as is proportionate to his interest in the lot.

14.4 The joint proxy (if any) on a poll has a vote proportionate to the interests in the lot of such of the joint proprietors

as do not vote personally or by individual proxy.

15. COMMON SEAL

15.1 The common seal of the strata company shall at no time be used except by authority of the council previously given and in the presence of the members of the council or at least 2 members of the council, who shall sign every instrument to which the seal is affixed, but where there is only one member of the strata company his signature shall be sufficient for the purpose of the Schedule 1 Bylaws.

15.2 The council shall make provision for the safe custody of the common seal.

16. USE OF PREMISES

16.1 Subject to this Bylaw 16 of the Schedule 1 Bylaws a proprietor of a residential lot may only use his lot as a residence and the proprietor of a Commercial Lot may only use his lot for commercial purposes.

16.2 Notwithstanding the Schedule 1 Bylaw 16.1 a proprietor of a residential lot may:

16.2.1 grant occupancy rights in respect of his lot to residential tenants;

16.2.2 conduct business from his lot so long as:

16.2.2.1 the proprietor does not invite customers of the business to visit the lot for the purpose of conducting the business;

16.2.2.2 the conduct of the business from the lot does not breach any local authority Bylaw or regulation;

16.2.2.3 the conduct of the business does not cause any inconvenience to the proprietors of other lots;

16.2.2.4 the business does not involve the manufacture, storage or vending of goods.

16.3 Notwithstanding Bylaw 16.1 of the Schedule 1 Bylaws the original proprietor of the land may use any lot ow by the original proprietor for the purposes of display to prospective purchasers or tenants of that or other lots within the scheme.

16.4 If a proprietor grants occupancy rights in respect of his lot he shall:

16.4.1 promptly provide the council with the full name of each occupier;

16.4.2 give each occupier a copy of the Bylaws and the rules (if any) at the commencement of the occupation; and

16.4.3 procure that the occupancy agreement contains a provision to the effect that the occupier will comply with the Bylaws and the rules and that any breach thereof will constitute a breach of the occupancy agreement which will entitle the proprietor to terminate the occupancy agreement with the occupier.

17. REPAIR AND MAINTENANCE OF PREMISES

17.1 A proprietor shall at the proprietor's cost:

17.1.1 maintain his premises in a good state of repair and condition;

17.1.2 maintain his premises in a clean condition free from all vermin and insects;

17.1.3 replace in a timely fashion all those parts of his premises which are beyond repair or which may become a nuisance or a hazard.

18. ALTERATIONS TO LOT

18.1 A proprietor shall not commence any structural alterations building or associated works of any kind to his lot before he has:

18.1.1 obtained all the necessary approvals and permits of the local authority;

18.1.2 obtained the consent of the strata company if the structural alterations are prescribed improvements within the meaning of section 7 of the Act;

18.1.3 given to the strata company at least 14 days written notice of the proposed structural alterations and the date that work is to commence and true and complete copies of all relevant plans and specifications in respect thereto and the approvals and permits obtained from the local authority pursuant to Bylaw 18.1.1 of the Schedule 1 Bylaws;

18.1.4 indemnified the strata company in respect of any cost, expense or liability that may be incurred by the strata company consequent upon the proprietor undertaking the structural alterations, building or associated works which indemnity shall be in writing in a form reasonably required by the strata company and prepared and stamped at the cost of the proprietor.

18.2 In causing or allowing any structural alterations building or associated works of any kind to be carried out on his lot, a proprietor shall ensure:

18.2.1 that all tradesman's vehicles are parked, stored or kept within that part of the proprietor's lot intended for use as a car parking bay;

18.2.2 that no refuse, rubbish, trash or building materials are stored on or within any part of the common property;

18.2.3 that no security door or gate within the scheme remains open while the works are carried out;

18.2.4 that any common property damaged as a result of conducting the works is cleaned and restored to the same state and condition as it was prior to the works commencing;

18.2.5 that access to or egress from the proprietor's lot by all tradesmen bringing materials to the lot for the purpose of carrying out the works is pre-arranged with the caretaker or, in the absence of the caretaker, the strata company manager;

18.2.6 that no noxious or offensive activity shall be carried on upon his lot between the hours of 5:00 p.m.

and 8:30 a.m. or at any time on a Saturday or Sunday nor shall anything be done thereon which may be or may become an annoyance or nuisance to the proprietors of other lots or which shall in any way interfere with the quiet enjoyment of other proprietors and without limiting the generality of the foregoing no mechanical or pneumatic tools shall be used in the performance of the works during the hours hereinbefore defined in this Bylaw;

18.2.7 that all works are carried out in an enclosed environment so as to prevent the escape of dust, debris and other materials from the lot.

19. EXCLUSIVE USE

19.1 In this Bylaw "exclusive use property" means every portion of common property comprising:

19.1.1 decorative fixtures and fittings including but not limited to wall tiles, floor tiles, doors, door handles and locks, light fittings, windows and plate glass and screens which are appurtenant to a proprietor's lot; and

19.1.2 that portion of the common property required for an air conditioning system approved by the strata company in accordance with Bylaw 20 of the Schedule 1 Bylaws.

19.2 The strata company grants to each proprietor who signs a written consent in a form reasonably required by the strata company exclusive use of the exclusive use property relevant to the proprietor's lot.

19.3 The strata company may withdraw the exclusive use rights or any part thereof described in this Bylaw 19 of the Schedule 1 Bylaws if 7 days after service of a written notice from the strata company a proprietor fails to maintain and repair or replace the exclusive use property in accordance with Bylaw 17 of this Schedule 1 Bylaws or fails to remove an air conditioning system in accordance with Bylaw 20 of this Schedule 1 Bylaws.

19.4 Should a proprietor fail to comply with a notice served by the strata company pursuant to Bylaw 19.3 of this Schedule 1 Bylaws then the strata company may at the proprietor's cost enter the proprietor's lot or his premises for the purpose of maintaining and repairing or replacing the proprietor's exclusive use property.

20. INDIVIDUAL AIR CONDITIONING SYSTEMS

20.1 No proprietor shall affix any air conditioning system without the prior written approval of the Council which approval can be withheld if, in the sole opinion of the Council, the proposed air conditioning system is or is likely to be either:-

20.1.1 so noisy as to cause a disturbance to adjoining proprietors; or

20.1.2 of such a size and colour as not to be in harmony with the external appearance of the Scheme.

20.2 Without prejudice to the generality of Bylaw 20.1 in the Schedule 1 Bylaws in the event of the air conditioning system or any part thereof becoming unsafe or deteriorating, the proprietor shall within 7 days of service of a written notice from the strata company either:

20.2.1 remove the air conditioning system and reinstate and restore any common property to the same state and condition as existed at the time the air conditioning system was installed; or

20.2.2 subject to complying with Bylaws 19 and 20 of the Schedule 1 Bylaws replace the air conditioning system.

20.3 Should a proprietor:

20.3.1 fail to repair and maintain the air conditioning system pursuant to Bylaw 17 of the Schedule 1 Bylaws; or

20.3.2 fail to remove the air conditioning system after receiving written notice from the strata company pursuant to Bylaw 19.3 of the Schedule 1 Bylaws,

then the strata company may enter the proprietor's lot or his premises and:

20.3.3 repair and maintain the air conditioning system at the cost of the proprietor; or

20.3.4 remove the air conditioning system and reinstate and restore the common property at the cost of the proprietor and withdraw the exclusive use rights granted to a proprietor over that portion of the common property required for the air conditioning system granted pursuant to this Bylaw 20 of the Schedule 1 Bylaws.

21. BEHAVIOUR

21.1 A proprietor shall not:

21.1.1 use his premises or any part of the common property for any purpose which may be a breach of the Bylaws, the regulations or Bylaws of the local authority or any other governmental regulation or law;

21.1.2 use his premises for any purpose that may be illegal or immoral or injure the reputation of the scheme as a luxury residential complex;

21.1.3 obstruct the lawful use of the common property (other than his exclusive use property) by any person or permit to be done anything whereby any obstruction, restriction or hindrance may be caused to the entrances, exits, access roads, pathways, of any lot or any part of the common property (other than his exclusive use property) to any person lawfully using the same;

21.1.4 deposit or throw upon the common property any rubbish, dirt, dust or other material likely to interfere with the peaceful enjoyment of any other person lawfully using the common property;

21.1.5 make undue noise in or about his premises or the common property that disturbs any other person or that contravenes the regulations, or Bylaws of the local authority or any other governmental regulation or law;

21.1.6 permit any child of whom he has control to play upon common property or use the facilities unless accompanied by an adult person exercising effective control;

21.1.7 use language or behave in a manner likely to cause offence or embarrassment to any person lawfully using common property;

21.1.8 be inadequately or inappropriately clothed when upon common property;

21.1.9 ride bicycles, skateboards or rollerblades or like equipment on any portion of the common property;

21.1.10 without the written consent of the strata company, maintain within his premises anything visible from outside his premises which is not in keeping with the amenity or reputation of the scheme as a residential complex;

21.1.11 allow the escape of water from the proprietors' garden or balconies in or on any adjacent lot.

22. VEHICLES

22.1 Neither a proprietor nor a proprietor's invitee shall:

22.1.1 drive or control any vehicle at a speed in excess of ten (10) kilometres per hour within the Scheme;

22.1.2 conduct repairs on or restoration to any vehicle, on any portion of the common property or premises or on any lot;

22.1.3 use a designated parking bay for any purpose other than parking one motor vehicle;

22.1.4 park or stand any vehicle upon those portions of the common property not allocated for that purpose, except with the prior written approval of the strata company;

22.1.5 use any part of the common property for the parking or standing of a caravan, camper van, trailer, marine craft or commercial vehicle;

22.1.6 park or leave any vehicle in such a position where it is likely to be a nuisance or obstruct access or egress to any car parking area, or any part of the common property.

23. RESPONSIBILITY FOR PROPRIETOR'S INVITEES

23.1 A proprietor shall:

23.1.1 take reasonable steps to ensure that the proprietor's invitees observe and comply with the Bylaws and the rules and if the proprietor is unable to ensure such compliance then the proprietor upon wri. notice from the strata company must take reasonable steps to have the proprietor's invitees leave the scheme;

23.1.2 compensate the strata company for any damage, loss, expense or claim occasioned by the strata company and caused or contributed to by the proprietor's invitees.

24. BLOCKAGE OF DRAINAGE PIPES

24.1 The toilets and other water apparatus including waste pipes and drains shall not be used for any purpose other than those for which they were constructed and no sweepings or rubbish or other unsuitable substance shall be deposited therein.

24.2 Any cost incurred by the strata company in repairing any damage or blockage resulting to such toilets, water apparatus, waste pipes and drains caused by a breach of Bylaw 24.1 of the Schedule 1 Bylaws shall be borne by the proprietor whether the same is caused by his own actions or those of the proprietor's invitees.

25. PROPRIETOR TO ADVISE OF DEFECTS

25.1 A proprietor shall give the caretaker or, in the absence of the caretaker, the strata company manager prompt notice of any accident to or defect in or want of repair in respect to the supply of sewer, water, gas, electricity, telephone or any other service situated within his lot or premises or the common property which comes to his knowledge.

25.2 The strata company shall have authority to enter upon any premises at all reasonable times, by its agents or contractors, having regard to the urgency involved, to carry out such repairs or renovations to common property as may be necessary.

26. DAMAGE TO COMMON PROPERTY

Should any damage be caused to any part of the common property by any proprietor or proprietor's invitees then the proprietor shall be responsible for the cost to the strata company of making good such damage.

INSTRUCTING CONTRACTORS BY PROPRIETORS

27.1 Neither a proprietor nor a proprietor's invitee shall instruct any contractor or workmen employed by the strata company unless authorised to do so by the caretaker or in the absence of the caretaker the strata company manager.

27.2 If a proprietor or proprietor's invitees instructs a contractor or workmen without authorisation the proprietor shall be responsible for the payment to the strata company of any additional cost or expense to the strata company arising from that instruction and shall be further responsible for the cost of removing or altering any work performed by the contractor or workmen pursuant to that instruction.

28. GARBAGE DISPOSAL

28.1 A proprietor shall:

28.1.1 maintain on his lot or on such part of the common property as may be designated by the strata company for that purpose, in a clean and dry condition and adequately covered, a receptacle for garbage;

28.1.2 ensure that before garbage is placed in the receptacle that it is securely wrapped or in the case of tins, bottles and other containers is completely drained;

28.1.3 comply with all local authority Bylaws, regulations and ordinances relating to the disposal of garbage;

28.1.4 ensure that the health, hygiene and comfort of other proprietors is not adversely affected by the disposal of his garbage.

29. SIGNS

29.1 No sign or billboard of any kind shall be displayed within public view on any portion of a residential lot without the prior written consent of the council which consent may be granted or withheld at the absolute discretion of the council and otherwise on such terms and conditions as the council determines (if any). Nothing in this Bylaw shall prevent the original proprietor from displaying "For Sale" signs within the scheme so long as the

original proprietor is the proprietor of a lot within the scheme.

29.2 The proprietor may install a sign on the exterior of a Commercial Lot:

29.2.1 limited to the commercial proprietors' trading name, the description of its business and the commercial proprietors' trade mark or insignia;

29.2.2 the size of the sign shall not exceed the dimensions approved by the Council;

29.2.3 in a style substantially similar to signs on other commercial premises in the vicinity;

29.2.4 with painted or plastic characters which are not moving, flashing or animated.

29.3 Any signs or notices installed by the proprietor of a Commercial Lot shall be maintained by the proprietor of the Commercial Lot in good repair and condition at all times.

29.4 Any sign permitted by the council is subject to and conditional upon the granting of all necessary approvals and permits by the local authority.

30. ANTENNA

All television, radio other electronic antenna or devices of similar type shall only be erected, constructed, placed or permitted to remain within the lot.

31. PETS

In this Bylaw:

"Building" means the building the subject of the strata plan;

"Excluded Dog" means:

(a) a pit bull terrier;

(b) an American pit bull terrier;

(c) a dogo argentino;

(d) a fini breasileiro;

(e) a Japanese tosa;

(f) any other outcross;

(g) any dog prohibited from importation into Australia by the Commonwealth Government; and

(h) an unregistered or dangerous dog under the *Dog Act 1976*;

"Small Dog" means any breed of dog which:

(a) at its full grown size does not exceed 10 kilos; and

(b) is not an Excluded Dog.

