

HASTINGS

BUSINESS LAWYERS
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24 February 2009

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Attention: Andrew Lister

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Your ref:

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BY EMAIL **Number of Pages**

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Dear Andrew

RE: Riverpark Sancrox Estate Community Title Development Contract Management Statement

Please find enclosed the final draft version of the following documents approved by Mr Jim Wade:

1. Development Contract with latest draft current plans attached to it.
2. Management Statement with latest draft current plans attached to it.
3. Stage 1 Subdivision.pdf

The documents are ready for submission to Port Macquarie Hastings Council and the Department.

Stage 1 Plan

The Stage 1 Plan is a composite plan for the purposes of showing the Community Plan upon completion of Stage 1 showing the concept, prescribed services and accessways together with the layout of the

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subdivision of Stage 1. The Community Plan for Stage 1 will be registered at LPI NSW upon completion of the initial stage.

Stage 1 will be constructed in accordance with the Development Consent. The Community Plan will not be released by Port Macquarie Hastings Council until construction has been completed and accepted by Council. Upon release of the Community Plan the original proprietors will attend to registration of the following documents:

- (a) Community Plan.
- (b) Management Statement.
- (c) Development Contract.

Since the Management Statement and Development Contract is registered only after completion of Stage 1, the Stage 1 Plan does not form part of the Management Statement or the Development Contract.

Management Statement

The Management Statement has attached to it the Concept Plan, Accessway Plan and Prescribed Diagram for Stage 1. The Management Statement will be amended following completion of each Stage by registration of plans substituting for Stage 1 Plans. The amended plans will form part of the Management Statement and do not constitute a new document. For instance, upon completion of Stage 2 the Concept Plan Stage 1, Accessway Plan Stage 1 and Prescribed Diagram Stage 1 will be replaced (if required) by Stage 2 plans for each of these plans. The Stage 2 Plan will include Stage 1 and Stage 2. This process will be repeated until Stage 8 is completed.

Attached to the Management Statement is a Plan of Subdivision for Lots 91 to 97 inclusive. These plans have been inserted to ensure the original proprietors of each of these lots can subdivide these lots without requiring approval of the Executive Committee or proprietors or occupiers of any other lot provided the subdivision is in accordance with the Plan of Subdivision for that Lot attached to the Management Statement and the Development Contract. See By-Law 33.1. The Development Contract requires each subdivision to be in accordance with the Development Consent.

Accordingly, if the original proprietors for say Lot 91 subdivide Lot 91 in accordance with the Plan of Subdivision for Lot 91 attached to the Management Statement, the Development Contract and the Development Consent then the consent from the Executive Committee or proprietors or occupiers of any other Lot and further Development Consent would not be required. However, a construction certificate would be required from Port Macquarie Hastings Council.

By-Law 33.2 prohibits the proprietor/occupier of any other lot subdividing that lot without the approval of the Executive Committee.

Community Plan

The Community Plan will be required upon completion of Stage 1.

Further Sheets of the Community Plan will be registered at LPI NSW showing the effect upon the existing Community Plan of the subdivision of each stage as each stage of the subdivision is completed.

For instance, when Stage 2 Lot 91 is subdivided, a further sheet will be lodged with LPI NSW showing the effect of the subdivision upon the existing Community Plan. LPI NSW will cancel the relevant sheets of the existing Community Plan and substitute new sheets.

The new plan sheets cannot be lodged for registration at LPI NSW without the endorsement of Council's consent which can only occur after completion of Stage 2 to the satisfaction of Council in accordance with the Development Consent.

This same procedure will occur for Stages 3-8 inclusive.

Development Contract

The staging of the subdivision has simplified the drafting of the Development Contract