31.1 A proprietor or occupier of a Commercial Lot must not keep any animals on that Commercial Lot or the common property.

31.2 A proprietor or occupier of a Residential Lot may keep, without the consent of the strata company:

31.2.1 fish, in an enclosed aquarium;

31.2.2 one (1) caged bird;

31.2.3 one (1) Small Dog;

31.2.4 one (1) cat;

31.3 A proprietor or occupier of a Residential Lot must obtain the prior written consent of the council of the strata company before that proprietor or occupier keeps;

31.3.1 any other type of animal including a dog which is not a Small Dog;

31.3.2 more than one (1) dog, cat, caged bird or combination thereof at the same time;

31.4 If a proprietor or occupier of a Residential Lot keeps an animal then the proprietor of occupier:

31.4.1 must ensure that the animal is at all times kept under control and within the confines of that proprietor's or occupier's Residential Lot;

31.4.2 must ensure that the animal is not at any time within the common property except for the purpose of access to and from the proprietor's or occupier's Residential Lot;

31.4.3 must ensure that, when in or on any part of the common property, the animal is at all times held by the proprietor or occupier;

31.4.4 is liable to the proprietors and occupiers and each other person lawfully in the Building or in or about the common property for:

31.4.4.1 any noise which is disturbing to an extent which is unreasonable;

31.4.4.2 for damage to or loss of property or injury to any person caused by the animal; and

31.4.4.3 is responsible for cleaning up after the animal has used any part of the common property.

31.5 This Bylaw:

31.5.1 applies to any person in a lot or on common property with the express or implied consent of the proprietor or occupier of that lot; and

31.5.2 does not prevent the keeping of a dog used as a guide dog or hearing dog.

31.6 Without affecting the strata company's rights under the Act, the strata company may issue a notice cautioning the proprietor or occupier of a Residential Lot in respect of a breach of any of the provisions of this Bylaw

including (without limitation) where a proprietor's or occupier's animal causes or is causing:

31.6.1 any noise which is disturbing to an extent which is unreasonable; or

31.6.2 damage to or loss of property or injury to any person.

31.7 A further breach under this Bylaw after a notice has been served on a proprietor or occupier of a Residential Lot under its Bylaw will entitle the strata company to require the immediate removal of the animal from the Building.

31.8 The proprietor will:

31.8.1 be responsible for the health, hygiene, control and supervision of any animal in his care;

31.8.2 prevent any animal from consistently making a noise or behaving in a manner which disturbs the proprietors or occupiers of any other lot and will take every action reasonably necessary to remedy such behaviour within fourteen (14) days after written notice is served on the proprietor or the proprietor's invitee by the council;

31.8.3 not keep any animal on his lot if:

31.8.3.1 the keeping of the animal breaches any regulation or Bylaw of the local authority;

31.8.3.2 he has failed to comply with a notice given by the council pursuant to its Bylaw;

31.8.3.3 he has within a twelve (12) month period received three notices issued under its Bylaw,

in which event the council may enter the lot within which the animal is kept and remove the same if the animal has not already been removed.

32. TEMPORARY BUILDING

32.1 No temporary outbuilding, shed or other building or improvement of any kind shall be placed upon any part of the scheme, except with the prior written approval of the strata company.

32.2 No garage, trailer, camper, motor home or recreational vehicle shall be used as a temporary or permanent residence within the scheme.

33. MOVING FURNITURE

Neither a proprietor nor a proprietor's invitees shall move any furniture or large object through or within the scheme unless he has first given to the strata company sufficient notice of his intention to do so in order to enable the caretaker or in the absence of the caretaker the strata company manager to be present at the time to ensure that no damage is caused to the common property.

34. FLOOR COVERINGS

A proprietor shall ensure that all floor space within the lot (other than that comprising kitchen, laundry, lavatory or bathroom) is covered or otherwise treated to an extent sufficient to prevent the transmission therefrom of noise likely to disturb the peaceful enjoyment of the proprietors of other lots.

35. WINDOWS

35.1 A proprietor shall keep clean all glass in windows and doors (both internally and externally) on the boundary of the lot and all roof and skylight windows (if applicable) including so much thereof as is common property which may be cleaned safely and without risk of injury to the proprietor.

35.2 If a proprietor installs curtains then the back of the curtain must be coloured white.

36. DRYING

Neither a proprietor nor a proprietor's invitee shall, except with the prior written consent of the strata company hang any washing, bedding, clothing or other article on any part of a lot or the premises in such a way as to be visible outside the lot or the premises.

37. STORAGE OF INFLAMMABLE LIQUIDS

Neither a proprietor nor a proprietor's invitee shall, except with the approval in writing of the strata company, use or store upon the lot or the premises or the common property any inflammable chemical, liquid or gas or other inflammable material, other than chemicals, liquids, gases or other materials used or intended to be used for domestic purposes, or any such chemical, liquid, gas or other material in a fuel tank of a motor vehicle or internal combustion engine.

38. FLOOR LOADING

Neither a proprietor nor a proprietor's invitee shall do any act or thing which may result in excessive stress or floor loading to any part of a lot or the premises.

39. USE OF CAR BAYS

39.1 A proprietor shall not:

39.1.1 erect any form of structure within or on the boundary of any part of his lot intended for use as a car bay which may prevent access to contiguous car bays;

39.1.2 grant any lease, licence or other occupancy right to any person who is not a lot proprietor in respect of any portion of his or her lot used as a car bay or storage area.

40. RULES

40.1 The strata company may from time to time make, withdraw or amend rules for the use and management of the common property including but not limited to the management or control of:

40.1.1 the affixing of external aerials;

40.1.2 visitors' vehicle parking;

40.1.3 security;

40.1.4 use of stairways and passageways;

40.1.5 approval for keeping pets;

40.1.6 rubbish collection;

40.1.7 advertising and signs;

40.1.8 charges relating to the security system and security keys;

40.1.9 use of the Facilities.

40.2 A proprietor and a proprietor's invitees will comply at all times with the rules.

41. PENALTY FOR BREACH OF BYLAWS

Any person who breaches Schedule 1 By-Laws is, subject to section 42A(2) of the Act, liable to pay a penalty of $400.00 or such other amount as is prescribed by the Act from time to time.

42. STRATA COMPANY MANAGEMENT

42.1 The strata company may appoint from time to time a strata company manager upon such terms and conditions as are usual for such appointment.

42.2 Unless otherwise provided in the Bylaws the strata company may delegate (other than the power of delegation) all of the strata company's power, authorities, duties and functions to the strata company manager (to the extent that the same are capable of being delegated).

42.3 The strata company manager shall have the following powers, authorities, duties and functions, in addition to those conferred at a General Meeting of the strata company:

42.3.1 to arrange as required by the strata company normal day to day maintenance, repair and replacement of any personal property vested in the strata company, but excluding any special attendance at the land and common property for this purpose;

42.3.2 to view the improvements within the scheme on at least 1 occasion in each year;

42.3.3 arrange and attend the annual general meeting during any yearly period;

42.3.4 act upon request by, or in the absence of, the chairman:

42.3.4.1 as Chairman of any meeting of the strata company; or

42.3.4.2 as Chairman of any meeting of the council if so agreed by all the members of the council present at the meeting;

42.3.4.3 to ensure that insurances are effected and promptly renewed in accordance with the Act and make all necessary insurance claims;

42.3.5 as agent for the strata company to engage or employ contractors the caretaker and any employees authorised by the strata company to be employed, and to keep any wage, income tax or other records required by any law from time to time in respect of any caretaker, employees or contractors of the

strata company and complete and submit any returns in respect thereof;

42.3.6 to arrange for the preparation and submission of income tax returns on behalf of the strata company and accept appointment as the public officer of the strata company;

42.3.7 to disburse monies in accordance with the Act and the terms of the Bylaws;

42.3.8 to maintain the records of the strata company required by law;

42.3.9 to prepare as necessary budgets and reports and keep all records necessary to facilitate such preparation;

42.3.10 to provide, so far as is reasonable, any assistance to the strata company and the members of its council;

42.3.11 to take possession of and care for the records and documents of the strata company;

42.3.12 implement credit control procedures in respect of maintenance contributions and advise regarding recovery;

42.3.13 have custody of the common seal and attest its affixation for the purpose of exercising or performing any of the powers, authorities, duties or functions conferred or imposed by the Schedule 1 Bylaws;

42.3.14 generally implement the decisions of the strata company and its council;

42.3.15 to make applications and submissions to the State Administrative Tribunal and the local authority on behalf of the strata company;

42.3.16 to attend on behalf of the strata company and to the extent permitted by law to represent the strata company at any hearing conducted by a State Administrative Tribunal or any tribunal or court;

42.3.17 to instruct Solicitors, attend conferences and generally supervise legal proceedings involving the strata company;

42.3.18 to arrange other than normal day to day maintenance, repair and replacement of the property vested in the strata company;

42.3.19 to liaise with architects, engineers, surveyors, builders and the like in relation to any work carried out on the land;

42.3.20 on behalf of the council the power and authority to approve suitable signs that shall be in keeping and harmonious with the scheme.

43. INSURANCE RATES

43.1 Nothing shall be done or kept on a lot or within the scheme which will increase the rate of insurance on any property insured by the strata company without the approval of the council nor shall anything be done or kept on a lot or within the scheme which would result in the cancellation of insurance on any property insured by the strata company or which would be in violation of any law.

43.2 If by reason of any machine, appliance or other thing brought upon or installed upon a lot or the scheme by any proprietor the amount of any insurance premium is increased then the amount of such increase shall be paid by and apportioned between those proprietors having possession or control or the use or benefit of any such machines appliances or things.

44. RECOVERY OF COSTS BY STRATA COMPANY

44.1 If the proprietor of a lot refuses or fails to pay to the strata company any amount due for levies (whether under section 36(1) or section 36(2) of the Act) or any other amount due, the strata company may take such lawful action as it deems necessary to recover that amount from the proprietor (including proceedings in any Court of competent jurisdiction). All costs incurred in taking such action including, but not limited to:

44.1.1 strata company manager's costs, pursuant to the strata management contract or as otherwise determined by the strata company;

44.1.2 legal costs on an indemnity basis; and

44.1.3 debt recovery agency's costs,

are an administrative expense of the strata company and become a debt due and payable by the proprietor to the strata company, and shall be recoverable by the strata company when recovering due levies.

44.2 It shall be competent for the strata company in proceedings commenced in any Court of competent jurisdiction to recover due levies, to claim in such proceedings all costs incurred in taking such action including costs incurred up to entry of judgment.

44.3 The quantum of legal costs incurred in taking action to recover due levies, shall be the costs payable by the strata company to its solicitors. The strata company shall within three days of receiving an invoice for legal fees forward by pre-paid post to the proprietor in respect of whom the legal fees have been incurred a copy of that invoice. Upon receipt of that or upon the date when the invoice would have been received in the normal course of mail the proprietor shall forthwith make payment thereof to the strata company.

44.4 A certificate from the solicitors retained by the strata company, stating the amount of costs incurred prosecuting an action to recover due levies from a proprietor, shall be conclusive evidence of the amount due and payable by the proprietor for which amount judgment may be entered against the proprietor in any Court of competent jurisdiction.

44.5 Simple interest at the prescribed rate shall be payable by the proprietor to the strata company on costs incurred by the strata company in taking action (including proceedings in any Court of competent jurisdiction) to recover due levies. Such interest shall commence and be payable from the date a copy of the invoice would have been received in the mail as required by this Bylaw and shall cease to be payable upon payment of all costs and interest accrued thereon. Interest upon interest shall not be charged or accrue.

44.6 In the event that the strata company does not receive payment of costs incurred when payment of due levies is received from a proprietor and judgment for those costs has not been obtained from a Court of competent jurisdiction then those costs and simple interest thereon at the prescribed rate, being an administrative expense of the strata company shall be levied in accordance with section 36(1)(c)(ii) of the Act on the proprietor in respect of whom the cost was incurred, and if unpaid shall be recoverable as an unpaid levy in accordance with this Bylaw.

45. SECURITY AND FIRE SAFETY

45.1 A proprietor must not do or permit anything to be done which may prejudice the security or safety of the Building or the common property and, in particular, must ensure that all fire and security doors are kept locked or secure or in an operational state when not in immediate use.

45.2 The Strata Company may restrict access to:

45.2.1 the car parking areas by means of a proximity card reader system; and

45.2.2 parts of the Building by means of a proximity card reader system or security key,

for the purposes of securing the Building and the common property from intruders and to preserve the safety of the Building from fire or other hazards.

45.3 The Strata Company will provide to each proprietor two proximity cards and one security key and any further keys as the Strata Company determines to enable a proprietor to operate the security access devices referred to in Bylaw 47.2 of the Schedule 1 Bylaws.

45.4 A proprietor is responsible in making available security access devices to any other person and must take all reasonable steps to ensure that any person provided with security access complies with this Bylaw.

45.5 No proprietor or person in possession of security devices may duplicate or permit the duplication of such devices and will take all reasonable steps to prevent their loss or transfer.

45.6 A proprietor or resident of a lot must immediately notify the Strata Manager if any security device is lost or destroyed.

45.7 A proprietor or proprietor's invitee shall not:

45.7.1 interfere with any safety equipment;

45.7.2 obstruct any fire escape or fire stair well; or

45.7.3 use any fire safety equipment except in the case of an emergency and then in accordance with the purpose for which the fire safety equipment is designed.

46. SMOKING

46.1 No proprietor or proprietor's invitee shall smoke in any portion of the Building comprising common property.

46.2 Any proprietor who breaches this Bylaw or permits a breach of that Bylaw will indemnify the Strata Company from any claim by any authority or the fire brigade arising from the smoke detectors fitted to the Building being activated by reason of the breach of this Bylaw.

47. COMMERCIAL LOT BYLAWS

47.1 This Bylaw shall only apply to Commercial Lots and references to the proprietor shall mean the proprietor of a Commercial Lot.

47.2 If there is any conflict between this Bylaw and any other Bylaw so far as it relates to a Commercial Lot then this Bylaw shall prevail.

47.3 The proprietor shall only conduct business in a Commercial Lot in accordance with any restrictions applying generally or specifically to the nature of the business conducted on a Commercial Lot.

47.4 The proprietor must, at his expense, ensure that all approvals, consents and licences required by the proprietor for the conduct of the business and use of the Commercial Lot are obtained and maintained at all times and that all their conditions are observed. The proprietor will provide copies of all approval consents and licences aforesaid upon demand of the Council.

47.5 The proprietor shall at his expense observe and comply with all laws and requirements relating to:

47.5.1 the use and occupation of a Commercial Lot for the use intended by the proprietor;

47.5.2 a Commercial Lot and facilities by reason of the number and the sex of the proprietor's employees and other persons working in or entering the Commercial Lot;

47.5.3 the fixtures, fittings, machinery, plant and equipment in a Commercial Lot;

47.5.4 occupational health, safety and environmental matters;

47.5.5 the provision of fire fighting equipment including if necessary the provision of fire extinguishers and fire blankets.

47.6 The proprietor shall comply with the notices or requirements of the relevant authorities regarding the matters in the preceding Bylaw.

47.7 The proprietor shall not:

47.7.1 allow a Commercial Lot to be used for any illegal, immoral, noxious, dangerous or offensive purpose, activity or occupation;

47.7.2 use or permit any part of a Commercial Lot to be used as sleeping quarters or for residence;

47.7.3 keep any animals in a Commercial Lot;

47.7.4 hold or permit any auction or public meeting in the Commercial Lot;

47.7.5 use a Commercial Lot in a noisy or in any other manner which would cause damage, nuisance or disturbance to other lot proprietors or to the owners or occupiers of adjoining properties;

47.7.6 use a Commercial Lot in an excessively noisy or noxious or offensive manner;

47.7.7 use plant or machinery in the Commercial Lot so as to constitute a nuisance or disturbance to other lot proprietors due to noise vibration odours or otherwise.

47.8 The proprietor shall conduct the business in an orderly and reputable manner, consistent with the standard and quality of the scheme.

47.9 The proprietor shall not bring into store, or use in the Commercial Lot any inflammable, dangerous or explosive substances such as acetylene, industrial alcohol, burning fluids and chemicals, including the heating or lighting of the Commercial Lot unless the use of such substances constitutes proper conduct of the proprietor's business and the particular substances are stored and used only whilst taking all necessary safety precautions and in compliance with all fire and safety regulations relating to such substances.

47.10 The proprietor shall keep a Commercial Lot clean and:

47.10.1 have the floor and the interior of a Commercial Lot cleaned each business day;

47.10.2 have the surfaces of windows maintained in a clean condition;

47.10.3 have the fittings, equipment and furnishings cleaned as frequently as required to maintain them in a clean condition;

47.10.4 not allow the accumulation of useless property or rubbish in a Commercial Lot;

47.10.5 provide a sanitary hygiene service to female toilets.

47.11 The proprietor shall cause all rubbish accumulated in the Commercial Lot to be placed daily in suitable containers provided for the Commercial Lot and situated in an area in the scheme designated by the Council.

47.12 The proprietor shall not permit his employees or contractors to purposely break bottles in any receptacle at any time.

47.13 The proprietor shall:

47.13.1 not use the toilets, sinks, drainage and plumbing on the Commercial Lot for purposes other than those for which they were designed;

47.13.2 not place in any of those facilities rubbish, chemicals, contaminated and other substances which they are not designed to receive or which would infringe health or environmental regulations;

47.13.3 repair any damage caused to any of those facilities by breach of this Bylaw.

47.14 The proprietor shall:

47.14.1 not install any electrical equipment which will overload the cables, switchboards and other equipment that supplies electricity to the scheme or to the Commercial Lot;

47.14.2 be liable:

47.14.2.1 for the costs of repairing any damage;

47.14.2.2 for ensuring that any equipment forming part of common property is repaired and restored to working order;

47.14.2.3 if necessary, to disconnect the proprietor's installation or alter or upgrade the electrical supply system at the proprietor's cost in order that it will suffice for the additional load imposed by the proprietor's installations.

47.15 The proprietor shall at the proprietor's expense:

47.15.1 take reasonable action to secure the Commercial Lot against unauthorised entry whilst the Commercial Lot is occupied;

47.15.2 securely lock and fasten external door and windows in the Commercial Lot whilst the Commercial Lot is unoccupied;

47.15.3 keep the Commercial Lot and its entrances and surrounds in a thorough state of cleanliness and not allow to accumulate or remain therein or thereabouts any discarded rubbish, papers, cartons, boxes, containers or other waste products and shall leave such rubbish or containers outside the Commercial Lot only in those areas and at those times and for those periods from time to time prescribed for that purpose by the Council;

47.15.4 keep the Commercial Lot free and clear of all rodents, vermin, insects, birds, animals, termites and other pests and if the proprietor fails to do so the proprietor shall if and so often as necessary employ pest exterminators approved by the Council to carry out the necessary work.

47.16 The proprietor shall ensure that all background music and sound systems are installed and played in such a manner as to prevent the transmission therefrom of noise likely to disturb the peaceful enjoyment of the proprietors of other lots.

48. LEVIES

48.1 For the purpose of levying contributions for administrative expenses on proprietors this Bylaw shall apply in lieu of that for the method provided in Section 36(1) of the Act.

48.2 In this Bylaw:

"commercial lot expenses" means those administrative expenses which relate wholly or predominantly to a Commercial Lot;

"commercial proprietor" means the proprietor of a Commercial Lot;

"general expenses" means all those administrative expenses which are not Commercial Lot expenses;

"residential lot" means all the lots other than the Commercial Lots;

"residential proprietor" means the proprietor of a residential lot;

"residential lot expenses" means those administrative expenses which relate wholly or predominantly to a residential lot.

48.3 The Strata Company may prepare separate levy contributions to recover administrative expenses in respect of:

48.3.1 the residential lots; and

48.3.2 the Commercial Lots.

48.4 If the preceding Bylaw applies then the Strata Company will levy contributions for administrative expenses as follows:

48.4.1 residential proprietors and the commercial proprietors shall pay the general expenses in proportion to the unit entitlement of their respective lots;

48.4.2 only the commercial proprietors shall pay the Commercial Lot expenses.

48.5 For the purposes of this Bylaw a residential proprietor will pay so much of the residential lot expenses divided by the total unit entitlement of all the residential lots as shown on the Strata Plan and then multiplied by the unit entitlement of the residential proprietor as shown on the Strata Plan.

48.6 For the purposes of this Bylaw a commercial proprietor will pay so much of the Commercial Lot expenses divided by the total unit entitlement of all the Commercial Lots as shown on the Strata Plan and then multiplied by the unit entitlement of the commercial proprietor as shown on the Strata Plan.

49. INSURANCE - COMMERCIAL LOT

49.1 The proprietor of a Commercial Lot shall at his or her expenses effect and at all times maintain with a public insurance office policies to cover:-

49.1.1 all plate glass (if any) in the Commercial Lot against damage or destruction to the full insurable value thereof; and

49.1.2 public liability with a cover of not less than Ten Million Dollars or any increased sum which the Council may from time to time specify in respect of anyone occurrence. The policy of insurance shall cover all claims demands proceedings judgments damages costs and losses of any nature whatsoever in connection with the loss of life of and or personal injury to any person and or damage to any property (wheresoever occurring) arising from or out of any occurrence at or in the vicinity of the Commercial Lot or any part thereof or occasioned wholly or in part by an act neglect default or omission by the proprietor of a Commercial Lot or by his or her employees or visitors.

49.2 All monies recovered in respect of any insurance under this Bylaw shall be forthwith expended by the Commercial Lot proprietor in the satisfaction reinstatement or replacement of those items for which the monies are received to the extent that those monies are sufficient for the purpose and the Commercial Lot proprietor shall make up any deficiency from his or her own monies.

49.3 The Commercial Lot proprietors shall pay not later than seven days prior to the date for payment specified in the first premium notice or demand received in respect thereof all premiums in respect of the insurances to be effected and maintained by the Commercial Lot proprietor as herein provided and on demand shall produce any evidence of the policies and of the renewal thereof which the Council may from time to time require.

50. USE OF SWIMMING POOL

50.1 In this Bylaw

"Pool Area" includes the Swimming Pool and those areas adjacent to the Swimming Pool necessary for use and enjoyment of the Swimming Pool;

"Swimming Pool" means the swimming pool forming part of the Facilities.

50.2 This Bylaw regulating the use of the Swimming Pool and the Pool Area is in addition to and not substitution of

any other Bylaw or Rule relating to the use and enjoyment of the Facilities.

50.3 No child under sixteen (16) years of age may enter or remain within the Pool Area unless accompanied by an adult person.

50.4 Neither a Proprietor nor a Proprietor's Invitee may:

50.4.1 use any part of the Pool Area to the exclusion of any other person entitled to use the Pool Area;

50.4.2 use any part of the Pool Area for any business;

50.4.3 enter or remain in the Pool Area if under the influence of drugs or alcohol;

50.4.4 behave in a loud, disorderly, immoral, abusive, riotous, indecent, obscene or aggressive manner;

50.4.5 spit or urinate or defecate in the Swimming Pool;

50.4.6 use soap, detergent or any other substance that may foul or pollute any part of the Swimming Pool;

50.4.7 climb up or onto any fence, partition, roof or raised object in the Pool Area other than one intended for that purpose;

50.4.8 enter or remain in the Pool Area unless suitably attired;

50.4.9 enter and exit the Pool Area except through the gates and doors which are designed for that purpose;

50.4.10 eat in or take into the Swimming Pool any food, drink or confectionery;

50.4.11 permit any animal to enter the Pool Area;

50.4.12 leave any rubbish in the pool Area except in a receptacle provided for that purpose;

50.4.13 smoke in the Pool Area;

50.4.14 enter or use the Swimming Pool if affected by or suffering from any infectious or contagious disease or skin complaint;

50.4.15 use or leave drinking glasses, bottles or any other glass container within four (4) metres of the Swimming Pool;

50.4.16 improperly use, damage or remove any furniture fittings, equipment or chattels located in the Pool Area; or

50.4.17 tamper with any equipment in the Pool Area.

50.5 Every Proprietor shall obtain and deliver to the Council an acknowledgment from every occupier of the Proprietors Lot in such form as is reasonably required by the Council from time to time to the effect that the occupier has been made aware of this Bylaw and the occupiers obligation to comply at all times with this Bylaw.

51. POWER OF STRATA COMPANY REGARDING SUB-METERS

51.1 Where the supply of gas or electricity to a lot is regulated by means of a sub-meter, the strata company may require the proprietor or other occupier of the lot to pay the strata company by way of security for the payment of charges arising through the sub-meter an amount, determined by the Council from time to time, and, if any amount so paid is applied by the strata company under Bylaw 51.2 of the Schedule 1 Bylaws, to pay such further amount or amounts by way of such security as may be necessary to maintain the amount of the security as subject to this Bylaw, the strata company may require.

51.2 The strata company shall lodge every sum received under this Bylaw to the credit of an interest bearing account with a savings bank or building society and all interest accruing in respect of amounts so received shall, subject to this Bylaw, be held on trust for the proprietor or occupier who made the payment.

51.3 If the proprietor or other occupier of a lot in respect of which a sub-meter is used for the supply of gas or electricity refuses or fails to pay any charges due for the supply of gas or electricity to that lot, the strata company may apply in payment of those charges all, or such part as is necessary, of any amount paid to the strata company by that proprietor or occupier under this Bylaw, including any interest that may have accrued in respect of that amount.

51.4 Where a person who has paid an amount under this Bylaw to a strata company satisfied the strata company that he is no longer the proprietor or occupier of a lot and that the strata company no longer has any liability or contingent liability for the supply of gas or electricity to that lot during the period when that person was a proprietor or occupier of the lot, the strata company shall refund to that person the amount then held on his behalf under this Bylaw.

52. VISITOR PARKING

52.1 In this Bylaw:

"Visitor Parking Bay" means those car parking bays situate within the common property of the scheme and identified as for visitor parking.

52.2 The Visitor Parking Bays must only be used by visitors for temporary parking purposes while visiting the scheme.

52.3 No proprietor may use the Visitor Parking Bays for parking at any time.

53. DISABLED PARKING

53.1 In this Bylaw:

"Disabled Parking Bay" means those car parking bays situate within the common property of the scheme and identified as for disabled parking.

53.2 The Disabled Parking Bays must only be used by disabled visitors for temporary parking purposes while visiting the scheme.

53.3 No proprietor may use the Disabled Parking Bays for parking at any time.

54. PROTECTION OF VIEWS

54.1 Interpretations

In this Bylaw unless the context otherwise requires:

"Board" means the board of Directors of the Company;

"Company" means Bluewater Reserve Street Pty Ltd (ACN 151 160 397);

"Constitution" means the constitution of the Company a copy of which as at the date of registration of this Management Statement is annexed hereto;

"Directors" means the directors from time to time of the Company;

"Lot 23" means the property commonly known as 23/1 Reserve Street, Scarborough and being more particularly described as Lot 23 on Strata Plan 5210, the whole of the Land in Certificate of Title Volume 1[illegible] Folio 940;

"Member" means a person whose name is entered in the Register as a holder of Shares;

"Outgoings" include:

54.1.1 rates and taxes, including land tax, payable by the Company from time to time in respect of Lot 23 including any goods and services tax;

54.1.2 premiums for the insurance of Lot 23 and such of the contents as are the property of the Company against loss by fire storm or tempest, premiums for workers' compensation, public risk and such other risks as the Board may from time to time deem to be reasonably required;

54.1.3 the cost of such internal painting repairs and maintenance as are deemed necessary or desirable by the Board to keep Lot 23 and property of the Company in good order and condition;

54.1.4 expenditure in carrying out and complying with any notice or requirement of the local authority or ot[illegible] competent authority, in respect of Lot 23 and the Company's property as a whole;

54.1.5 amounts payable for the supply of electricity, water and gas for Lot 23;

54.1.6 expenditure in carrying on the operations of the Company, including accountancy and legal charges, management charges;

54.1.7 such other expenditure in respect of any matter or thing in relation to Lot 23 and the Company's property as in the opinion of the Board should necessarily be incurred;

"Register" means the register of Members to be kept pursuant to the Corporations Act 2001;

"Shares" means shares in the Company;

"Special Resolution" has the meaning assigned thereto by the Corporations Act 2001;

"Unanimous Resolution" means a vote or resolution passed by all Members.

54.2 **Objectives**

The objectives of this Bylaw are to:

54.2.1 protect the views of all the lots of the scheme by ensuring that any redevelopment of the parcel of land comprised in the adjoining strata scheme of which Lot 23 forms part cannot be undertaken without the consent of all the proprietors;

54.2.2 do all things and execute all such documents as may be necessary:

54.2.2.1 to have Lot 23 transferred to the Company;

54.2.2.2 to have the members of the Council from time to time appointed as the Directors of the Company; and

54.2.2.3 to transfer all of the issued Shares in the Company to the proprietors in accordance with this Bylaw;

54.2.3 let Lot 23 on usual terms and conditions;

54.2.4 deal with Company funds in the following manner and priority:

54.2.4.1 firstly, in payment of the Outgoings;

54.2.4.2 secondly, by retaining funds in a reserve fund of the Company as the Board considers necessary, and

54.2.4.3 thirdly, to distribute any surplus remaining to the proprietors in proportion to their shareholdings;

54.2.5 retain Lot 23 for the benefit of all the proprietors unless and until they resolve otherwise by Unanimous Resolution.

54.3 **Inconsistency between Bylaws and Constitution**

54.3.1 This Bylaw creates rights and obligations which are in addition to or may be inconsistent with the rights and obligations created in the Constitution. Except where expressly provided otherwise in this Bylaw those rights and obligations are to be exercised and observed concurrently and not in substitution for one another.

54.3.2 In the event of any conflict or inconsistency between any rights and obligations under this Bylaw and those in the Constitution, the rights and obligations created under this Bylaw will prevail and be exercised or observed to the exclusion of those created by the Constitution so far as is permitted by law and necessary to resolve the conflict.

54.3.3 If a proprietor so requests in writing all the proprietors will co-operate to take all necessary steps to amend the Constitution to reflect this Bylaw where there is any conflict between them.

54.4 **Corporate Structure**

The Original Proprietor registered the Company:

54.4.1 as a proprietary limited company; and

54.4.2 with a share capital of $1,000.00 comprising 1000 fully paid ordinary Shares.

54.5 **Transfer of Lot 23 and other matters**

The Original Proprietor will as soon as practicable after the date of registration of the Strata Plan (if not done prior):

54.5.1 cause the Company to adopt the Constitution;

54.5.2 transfer Lot 23 to the Company;

54.5.3 transfer the Shares in the Company to the proprietors in the proportions set out in Bylaw 54.6;

54.5.4 have its nominees resign as Directors of the Company; and

54.5.5 subject to the other provisions of this Bylaw and the Constitution, have the members of the Council appointed as Directors of the Company.

54.6 **Allotment of Shares**

The Shares will be transferred to the proprietors of the lots described below in the number appearing opposite:

Lot Number	Number of Shares
Lot 1	27
Lot 2	15
Lot 3	22
Lot 4	16
Lot 5	24
Lot 6	16
Lot 7	24
Lot 8	26
Lot 9	26
Lot 10	18
Lot 11	24

Lot 12	26
Lot 13	34
Lot 14	32
Lot 15	34
Lot 16	36
Lot 17	49
Lot 18	47
Lot 19	18
Lot 20	22
Lot 21	16
Lot 22	26
Lot 23	26
Lot 24	24
Lot 25	16
Lot 26	28
Lot 27	26
Lot 28	24
Lot 29	18
Lot 30	28
Lot 31	32
Lot 32	34
Lot 33	36
Lot 34	34
Lot 35	47
Lot 36	49

54.7 **Unanimous Resolution**

Except as otherwise specified in this Bylaw, the Corporations Act, the Strata Titles Act or the Constitution the Board will only exercise its power to direct the activities of the Company in accordance with instructions and directions arising from a Unanimous Resolution in relation to each of the following matters:

54.7.1 the sale of Lot 23;

54.7.2 the use of the proceeds of the letting of Lot 23 other than in accordance with Bylaw 54.9;

54.7.3 the appointment of Directors to the Board other than in accordance with Bylaw 54.12.

In considering a Unanimous Resolution the proprietors will:

54.7.4 act in good faith;

54.7.5 give due consideration to the Directors duties and responsibilities at law and the personal liab imposed upon them at law;

54.7.6 not require the Directors to act unlawfully or negligently or recklessly in the exercise of such powers; and

54.7.7 use best endeavours to advance the Company in accordance with the objectives set out in Bylaw 54.2 in a manner that is not, or not likely to be or become detrimental to the best interests of the proprietors collectively.

54.8 **Use of Lot 23**

54.8.1 The Directors are to let Lot 23 upon such terms and conditions as they see fit.

54.8.2 The Directors will apply the proceeds of any such letting in the order and priority set out in Bylaw 54.2.4.

54.9 **Outgoings**

54.9.1 This Bylaw 54.9 will only apply if for any reason the proceeds from the letting of Lot 23 are insufficient to pay the Outgoings.

54.9.2 Each proprietor will contribute to the funds of the Company a proportion of the Outgoings paid or incurred by the Company. Each proprietor will be required to contribute only such proportion of the Outgoings as the number of shares held by that proprietor bears to the total number of issued shares in the Company from time to time.

54.9.3 The decision of the Board in respect of any of the matters referred to in Bylaw 54.9.1 or on any particular matter arising therefrom will be finally and conclusively binding on all proprietors.

54.9.4 At such intervals of time as the Board determines, the Board will ascertain and furnish to each proprietor a statement of the Outgoings and of the proportion to be contributed by that proprietor. The statement will be deemed to have been duly furnished if sent by ordinary post to the address of the

proprietor in the roll of proprietors kept by the Strata Company. The contribution will become due and payable fourteen days after the date of the furnishing of the statement.

54.9.5 If a proprietor's contribution is not paid by the proprietor within 14 days after the Board furnishes a statement in accordance with by-law 54.9.1 then the proprietor's contribution will bear interest at the rate of 10 per cent per annum and may be recovered as a debt due to the Company from the proprietor.

54.10 **Constitution of the Board**

Subject to the provisions of the Constitution, the members of the Council are to also be the Directors of the Company.

54.11 **Chairman and secretary.**

54.11.1 The Directors shall, at the first meeting of the Board after they assume office as such members, appoint a chairman and secretary of the Board. Those Directors who are appointed to act as chairman and secretary of the Council shall assume the same office in respect of the Company unless they do not consent in which event the following Bylaws shall apply.

54.11.2 A person:

54.11.2.1 shall not be appointed to an office referred to in Bylaw 54.12.1 unless he is a member of the Council; and

54.11.2.2 may be appointed to one or more of those offices.

54.11.3 A person appointed to an office referred to in Bylaw 54.12.1 shall hold office until:

54.11.3.1 he ceases to be a member of the Council;

54.11.3.2 he ceases to be a member of the Board;

54.11.3.3 receipt by the Company of notice in writing of his resignation from that office; or

54.11.3.4 another person is appointed by the Council to hold that office,

whichever first happens.

54.11.4 The chairman shall preside at all meetings of the Board at which he is present and, if he is absent from any meeting, the Directors of the Company present at that meeting shall appoint one of their number to preside at that meeting during the absence of the chairman.

54.12 **Meetings of Board**

54.12.1 At meetings of the Board, all matters shall be determined by a simple majority vote.

54.12.2 The Board will meet at the same time as meetings of the Council and may otherwise meet together for the conduct of business and adjourn and:

54.12.2.1 otherwise regulate its meetings as it thinks fit, but the Board shall meet when any Director gives to the other Directors not less than 7 days' notice of a meeting proposed by him, specifying in the notice the reason for calling the meeting;

54.12.2.2 subject to any restriction imposed or direction given at a general meeting of the Company, delegate to one or more of its Directors such of its powers and duties as it thinks fit, and at any time revoke the delegation.

54.12.3 The Board shall keep minutes of its proceedings.

54.13 **Powers and duties of secretary of the Company**

The powers and duties of the secretary of the Company include:

54.13.1 the preparation and distribution of minutes of meetings of the Company and the submission of a motion for confirmation of the minutes of any meeting of the Company at the next such meeting;

54.13.2 the giving on behalf of the Company and of the Board of the notices required to be given under the Constitution;

54.13.3 the answering of communications addressed to the Company;

54.13.4 the calling of nominations of candidates for election as Directors of the Company if necessary.

54.13.5 the convening of meetings of the Company and of the Board.

54.14 **General meetings of the Company**

54.14.1 General meetings of the Company will be held simultaneously with general meetings of the Strata Company unless required by the Board in which event the following Bylaws shall apply.

54.14.2 General meetings of the Company shall be held once in each year and so that not more than 15 months shall elapse between the date of one annual general meeting and that of the next.

54.14.3 All general meetings other than the annual general meeting shall be called extraordinary general meetings.

54.14.4 The Board may whenever it thinks fit and shall upon a requisition in writing made by proprietors entitled to a quarter or more of the aggregate number of the issued Shares convene an extraordinary general meeting.

54.14.5 If the Board does not within 21 days after the date of the making of a requisition under Bylaw 54.16.4 proceed to convene an extraordinary general meeting, the requisitionists, or any of them representing more than one-quarter of the aggregate of all of the issued Shares, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by the Council, convene an extraordinary general meeting, but any meeting so convened shall not be held after the expiration of 3 months from the date on which the requisition was made.

54.14.6 Not less than 14 days' notice of every general meeting specifying the place, the date and the hour of meeting and in case of special business the general nature of that business, shall be given to all

proprietors, but accidental omission to give the notice to any proprietor or non-receipt of the notice by any proprietor does not invalidate any proceedings at any such meeting.

54.14.7 If a proprietor gives notice in writing to the secretary of an item of business that the proprietor requires to be included on the agenda for the next general meeting of the Company, the secretary shall include that item on the agenda accordingly and shall give notice of that item as an item of special business.

54.15 **Proceedings at general meetings**

54.15.1 All business shall be deemed special that is transacted at an annual general meeting, with the exception of the consideration of accounts and election of Directors.

54.15.2 Except as otherwise provided in these Bylaws, no business may be transacted at any general meeting unless a quorum of Directors is present at the time when the meeting proceeds to business.

54.15.3 One-half of the persons entitled to vote present in person or by duly appointed proxy constitutes a quorum.

54.15.4 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of proprietors, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the persons entitled to vote and present constitute a quorum.

54.15.5 The chairman, may with the consent of the meeting, adjourn any general meeting from time to time and from place to place but no business may be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

54.15.6 All resolutions must be proposed by a proprietor or his or her duly appointed proxy and seconded by another proprietor or his or her duly appointed proxy.

54.15.7 Except where otherwise required by or under the Corporations Act, the Constitution or these Bylaws, resolutions may be passed at a general meeting by a simple majority vote.

54.15.8 At any general meeting a resolution by the vote of the meeting shall be decided on a show of hands unless a poll is demanded by any proprietor present in person or by proxy.

54.15.9 Unless a poll be so demanded a declaration by the chairman that a resolution has on the show of hands been carried is conclusive evidence of the fact without proof of the number or proportion of votes recorded in favour of or against such resolution.

54.15.10 A demand for a poll may be withdrawn.

54.15.11 A poll if demanded shall be taken in such manner as the chairman thinks fit and the result of the poll shall be deemed to be the resolution of the meeting at which such poll was demanded.

54.15.12 In the case of equality in the votes whether on a show of hands or on a poll, the question is determined in the negative.

54.16 **Transfer of Shares**

54.16.1 Shares may only be transferred to the proprietor of the lot to which those shares relate.

54.16.2 When a proprietor ceases to be the proprietor of his lot he shall cease to be entitled to be a Member of the Company and shall transfer the Shares held by him to the transferee of the Lot.

54.16.3 The instrument of transfer of any shares will be executed by or on behalf of the transferor and transferee. The transferor will be deemed to remain a holder of the shares until the name of the transferee is entered in the Register in respect of those shares.

54.16.4 Shares must be transferred in any usual or common form which the Directors may approve.

54.16.5 The Board may decline to register any transfer of shares to a person who is not to be the proprietor of the transferred lot. No shares of a proprietor may be transferred except to the same transferee together with all other shares of the proprietor.

54.16.6 The Board may decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer. If the Board refuses to register a transfer of shares, it will within one month of the date on which the transfer was lodged send to the transferee notice of the refusal.

54.16.7 The legal personal representatives of a deceased sole holder of a proprietor of shares will be the only person recognised by the Company as having any title to the proprietor's shares. In the case of shares registered in the names of two or more holders, the survivors, or survivor or the legal personal representatives of the deceased survivor will be the only person/s recognised by the Company as having any title to the shares.

54.16.8 Any person becoming entitled to a proprietor's shares in consequence of the death or bankruptcy of a proprietor will upon such evidence being produced as may from time to time be properly required by the Board have the right either to be registered as a member in respect of the proprietor's shares or, instead of being registered himself, to make such transfer of the shares as the deceased or bankrupt person could have made. The Board will in either case have the same right to decline or suspend registration as it would have had in the case of a transfer of the shares by the deceased or bankrupt person before the death or bankruptcy.

54.17 **Council and Meetings of the Lot 23 Scheme**

54.17.1 The Directors may determine who amongst them will be approved to represent the Company as the proprietor of Lot 23 in respect of the strata scheme of which it forms part including as:

54.17.1.1 a member of the Council; and

54.17.1.2 at any meeting of that Strata Company.

54.17.2 The nominee when exercising his or her duties as either a Council member or proxy of the Company must follow the instructions given to them by the Board.

54.17.3 The Board may in its absolute discretion from time to time remove a person whom it has appointed either as a councillor of the other strata scheme or its proxy to attend meetings of the scheme and reappoint or appoint another Director in place of a Director it has removed.

54.18 **Registered Office of Company**

The registered office and principal place of business of the Company shall, unless otherwise resolved by the Directors, be the same address as the scheme.

55. EXCLUSIVE USE - LOTS 15, 16, 17, 18, 35 AND 36

55.1 **Definitions**

In this By-law:

"Car Bay" means the portion of the common property comprising the car bays marked on the Plan to which the proprietor is granted exclusive use;

"Lot 15" means lot 15 on the Strata Plan;

"Lot 16" means lot 16 on the Strata Plan;

"Lot 17" means lot 17 on the Strata Plan;

"Lot 18" means lot 18 on the Strata Plan;

"Lot 35" means lot 35 on the Strata Plan;

"Lot 36" means lot 36 on the Strata Plan;

"Plan" means the Exclusive Use Plan annexed hereto and marked "A";

"Proprietor" means the proprietor of lots 15, 16, 17, 18, 35 and 36, respectively.

55.2 **Exclusive Use**

The Proprietor of Lot 15 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 15.

The Proprietor of Lot 16 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 16.

The Proprietor of Lot 17 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 17.

The Proprietor of Lot 18 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 18.

The Proprietor of Lot 35 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 35.

The Proprietor of Lot 36 shall be entitled to the exclusive use and enjoyment of the Car Bay marked on the Plan for the exclusive use of Lot 36.

55.3 **Exclusive Use Obligations**

The rights mentioned in 55.2 of this By-law shall be granted upon and subject to the terms and conditions following:

55.3.1 the Proprietor must not do or suffer to be done on the Car Bay any act or thing by reason of which any increased or extra premium may become payable by the Strata Company for the insurance of the parcel or any part thereof;

55.3.2 the Proprietor must, at the Proprietor's cost, maintain and keep the Car Bay in good, clean and serviceable repair and condition free from oil and grease and shall ensure the Car Bay are swept and hosed down with water regularly;

55.3.3 the Proprietor must not use the Car Bay other than as a car bay;

55.3.4 the Proprietor must not hang, erect, display or affix anything to or from the car bay without the previous approval of the Council and then, only in such manner as may be fair and reasonable, and in keeping with the appearance of the building;

55.3.5 the proprietor must not assign, sublet or part with possession of the Car Bay or any part thereof.

55.4 **Inspection**

The Strata Company, its agents and servants may at all times enter upon the Car Bay for the purpose of inspecting, maintaining and repairing the same or for the purpose of ensuring that the By-laws of the strata scheme are observed.

55.5 **Default**

If the Proprietor shall make default in the observance of any of the provisions set forth in this By-law the Strata Company may serve written notice on the proprietor specifying the nature of the default and requiring the default to be made good and if such default shall continue for the period of seven (7) days next following the date of service of such notice the Strata Company with or without workmen, servants, agents or others may enter into and upon the defaulting proprietor's Exclusive Car Bay and make good such default.

55.6 **Term**

The rights more particularly mentioned in By-law 55.2 of this By-law shall be granted for a term commencing on the date of registration of the Strata Plan and shall continue in full force and effect until the destruction (as determined in accordance with any provisions of the ST Act) of the buildings now comprised in the Strata Plan.

56. EXCLUSIVE USE - CAR BAY

56.1 **Definitions**

In this By-law:

"Car Bay" means that portion of the common property comprising the car bay delineated on the Plan adjacent to the car bay set aside for the exclusive use of Lot 35 to which the proprietor is granted exclusive use;

"Lot" means the lot on the Strata Plan identified on the Plan;

"Plan" means the Exclusive Use Plan annexed hereto and marked "A";

"Proprietor" means a proprietor of a lot nominated by the Original Proprietor at the first meeting of the Strata Company or any adjournment thereof.

56.2 **Exclusive Use**

The proprietor shall be entitled to the exclusive use and enjoyment of the Car Bay delineated on the Plan and nominated by the Original Proprietor.

56.3 **Exclusive Use Obligations**

The rights mentioned in 56.2 of this By-law shall be granted upon and subject to the terms and conditions following:

56.3.1 the proprietor must not do or suffer to be done on the Car Bay any act or thing by reason of which any increased or extra premium may become payable by the Strata Company for the insurance of the parcel or any part thereof;

56.3.2 the proprietor must, at the proprietor's cost, maintain and keep the Car Bay in good, clean and serviceable repair and condition free from oil and grease and shall ensure the Car Bay are swept and hosed down with water at least once per week;

56.3.3 the proprietor must not use the Car Bay other than as a car bay;

56.3.4 the proprietor must not hang, erect, display or affix anything to or from the car bay without the previous approval of the Council and then, only in such manner as may be fair and reasonable, and in keeping with the appearance of the building;

56.3.5 the proprietor must not assign, sublet or part with the possession of the Car Bay or any part thereof.

56.4 **Inspection**

The Strata Company, its agents and servants may at all times enter upon the Exclusive Car Bays for the purpose of inspecting, maintaining and repairing the same or for the purpose of ensuring that the By-laws of the strata scheme are observed.

56.5 **Default**

If the proprietor shall make default in the observance of any of the provisions set forth in this By-law the Strata Company may serve written notice on the proprietor specifying the nature of the default and requiring the default to be made good and if such default shall continue for the period of seven (7) days next following the date of service of such notice the Strata Company with or without workmen, servants, agents or others may enter into and upon the defaulting proprietor's Exclusive Car Bay and make good such default.

56.6 **Term**

The rights more particularly mentioned in By-law 56.2 of this By-law shall be granted for a term commencing on the date of registration of the Strata Plan and shall continue in full force and effect until the earlier of:

56.6.1 the destruction (as determined in accordance with any provisions of the ST Act) of the buildings now comprised in the Strata Plan; or

56.6.2 if the proprietor shall at any time fail or neglect to perform or observe any of the conditions contained in this By-law, then and in such case and at any time, the Strata Company or the Council may determine this By-law.

57. SOLAR PANELS

57.1 **In this By-law 57**

"Claim" means a claim, demand, action, proceeding, suit, cost, charge, expense, claim for compensation, c for damages, injury, remedy, right of action, damage, loss and any other liability whether at law, in equity, under statute or otherwise; and

"Solar Panels" means the 13 Sunpower 327W solar panels installed by or with the approval of the original proprietor on part of the Common Property being on the roof over the upper balcony on the west facing side of Scheme over Lot 36 and on the roof over the lower balcony on the north facing side of the Scheme over Lot 36.

57.2 The Proprietor of Lot 36 is granted the special use and enjoyment of the Solar Panels and the exclusive use of the portion of the Common Property occupied by the Solar Panels.

57.3 The Proprietor of Lot 36 must, at its cost, maintain the Solar Panels in good and substantial repair condition and in safe working order at all times. If the Proprietor of Lot 36 fails to maintain the Solar Panels in accordance with its obligation set out in this Bylaw 49.3 and the failure continues for 7 days after service of a notice to that effect on the Proprietor of Lot 36 by the Strata Company, the Strata Company may at the cost of the Proprietor of Lot 36 carry out any necessary repair or maintenance to the Solar Panels and, for this purpose may, if required, enter upon Lot 36 to obtain access to the Solar Panels.

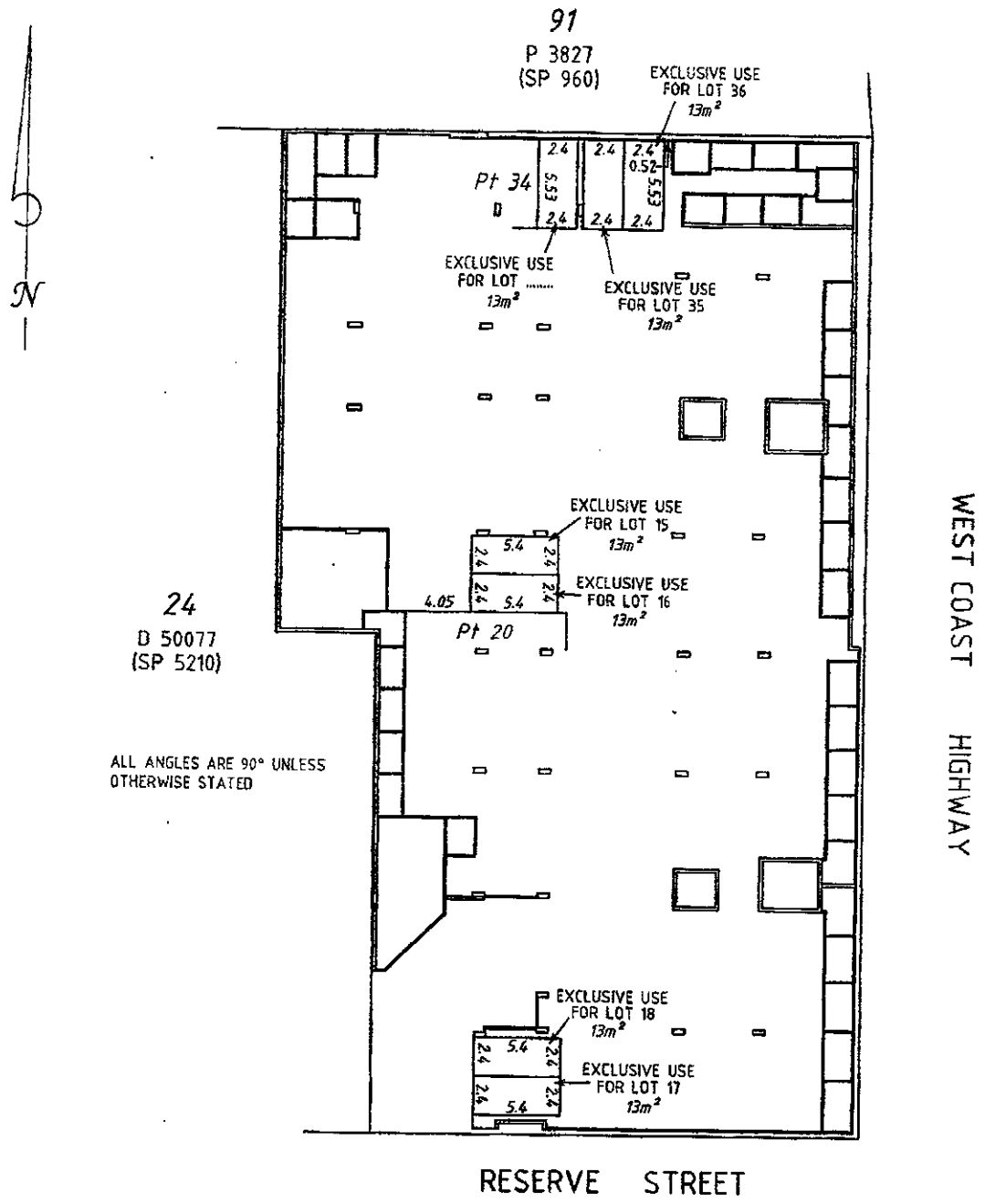
57.4 The Proprietor of Lot 36 is responsible for and must pay to the Strata Company on demand:

57.4.1 any additional insurance premiums imposed on the Strata Company under its insurance policy to the extent that those additional premiums relate to the Solar Panels; and

57.4.2 any excess payable in respect of any insurance policy taken out by the Strata Company arising from or in relation to a Claim made in relation to, or in connect with, the Solar Panels.

ANNEXURE 'A'

ALL RIGHTS AND PRIVILEGES COVERED UNDER THIS BYLAW LIMITS THE 'EXCLUSIVE USE' BOUNDARIES IN HEIGHT BETWEEN THE UPPER SURFACE LEVEL OF THEIR PAVEMENT FLOOR AND 2.25 METRES ABOVE THAT SURFACE UNLESS COVERED



THIS ANNEXURE HAS BEEN PREPARED FOR DEFINING THE 'EXCLUSIVE USE' AREA FOR THE PURPOSE OF PRODUCING A BYLAW OF THE SAME EFFECT FOR 'THE OWNERS OF BLUEWATER, 5 RESERVE STREET SCARBOROUGH' - STRATA PLAN 62323, PURSUANT TO SECTION 42(8) OF THE STRATA TITLES ACT 1985.

SCALE:1:400 @ A4
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Corporations Act 2001 (Cth)

A Company Limited by Shares

CONSTITUTION OF BLUEWATER RESERVE STREET PTY LTD

1. CONSTRUCTION

1.1 Definitions

1.1.1 In this Constitution, unless the contrary intention appears:

Act means the *Corporations Act 2001* (Cth) as amended from time to time;

Bylaws means the bylaws adopted by the Strata Company from time to time;

Company means the company that is governed according to this Constitution;

Council of Owners means the council of the Strata Company established pursuant to the Bylaws;

Lot 23 means lot 23 on strata plan 5210 being all the land contained in certificate of title volume 1474 folio 940 and being more generally known as Unit 23, 1 Reserve Street, Scarborough;

Strata Company means the strata company created upon the registration of strata plan 62323;

Strata Lot means a strata lot on the Strata Plan;

Strata Plan means strata plan 62323; and

Strata Act means the *Strata Titles Act 1985* (WA).

1.2 Interpretation

In this Constitution, unless the contrary intention appears:

1.2.1 the word "person" includes an individual, a firm, a body corporate, an unincorporated association and/or an authority;

1.2.2 the singular includes the plural and vice versa;

1.2.3 a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them made by any legislative authority;

1.2.4 a reference to a person, body or authority which has ceased to exist or has been reconstituted, amalgamated, reconstructed or merged or the functions of which have become exercisable by any other person, body or authority in its place shall be taken to refer to the person, body or authority established or constituted in its place or by which its functions have become exercisable; and

1.2.5 an expression in a provision in any paragraph of this Constitution that deals with a matter by reference to a particular provision of the Act has the same meaning as in that provision of the Act.

2. PROPRIETARY COMPANY AND CONSTITUTION

2.1.1 The Company is a proprietary company and the replaceable rules contained in the Act shall not apply to the Company.

2.1.2 The Company is one which is limited by shares.

2.1.3 The number of members for the time being of the Company (exclusive of persons who are in the employment of the Company or of any subsidiary of the Company and of persons who were previously in the employment of the Company or of any subsidiary of the Company and have thereafter continued to be members of the Company) may not exceed 50, but where 2 or more persons hold one or more shares in the Company jointly they must for the purposes of this paragraph be treated as a single member.

2.1.4 The right to transfer shares is restricted as provided by this Constitution.

2.1.5 In accordance with the provisions of section 124 of the Act and subject to the terms of this Constitution, the Company has the legal capacity and powers of an individual both in and outside the jurisdiction; and also has the powers of a body corporate including but not limited to the power to:

2.1.5.1 issue and cancel shares in the Company;

2.1.5.2 issue debentures

2.1.5.3 grant options over unissued shares in the Company;

2.1.5.4 distribute any of the Company's property among the members in kind or otherwise;

2.1.5.5 grant a floating charge over the Company's property;

2.1.5.6 arrange for the Company to be registered or recognised as a body corporate in any place outside the state in which the Company was incorporated; and

2.1.5.7 do anything that is authorised to do by any law (including a law of a foreign country).

3. SHARE CAPITAL AND VARIATION OF RIGHTS

3.1 Share Capital

3.1.1 As at the date of this Constitution, the share capital of the Company shall consist of ordinary shares only.

3.1.2 Where the directors consider it necessary and subject to both the Act and the unanimous approval of all members, the share capital of the Company may be divided into further classes of shares. Without prejudice to any special rights previously conferred on the holders of existing shares and again subject to the unanimous approval of all members, the directors shall determine the rights that shall apply to each class of shares.

3.2 Issuance of Shares

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Act, the terms of this Constitution and the unanimous approval of all members, the directors may issue shares in the Company on terms and conditions determined by the directors.

3.3 No Shares Upon Trust

3.3.1 Except as required by law, the Company is not required to recognise a person as holding any share upon any trust.

3.3.2 The Company is not bound by or compelled in any way to recognise (whether or not it has notice of the interest or rights concerned) any equitable, contingent, future or partial interest in any share or unit of a

share or (except as otherwise provided by this Constitution or by law) any other right in respect of a share except an absolute right of ownership in the registered holder.

3.4 **Share Certificates**

3.4.1 Every person whose name is entered as a member in the register of members is entitled, without payment, to receive a certificate in respect of the share in accordance with the Act.

3.4.2 The Company is not bound to issue more than one certificate in respect of a share or shares held jointly by several persons.

3.4.3 In the case of joint holders, the certificate must be delivered to the holder first named upon the register, unless all the joint holders otherwise direct the Company in writing.

3.4.4 Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders.

3.4.5 The Company must note on any certificate issued, the Strata Lot to which the share the subject of the certificate corresponds, if applicable.

3.5 **Lost Share Certificates**

If it is proven to the reasonable satisfaction of the directors that a certificate is lost, worn out or defaced, the Company must, subject to such indemnity being given as the directors, may from time to time prescribe, issue a replacement certificate. A replacement certificate must be marked as such.

3.6 **Variations to this Paragraph**

The Company may only amend this paragraph 3 with the unanimous consent of all members of the Company.

4. TRANSFER OF SHARES

4.1 **Ownership of Shares**

4.1.1 If a person owns a Strata Lot on the Strata Plan then that person is entitled to own a number of ordinary shares in the Company that corresponds to their unit entitlement set out on the Strata Plan. For example, if a person's unit entitlement on the Strata Plan is 27/1000 then that person is entitled to own 27 ordinary shares in the Company.

4.1.2 If a person owns more than one Strata Lot on the Strata Plan then, with respect to each Strata Lot on the Strata Plan that they own, they shall be entitled to own shares in the Company that correspon the unit entitlement of that Strata Lot.

4.1.3 No person may own shares in the Company unless they also own a Strata Lot on the Strata Plan and any share transfer instrument purporting to transfer shares to a person that does not own a Strata Lot on the Strata Plan is invalid and cannot be registered.

4.1.4 If at any stage and for any reason, the unit entitlements set out on the Strata Plan are varied, then the members hereby agree to do all things necessary in order to ensure that each member's shareholding corresponds with their unit entitlement set out on the Strata Plan.

4.2 **Restrictions on Transferring Shares**

No member may transfer their shares in the Company unless they do so in accordance with this Constitution and otherwise in accordance with the Act.

4.3 **Requirement for Transferring Shares**

If a member transfers their Strata Lot on the Strata Plan then that member must, simultaneously with the transfer of the Strata Lot, transfer the shares in the Company which they own and which correspond to the relevant Strata Lot to the same person to whom they are transferring the Strata Lot.

4.4 **Transfer Process**

4.4.1 All share transfers must be affected by a written instrument in any usual or common form. All share transfer instruments must be executed by or on behalf of both the transferor and the transferee listed therein and duly stamped (where applicable).

4.4.2 The share transfer instrument must then be left for registration at the registered office of the Company or dealt with as the directors otherwise instruct, accompanied by the relevant share certificate/s and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer and the right of the transferee to receive the shares and thereupon, the Company must, subject to the powers vested in the directors by this Constitution, register the transferee as a shareholder and retain the share transfer instrument for safekeeping.

4.4.3 A transferor of shares remains the holder of the shares transferred until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares. Despite remaining the holder of the shares pursuant to this paragraph, as soon as they are no longer the registered proprietor of the Strata Lot they are no longer entitled to vote as the holder of the shares and nor are they entitled to participate in any dividends or other benefits to which shareholders are entitled.

4.5 **Power of Attorney**

Each and every member hereby irrevocably appoints each director of the Company (from time to time) to be their true and lawful agent and attorney in order to, in their name and on their behalf, perform all acts, prepare and execute all deeds, instruments and documents and otherwise do all things necessary in order to give effect to the terms of this paragraph 4 including but not limited to signing a share transfer instrument whether as the transferor or transferee. Each and every member ratifies and confirms anything that a director does or causes to be done under, or by virtue of, this paragraph and shall indemnify that director in respect of any loss arising from any act done under or by virtue of this paragraph.

4.6 **Refusal to Register a Transfer**

The directors may refuse to register a transfer of shares in the Company where the transfer does not comply with this Constitution.

4.7 **Encumbering Shares**

Each and every member agrees that they will not charge, mortgage or otherwise encumber any share that they own in the Company.

4.8 **Variations to this Paragraph**

The Company may only amend this paragraph 4 with the unanimous consent of all members of the Company.

5. TRANSMISSION OF SHARES

5.1 **Member's Obligation**

All members must ensure that, in the event of their death, bankruptcy or mental incapacity, the shares they own in the Company are transferred to the same person that is to receive the Strata Lot to which those shares relate.

5.2 **Death of a Member**

5.2.1 In case of the death of a member, the person that takes ownership of the Strata Lot to which the deceased member's shares correspond, whether the survivor of the deceased if the shares were jointly held, the legal personal representative of the deceased or otherwise, will be the only person recognised by the Company as having title to the deceased's interest in the shares.

5.2.2 For the avoidance of doubt, if the deceased's legal personal representative takes ownership of the shares, they must deal with the shares in the same way as they deal with the corresponding Strata Lot on the Strata Plan.

5.3 **Effect of Death, Bankruptcy or Mental Incapacity**

5.3.1 Subject to the *Bankruptcy Act 1966 (Cth),* any person that becomes entitled to a Strata Lot on the Strata Plan in consequence of the death, bankruptcy or the mental incapacity of a member, upon producing to the directors the documentation that gave rise to this entitlement, evidence properly required by the directors, and a signed notice requesting the shares be transferred and confirming the proposed transferees acceptance of the terms and condition of this Constitution is, entitled to receive the shares in the Company that correspond to the relevant Strata Lot.

5.3.2 Upon receipt of the documentation, evidence and signed notice set out at paragraph 5.3(a) above, the Company shall take steps to transfer the shares to the person so entitled in accordance with paragraph 4.

5.3.3 The directors have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death, bankruptcy or mental incapacity.

5.3.4 All the limitations, restrictions, and provisions of this Constitution relating to the right to transfer, and the registration of transfers of shares are applicable to any such notice of transfer as if the death, bankruptcy or mental incapacity of the member had not occurred and the notice or transfer were a transfer signed by that member.

5.3.5 If 2 or more persons are jointly entitled to any share in consequence of the death, bankruptcy or mental incapacity of the registered holder, they are, for the purposes of this Constitution, deemed to be joint holders of the share and the directors must enter their names in the register of members regarding the share in the order in which their names appear in the instrument under which they became entitled.

5.4 **Rights of Legal Personal Representatives and Trustee in Bankruptcy**

If the registered holder of a share dies or becomes bankrupt, their personal representative or the trustee in bankruptcy of their estate, as the case may be, is, upon the production of such evidence as is properly required by the directors and provided they still control the Strata Lot to which the shares correspond, entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company, or to voting, or otherwise), as the registered holder would have been entitled to if they had not died or become bankrupt.

5.5 **Variations to this Paragraph**

The Company may only amend this paragraph 5 with the unanimous consent of all members of the Company.

6. TAXATION AND DUTIES

6.1 **Liability for Impost on Shares**

If any law for the time being of the Commonwealth of Australia or of any Australian state or territory, or of any other country or place in which the Company carries on business or has any of its assets, imposes, or purports to impose, any immediate or future possible liability upon the Company to make any payments to any government or taxing authority regarding any shares registered as held either jointly or solely by any member or otherwise in connection with the holding, whether in consequence of death or for any other reason:

6.1.1 the member or members holding such shares and their personal representative/s must fully indemnify the Company regarding any such liability;

6.1.2 the Company may recover any money paid by the Company in respect of any such liability imposed, or purported to be imposed, on the Company by action from the member or his personal representatives as a debt due by their estate to the Company with interest at such rate not exceeding 8% per annum as the directors may determine from the date when the Company paid the money until repayment;

6.1.3 the Company may deduct any such money and interest from any dividend or other money payable by the Company to the member or his personal representatives;

6.1.4 nothing contained in this Constitution prejudices or affects any right or remedy that any such law may confer or purport to confer upon the Company in respect of any such payment by the Company.

6.2 **Applicable Law and Forum**

As between the Company and the member or their personal representative/s, any right or remedy arising under paragraph 6.1 is enforceable by the Company, and every member of the Company as between themselves and the Company is hereby deemed to agree and bind their personal representative/s to submit to the legislative power and jurisdiction of the state, territory or country imposing such liability upon the Company.

7. ALTERATION OF CAPITAL

7.1 **Conversion of Share Capital**

The Company may, from time to time and subject to the unanimous approval of all members, convert all or any of its shares into a larger or smaller number of shares, with the date of conversion taking effect as at the date of resolution or at a later date specified therein and any amounts unpaid on any shares being converted are to be divided equally among the replacement shares.

7.2 **Power to Reduce Capital**

The Company may, subject to the unanimous approval of all members, reduce its share capital in any way not otherwise provided under the Act, subject to the reduction being fair and reasonable to the Company's members as a whole and not materially prejudicing the Company's ability to pay its creditors.

7.3 **Variations to this Paragraph**

The Company may only amend this paragraph 4 with the unanimous consent of all members of the Company.

8. GENERAL MEETINGS

8.1 **How Convened**

8.1.1 If possible, general meetings of the Company shall be held at the same time and place as general meetings of the Strata Company.

8.1.2 General meetings of the Company can be convened by any director on his or her own initiative.

8.1.3 The directors shall, upon a requisition made in accordance with section 249D of the Act, convene a general meeting of the Company.

8.1.4 Subject to paragraph 8.1.1, general meetings shall be held at the time and place/s determined by the directors from time to time.

8.2 **Restrictions**

8.2.1 In this Constitution and for the purpose of general meetings all business shall be classified as "special business" with the exception of the consideration of accounts and the election of directors which shall be classified as "ordinary business".

8.2.2 For the purposes of this Constitution, the following business may not be dealt with by the directors and may only be dealt with at a general meeting and further requires the unanimous approval of all members:

8.2.2.1 the sale of Lot 23; and/or

8.2.2.2 the redevelopment of the strata scheme of which Lot 23 forms part.

8.2.3 The Company may only amend this paragraph 8.2 with the unanimous consent of all members of the Company.

8.3 **Length of Notice of Meeting and Requirements**

8.3.1 Subject to the provisions of the Act relating to special resolutions and agreements for shorter notice of meetings, at least 21 days' notice must be given to all persons who are entitled to receive such notices from the Company, exclusive of the day on which the notice is served or deemed to be served, and of the day for which the notice is given.

8.3.2 A notice of general meeting must specify the place, the day and the hour of the meeting, the technology to be used at the meeting if it is to be conducted at two or more places and, except as provided by paragraph 8.3(c) state the general nature of the business to be transacted at the meeting, including an intention to propose a special resolution where such a resolution is to be proposed, the members right to appoint a proxy, the fact that a proxy need not be a member and that a member entitled to cast two or more votes may appoint two proxies and specify the proportion of votes to be held by each.

8.3.3 It is not necessary for a notice of a general meeting to state the ordinary business to be transacted at the meeting.

8.4 **Conduct of Meeting**

Subject to compliance with the requirements as to notice of, attendance at, and procedures for holding of meetings of members contained in this Constitution, meetings of members may be conducted over the telephc or by utilising any other method of technology which gives the members as a whole a reasonable opportunity to communicate, provided that:

8.4.1 once communication has been established with a member, he or she must remain in communication with the meeting unless the chairperson has given permission for that member to withdraw from the meeting;

8.4.2 at the commencement of the meeting each member must acknowledge his or her presence for the purpose of all other members taking part;

8.4.3 a meeting held under paragraph 8.4 is deemed to be held where the largest group of participating members are assembled, or if no such group is identifiable, where the chairperson of the meeting is present; and

8.4.4 any documents to be tabled at a meeting held under paragraph 8.4 must be made available to each member at the meeting.

8.5 **Quorum of Directors**

No business may be transacted at a general meeting unless a quorum of directors is present at the time when the meeting proceeds to business.

8.6 **Quorum of Members**

8.6.1 No business may be transacted at a general meeting unless a quorum of members is present at the time when the meeting proceeds to business.

8.6.2 One half of the members of the Company being present at a general meeting and entitled to vote at that general meeting shall be a quorum for all general meetings.

8.6.3 For the purpose of determining whether a quorum is present, a person attending as a proxy or representing a corporation that is a member, is deemed to be a member.

8.6.4 If a member appoints more than one person as their proxy or representative, only one of the persons appointed shall be counted in determining the quorum.

8.7 **In Default of a Quorum**

If either a quorum or directors or a quorum of members is not present within half an hour from the time appointed for the meeting:

8.7.1 if the meeting was convened upon the requisition of members, the meeting is dissolved; and

8.7.2 in any other case:

8.7.2.1 the meeting stands adjourned to such day, and at such time and place as the directors determine or, if the directors make no determination, to the same day in the next week at the same time and place; and

8.7.2.2 if at the adjourned meeting a quorum of directors and a quorum of members are not present within half an hour from the time appointed for the meeting, those directors and members present shall constitute a quorum.

8.8 **Appointment of Chairperson**

The chairperson of the board of directors may preside as chairperson at every general meeting of the Company or if there is no such chairperson, or if they are not present in person or by telephone, electronic or audio-visual communication within 15 minutes after the time appointed for the holding of the meeting, or are unwilling to act, the members present may elect one of their number to be chairperson of the meeting.

8.9 **Adjournment**

8.9.1 The chairperson may, with the consent of any meeting at which a quorum is present, and must, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

8.9.2 No business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

8.9.3 If a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.

8.9.4 Except as provided by paragraph 8.9.3, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

8.10 **Carriage of Motions**

8.10.1 A motion put to the vote at any general meeting must be decided on a show of hands unless a poll is demanded:

8.10.1.1 by at least 2 members present in person or by proxy; or

8.10.1.2 by any member or members present in person or by proxy and representing not less than 5% of the total votes that may be cast on the resolution on a poll.

8.10.2 Unless a poll is so demanded, a declaration by the chairperson that a resolution has on a show of hands been carried, or carried unanimously, or won by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

8.10.3 A poll may be demanded:

8.10.3.1 before a vote is taken;

8.10.3.2 before the voting results on a show of hands are declared; or

8.10.3.3 immediately after the voting results on a show of hands are declared.

8.10.4 The demand for a poll may be withdrawn.

8.11 **Effect of a Poll**

8.11.1 If a poll is duly demanded, it must be taken in such manner and subject to paragraph 8.10(b) either at once, or after an interval or adjournment, or otherwise as the chairperson directs, and the result of the poll is the resolution of the meeting at which the poll was demanded.

8.11.2 A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.

8.12 **Chairperson Has No Casting Vote**

For the avoidance of doubt, the chairperson does not have a casting vote in the event of a tied vote or any other circumstances.

8.13 **Manner of Voting**

8.13.1 At a meeting of members, each member entitled to vote may vote in person, by proxy, by attorney and in the case of a Company, also by corporate representative; and

8.13.2 On a show of hands, every person present who is a member or a representative of a member has one vote and, on a poll, every member present in person, by proxy, by attorney or by other duly authorised representative has one vote for each share they hold.

8.14 **Resolutions in Writing**

8.14.1 If all the members have signed a document containing a statement that they are in favour of a resolution in terms set out in that document (other than a resolution to remove an auditor), a resolution in those terms is deemed to have been passed at a meeting held on the day on which the document was signed and at the time at which the document was last signed by a member or, if the members signed the document on different days, on the day on which, and at the time at which, the document was last signed by a member.

8.14.2 For the purposes of paragraph 8.13(a), two or more separate documents containing statements and resolutions in identical terms, each of which is signed by 1 or more members are together deemed to constitute one document containing a statement in those terms signed by those members on the respective days on which they signed the separate documents.

8.14.3 A reference in paragraph 8.14.1 to all the members does not include a reference to a member who would not be entitled to vote on the resolution at a meeting.

8.14.4 A facsimile, telegram or email or such similar means of communication addressed to or received by the Company and purporting to be signed by a member, shall for the purpose of this paragraph be deemed to be writing signed by such member.

8.14.5 For the purposes of paragraph 8.13(a) if a share is jointly held, each of the joint members must sign the document containing the statement that they are in favour of the resolution.

8.15 **Joint Holders**

In the case of joint holders, the vote of the person whose name appears first in the register of members, whether in person or by proxy or by attorney, must be accepted to the exclusion of the votes of the other joint holders.

8.16 **Members of Unsound Mind**

A committee or trustee or such other person that properly has the management of the estate of a member who is of unsound mind, or whose person or estate is liable to be dealt with in any way under the law relating to mental health, may exercise any rights of the member in relation to a general meeting as if the committee, trustee or other person were the member.

8.17 **Objections to be Raised at Meeting**

8.17.1 An objection may be raised to the qualification of any voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered.

8.17.2 Any such objection must be referred to the chairperson of the meeting, whose decision is final and conclusive.

8.18 **Proxy**

8.18.1 An instrument appointing a proxy must be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may, but need not be, a member of the Company.

8.18.2 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular motion and, where an instrument of proxy so provides, the proxy is not entitled to vote on the motion except as specified in the instrument and the proxy shall be deemed to have voted at the meeting as directed in the instrument of proxy.

8.18.3 An instrument appointing a proxy is deemed to confer authority to demand or join in demanding a poll.

8.19 **Form of Proxy**

An instrument appointing a proxy must be in the following form or in a form that is as similar as the circumstances allow:

Bluewater Reserve Street Pty Ltd

I/We, ... of ..... being a member/members of the abovenamed Company, hereby appoint ..... of ....., or in his absence ..... of ....., as my/our proxy to vote for me/us on my/our behalf at the general meeting of the Company, to be held on the ..... day of ..... 20....., and at any adjournment thereof.

Signed this ..... day of ..... 20....

*^ This form is to be used * "in favour of"/"against the motion".*

* Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit).

^To be inserted if desired.

8.20 **Validity of Instrument**

8.20.1 An instrument appointing a proxy is valid if it contains the following information:

8.20.1.1 the member's name and address;

8.20.1.2 the Company's name;

8.20.1.3 the proxy's name or the office held by the proxy; and

8.20.1.4 the meetings at which the proxy may be used.

Such an appointment of a proxy may be a standing appointment.

8.20.2 An instrument appointing a proxy will not be treated as valid unless the instrument and the power of attorney, or other authority under which it is signed or a certified copy of that power or authority is or are deposited at the registered office of the Company or at such other place as specified for that purpose in the notice convening the meeting or are sent by facsimile or by email to a facsimile number or er " address specified for that purpose in the notice convening the meeting not less than 24 hours before t.. time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

8.20.3 An undated proxy will be taken to be dated on the day that it is received by the Company.

8.21 **Validity of Proxy Vote**

8.21.1 An instrument appointing a proxy may specify the way in which the proxy is to vote on a particular resolution. If it does:

8.21.1.1 the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;

8.21.1.2 if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;

8.21.1.3 if the proxy is the chairperson, the proxy must vote on a poll and must vote that way; and

8.21.1.4 if the proxy is not the chairperson, the proxy need not vote on a poll, but if does so, the proxy must vote that way.

8.21.2 A vote given in accordance with the terms of an instrument of proxy or attorney is valid notwithstanding:

8.21.2.1 the previous death or unsoundness of mind of the principal;

8.21.2.2 the revocation of the instrument (or of the authority under which the instrument was executed); or

8.21.2.3 the revocation of the power or the transfer of the share/s in respect of which the instrument is given,

if the Company has not received at the registered office before the commencement of the meeting or adjourned meeting at which the instrument is used, or the power is exercised, any notice in writing of such death, unsoundness of mind, revocation, or transfer.

9. APPOINTMENT, REMOVAL & REMUNERATION OF DIRECTORS

9.1 Appointment of Initial Directors

The number and identity of the initial director/s must be determined in writing in the application for registration of the Company.

9.2 Appointment of Directors upon Registration of Strata Plan

As soon as possible following the registration of the Strata Plan:

9.2.1 all members of the Company that are elected members of the Council of Owners and that are willing to be appointed directors of the Company shall be appointed directors of the Company; and

9.2.2 simultaneously therewith, all the then current directors are deemed to retire.

9.3 Rotation of Directors

9.3.1 A person is not entitled to be a director of the Company unless they are a member of the Council of Owners.

9.3.2 Whenever a director of the Company ceases being a member of the Council of Owners, they must also immediately retire as a director of the Company.

9.3.3 Whenever a person is elected to be a member of the Council of Owners, provided they are willing to be appointed a director of the Company, they shall be appointed to be a director of the Company and shall hold such office until they cease to be a member of the Council of Owners, retire as a director or are removed in accordance with this Constitution, the Act or otherwise.

9.4 Appointment and Removal of Directors

9.4.1 The Company may from time to time by ordinary resolution and subject to paragraph 9.3:

9.4.1.1 remove a director from office; and/or

9.4.1.2 appoint a new director to replace a director who has been removed from office or whose office has been vacated pursuant to this Constitution.

9.4.2 Any notice of nomination, appointment, resignation or revocation of a director shall be in writing, and may be given by facsimile, telegram or email or such similar means of communication and signed by the person so nominating, appointing, resigning as or revoking the nomination or appointment of the director.

9.5 **Appointment**

Subject to paragraph 9.3, the directors may appoint a person to be a director.

9.6 **Remuneration**

The directors may be:

9.6.1 paid such remuneration as is from time to time determined by the Company in general meeting; and

9.6.2 reimbursed all expenses properly incurred by them in connection with the business of the Company.

9.7 **Disqualification**

The office of a director becomes vacant if the director:

9.7.1 ceases to be a member of the Council of Owners'

9.7.2 ceases to be a director by virtue of the Act;

9.7.3 becomes bankrupt or makes any arrangement or composition with their creditors generally;

9.7.4 becomes prohibited from being a director by reason of any order made under the Act;

9.7.5 becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;

9.7.6 resigns their office by notice in writing to the Company;

9.7.7 is absent without the permission of the directors for more than six months from meetings of the directors held during that period; or

9.7.8 fails to declare their direct or indirect interest in any contract or proposed contract with the Company as required by the Act,

provided always that until the entry or the vacating of office of the director pursuant to the preceding provisions of this paragraph is recorded in the minutes of the meetings of the directors, the acts of such person as a director are valid and effectual.

9.8 **Single Director Vacancy**

If the Company, at any stage, has only one director who is also the only shareholder in the Company and:

9.8.1 the person who is the director of the Company dies or the Company cannot be managed because of the persons mental incapacity, and a personal representative or trustee is appointed to administer the director's estate, that personal representative or trustee may appoint a new director; or

9.8.2 the person is bankrupt and under section 2066(3) of the Act his or her office is vacated and a trustee in bankruptcy is appointed to the person's property, that trustee in bankruptcy may appoint a person as a director of the Company.

10. POWERS AND DUTIES OF DIRECTORS

10.1 **Business Managed by Directors**

10.1.1 The directors must manage the business of the Company.

10.1.2 The directors may:

10.1.2.1 pay all expenses incurred in promoting and forming the Company; and

10.1.2.2 exercise all such powers of the Company as are not by the Act or by this Constitution required to be exercised by the Company in general meeting.

10.1.3 Subject to this Constitution, the provisions of the Act, and such regulations as may be prescribed by the Company in general meeting, no regulation made by the Company in general meeting may or does invalidate any prior act of the directors that would have been valid if that regulation had not been made.

10.2 **Power to Appoint Attorneys**

10.2.1 The directors may by power of attorney appoint any person, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the Company for such purposes, with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the directors under this Constitution) for such period and subject to such conditions as the directors think fit.

10.2.2 Any such power of attorney may contain provisions for the protection and convenience of persons dealing with any such attorney as the directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions that are vested in the attorney.

10.3 **Minutes**

10.3.1 The directors must cause minutes to be made:

10.3.1.1 of all appointments of officers;

10.3.1.2 of the names of the members present at all meetings of the Company and of the names of the directors present at all meetings of the directors; and

10.3.1.3 of all proceedings at all meetings of the Company and of the directors.

10.3.2 Such minutes must be signed by the chairperson of the meeting at which the proceedings were held or by the chairperson of the next succeeding meeting.

10.3.3 The directors must also cause to be kept in the minute books:

10.3.3.1 resolutions passed by members without a meeting;

10.3.3.2 resolutions passed by directors without a meeting; and

10.3.3.3 if the Company has only one director, records of the making of all declarations by the director.

11. PROCEEDINGS OF DIRECTORS

11.1 **Meeting Proceedings**

11.1.1 If possible, meetings of the directors shall be held at the same time and place as meetings of the Council of Owners however the directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit, including the use of technology to which each director present at the meeting consents, a consent of which may be a standing consent.

11.1.2 The secretary must convene a meeting of the directors in accordance with the Act on the requisition of a director.

11.1.3 Subject to compliance with the requirements as to notice of, attendance at, and procedures for holding of meetings of directors contained in this Constitution, meetings of directors may be conducted over the telephone or any other method of technology which gives the directors as a whole a reasonable opportunity to communicate, provided that:

11.1.3.1 once communication has been established with a director, he or she must remain in communication with the meeting unless the chairperson has given permission for that person to withdraw from the meeting;

11.1.3.2 at the commencement of the meeting each director must acknowledge his or her presence for the purpose of all other directors taking part;

11.1.3.3 a meeting held under paragraph 11.1 is deemed to be held where the largest group of participating directors are assembled, or if no such group is identifiable, where the chairperson of the meeting is present; and

11.1.3.4 any documents to be tabled at a meeting held under paragraph 11.1 must be made available to each director before the meeting.

11.2 **Voting**

11.2.1 Subject to this Constitution, questions arising at any meeting of directors must be decided by a majority of votes of directors present, and a determination by a majority of directors is for all purposes deemed a decision of the directors.

11.2.2 For the avoidance of doubt, the chairperson does not have a casting vote in the event of a tied vote or any other circumstances.

11.3 **Declaration of Interest**

11.3.1 Notwithstanding any rule of law or equity to the contrary but subject to paragraph 11.3(c), a director is not disqualified from their office by:

11.3.1.1 holding any other office or place of profit under the Company (other than as auditor); or

11.3.1.2 contracting with the Company either as vendor, purchaser or otherwise,

nor is any such contract or arrangement entered into by or on behalf of the Company in which any director is in any way interested avoided.

11.3.2 A director is not liable to account to the Company for any profit arising from any such office or place of profit or realised by any such contract or arrangement by reason only of the director holding that office or of the fiduciary relationship thereby established.

11.3.3 A director must disclose any nature of interest at the meeting of the directors at which a contract or arrangement is determined if an interest then exists, including any material interest in any matter relating to the affairs of the Company or, in any other case, at the first meeting of directors after the acquisition of the interest.

11.3.4 Subject to paragraph 11.3(c), a director may vote as a director in respect of any contract or arrangement in which they are so interested.

11.3.5 A general notice that a director is a member of or otherwise interested in any specified firm or Company is sufficient disclosure for the purpose of paragraph 11.3(c).

11.3.6 After a director has given a notice as referred to in paragraph 11.3(c), it is not necessary for the director to give special notice relating to any particular transaction with that firm or Company.

11.3.7 Subject to paragraph 11.3(c), a director may as a director affix the seal to any document evidencing a contract or arrangement in which they are personally interested without in any way adversely affecting the validity of the said document only by reason of the director's personal interest in the contract or arrangement.

11.4 **Alternate Directors**

11.4.1 A director may, with the approval of the other directors, appoint a person (whether a member of the Company or not) to be an alternate or substitute director in their place during such period as they thinks fit.

11.4.2 An alternate director is entitled to notice of meetings of the directors and if the appointer is not present, is entitled to attend and vote in their stead.

11.4.3 An alternate director may exercise any powers that the appointer may exercise and the exercise of any such power by the alternate director is deemed to be the exercise of the power by the appointer.

11.4.4 An alternate director is not required to have any share qualification or be a member of the Council of Owners.

11.4.5 The appointment of an alternate director can be terminated at any time by the appointer notwithstanding that the period of the appointment of the alternate director has not expired, and terminates in any event if the appointer's office as a director is vacated.

11.4.6 An appointment or the termination of an appointment of an alternate director must be effected by a notice in writing signed by the director who makes or made the appointment and served on the Company.

11.5 **Quorum**

11.5.1 The quorum for a meeting of the directors is 1 where there is only 1 director of the Company, 2 where there are 2, 3 or 4 directors of the Company in total, 3 where there are 5 or 6 directors of the Company in total and 4 where there are 7 directors of the Company in total.

11.5.2 If a quorum is not present at a duly convened meeting of directors, the meeting stands adjourned to the same day, time and place in the following week and if, within 30 minutes of the appointed time, a quorum is not present at the adjourned meeting, those directors present shall constitute a quorum.

11.6 **Effect of Vacancy**

In the event of a vacancy or vacancies in the office of a director or directors, the remaining directors may act, but if the number of remaining directors is not sufficient to constitute a quorum at a meeting of directors, the remaining directors or the sole director, as the case may be, may act only for the purpose of increasing the number of directors to constitute a quorum or of convening a general meeting of the Company.

11.7 **Election of Chairperson**

11.7.1 The same person that is elected chairperson of the Council of Owners, from time to time, shall also be the chairperson of the board of directors provided they are willing to be so appointed.

11.7.2 If a meeting of directors is held and:

11.7.2.1 a chairperson has not been elected; or

11.7.2.2 the chairperson is not present in person or by telephone or audio-visual communication within 15 minutes after the time meeting, or is unwilling to act,

the directors present may choose one of their number to the chairperson of the meeting.

11.8 **Delegation to Committees**

11.8.1 The directors may delegate any of their powers to committees consisting of such of their number as they think fit.

11.8.2 A committee to which the directors have delegated any of their powers must exercise the powers in accordance with any directions of the directors, and a power so exercised is deemed to have been exercised by the directors.

11.9 **Committee Meetings**

Paragraphs 11.1, 11.2, 11.3, 11.4 and 11.5 apply mutatis mutandis to committees, their members and their meetings.

11.10 **Defect in Appointment**

All acts by any meeting of the directors or of a committee of directors or by any person acting as a director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be a director or a member of a committee, or to act as a director, or that they or any of them were disqualified, valid as if every such person had been duly appointed and was qualified to be a director or a member of the committee.

11.11 **Resolutions in Writing**

11.11.1 Where the Company has more than one director, if all the directors have signed a document containing a statement that they are in favour of a resolution in terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the directors held on the day on which the document was signed, and at the time at which the document was last signed by a director or, if the directors signed the document on different days, on the day on which, and at the time at which, the document was last signed by a director; and

11.11.2 Where the Company has a single director and the director records in writing his or her decision to a particular effect, the recording of that decision counts as the passing of a resolution.

11.11.3 For the purposes of paragraph 11.11.1, two or more separate documents containing statements and resolutions in identical terms each of which is signed by one or more directors are together deemed to constitute one document containing a statement in those terms signed by those directors on the respective days on which they signed the separate documents.

11.11.4 A reference in paragraph 11.11.1, to all the directors does not include a reference to a director who would not be entitled to vote on the resolution at a meeting of directors.

11.11.5 A facsimile, telegram or email or such similar means of communication addressed to or received by the Company and purporting to be signed by a director shall for the purpose of this paragraph be deemed to be writing signed by such director.

12. SECRETARY

12.1.1 The same person that is elected secretary of the Council of Owners, from time to time, shall also be the secretary of the Company provided they are willing to be so appointed. If the secretary of the Council of Owners is not prepared to be so appointed, then the directors shall appoint another one of their number to be the secretary.

12.1.2 A secretary holds office on such terms and conditions as to remuneration and otherwise as the directors determine.

12.1.3 The directors may remove any secretary.

12.1.4 The appointment of a person as a secretary of the Company shall be void unless the Company has received from that person a written consent to his or her appointment.

12.1.5 A secretary may be removed from office if that person becomes disqualified from managing a Company under the Act.

13. EXECUTION OF DOCUMENTS/COMMON SEAL

13.1 **Execution of Documents**

The Company may execute documents either under seal or under hand. The Company is not required to use the seal in the execution of documents. The Company may have a seal and if it does so may also have a share seal which shall be a duplicate of the seal with the words "share seal" on its face, and may also have an official seal for use outside the jurisdiction of the incorporation of the Company, which shall be a duplicate of the seal with the name of each place it may be used on its face.

13.2 **Custody & Use of Seal**

The directors must provide for the safe custody of any seal which must only be used by the authority of the directors or of a committee of the directors authorised by the directors. Every document to which the seal is affixed must be signed:

13.2.1 where the Company has a single director who is also the sole secretary of the Company, by that person; or

13.2.2 in any other case, by a director and be countersigned by the secretary or by a second director or some other person appointed by the directors for that purpose, but the same person cannot attest the affixation in both capacities.

13.3 **Execution Under Hand**

Where a document is executed by the Company without using the seal, it must be signed by:

13.3.1 where the Company has a single director who is also the sole secretary of the Company, by that person; or

13.3.2 in any other case, by a director and be countersigned by the secretary or by a second director or some other person appointed by the directors for that purpose, but the same person cannot attest the affixation in both capacities.

14. INSPECTION OF RECORDS

14.1 **Records to be Kept**

14.1.1 The directors must cause proper accounting and other records to be kept, distribute copies of balance sheets as required by the Act, and determine whether, to what extent, at what times and places and under what conditions the accounting records of the Company or any other records, are open to the inspection of members other than directors.

14.1.2 A member, other than a director, does not have any right to inspect any account or book or paper of the Company except as conferred by law or authorised by the directors or by the Company in general meeting.

14.1.3 A person who has ceased to be a director may inspect the books of the company (including its papers and accounts) at all reasonable times for a period of 7 years after that person has ceased to be a director, only where the inspection is for the purposes of:

14.1.3.1 a legal proceeding to which the person who has ceased to be a director is a party;

14.1.3.2 where the person who has ceased to be a director proposes in good faith to bring a legal proceeding; and/or

14.1.3.3 where the person who has ceased to be a director has reason to believe that a legal proceeding will be brought against them.

15. DIVIDENDS AND RESERVES

15.1 **Declaration of Dividends**

15.1.1 Unless the Company otherwise determines at a general meeting, the directors shall distribute all profits of the Company, after all necessary expenses of the Company have been paid and subject to paragraph 15.3, to the members on an annual basis.

15.1.2 Notwithstanding any other term of this Constitution, dividends may only be paid out of profits which exist at the date the dividend is paid.

15.1.3 Unless the members unanimously agree otherwise, dividends must be paid to all ordinary shareholders in proportion to each such ordinary shareholder's shareholding in the Company.

15.2 **No Interest on Dividends**

Interest is not payable by the Company in respect of any dividend.

15.3 **Reserves**

15.3.1 Before payment of any dividend, the directors may set aside, out of the profits of the Company, such sums as they think proper as reserves to be applied at the discretion of the directors for any purpose for which the profits of the Company may properly be applied.

15.3.2 Pending any such application, the reserves may, at the discretion of the directors, be used in the business of the Company.

15.4 **Mode of Payment**

15.4.1 Subject to paragraph 15.4.2, dividends are to be paid by cheque and sent via post (unless otherwise nominated by the member in writing) to the address stated for each member on the register of members and in the case of joint holders, the address shown as the address of the joint holder first listed in that register

15.4.2 While the directors are not obligated to do so, each and every member authorises the directors to pay any dividend to which they become entitled, directly to the Strata Company on their behalf in payment of or on account for strata levies issued by the Strata Company. This payment may be either via electronic transfer or by cheque sent via post.

15.4.3 Any payment made by the directors pursuant to paragraph 15.4.2, whether made by way of electronic transfer or cheque must be made payable to the Strata Company and make clear note of the member for whose benefit the payment has been made.

15.5 **Variations to this Paragraph**

The Company may only amend this paragraph 15 with the unanimous consent of all members of the Company.

16. NOTICES

16.1 **Issue**

16.1.1 A notice may be given by the Company to any member either personally or by sending it by pos them at their address as shown in the register of members, or any other address supplied to tne Company for the giving of notices to them.

16.1.2 If a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying and posting a letter containing the notice and to have been effected, on the day after the date of its posting.

16.2 **Notice to Joint Holders**

The Company may give notice to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share/s.

16.3 **Notice to Deceased or Bankrupt Members**

The Company may give a notice to a person entitled to a share in consequence of the death or bankruptcy of a member:

16.3.1 by serving it on him personally or by sending it via post in a prepaid letter addressed to him by name, or by the title of the representatives of the deceased, or assignee of the bankrupt, or by any like

description, at the address (if any) in Australia supplied for the purpose by the persons claiming to be so entitled; or

16.3.2 until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred.

16.4 **Entitlement**

16.4.1 Notice of every general meeting must be given in the manner authorised in this Constitution to:

16.4.1.1 every member;

16.4.1.2 every person entitled to a share in consequence of the death, bankruptcy or mental incapacity of a member who, but for their death, bankruptcy or mental incapacity, is entitled to receive notice of the meeting; and

16.4.1.3 the auditor (if so appointed) for the time being of the Company

16.4.2 No other person is entitled to receive notice of a general meeting.

17 WINDING UP – DIVISION OF ASSETS

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the members in kind the whole or any part of the assets of the Company (whether it consists of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so divided. Any property so divided, subject to unanimous agreement of all members, must be divided amongst all ordinary shareholders in proportion to their respective shareholdings.

18. INDEMNITY

18.1 **Indemnity**

18.1.1 Every director (and every former director for a period of 7 years from the date that director ceases to hold office) shall be indemnified by the Company against a liability to another person (other than the Company or a related body corporate) arising out of any contract entered into or act or thing done by that first person as director or in any way in discharge of his or her duty, unless the liability arises out of conduct involving a lack of good faith.

18.1.2 Every auditor and other officer or employee of the Company may by resolution of the directors be indemnified by the Company against a liability to another person (other than the Company or a related body corporate) arising out of any contract entered into or act or thing done by that first person as auditor or other officer (other than as a director) or employee (as the case may be) or in any way in discharge of his or her duty, unless the liability arises out of conduct involving a lack of good faith.

18.1.3 Every director, auditor and other officer or employee of the Company may by resolution of the directors be indemnified out of the assets of the Company against a liability for costs and expenses incurred by that person:

18.1.3.1 in defending any proceedings (whether civil or criminal) in which judgement is given in favour of that person or in which the person is acquitted; or

18.1.3.2 in connection with an application, in relation to such proceedings, in which the Court grants relief to that person under the Act.

18.2 **Payment for Insurance Premiums**

The Company may, by resolution of the directors, pay or agree to pay, a premium in respect of a contract insuring a person who is or has been a director, auditor or other officer or employee of the Company against:

18.2.1 any liability, other than a liability incurred by the person as such a director, auditor or other officer or employee and arising out of conduct involving:

18.2.1.1 a wilful breach of duty in relation to the Company; or

18.2.1.2 without limiting sub-paragraph (i), a contravention of sections 182 and/or 183 of the Act; or

18.2.2 a liability for costs and expenses incurred by the person in defending proceedings, whether civil or criminal and whatever their outcome.

In the case of a Loan to an associate of a member, the associate must sign a Loan Agreement or a document acknowledging that the associate is bound by the terms and conditions of the Loan.

I/We, the person/s whose signature/s are set out below, hereby agree to the foregoing Constitution of the Company.

EXECUTED by **BLUEWATER LIVING PTY LTD (ACN 141 243 825) AS TRUSTEE FOR THE BLUEWATER LIVING UNIT TRUST** in accordance with section 127 of the *Corporations Act 2001 (Cth)*:

Director
~~Sole Director and Sole Secretary~~

CALOGN MARK ROGGS
Full Name (Please Print)

Director/Secretary *

GARY WARREN OLMSET
Full Name (Please Print)

*** Delete if inapplicable**

Dated: 2011.

INSTRUCTIONS

1. This form may be used only when a "Box Type" form is not provided or is unsuitable. It may be completed in narrative style.
2. If insufficient space hereon Additional Sheet Form B1 should be used.
3. Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by the parties.
4. No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above them, the alteration being initialled by the persons signing this document and their witnesses.

NOTES

1. Insert document type.
2. A separate attestation is required for every person signing this document. Each signature should be separately witnessed by an Adult Person stated.

EXAMINED

OFFICE USE ONLY

LODGED BY:

ADDRESS: BRADSHAW KULYNYCZ SETTLEMENTS
UNIT 3, 40 CEDRIC STREET
STIRLING WA 6021

PHONE NO: TEL: 9440 1490 FAX: 9440 1672

FAX NO:

REFERENCE NO: 27559

PREPARED BY :Chalmers Legal Studio

ADDRESS: Studio 7, The Wills Building
82-84 King Street
PERTH WA 6000
Our Ref: LC:38771B/36821B:ii-03
Final Copy 17/6/2011 2.00 PM

PHONE NO: (08) 9360 4100 FAX NO: (08) 360 4199

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY

TITLES, LEASES, DECLARATIONJS ETC. LODGED HEREWITH

1. CERTIFICATE OF CONSENT - WESTPAC
2. _____ Received Items
3. _____ Nos.
4. _____
5. _____
6. _____ Receiving Clerk

Registered pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register.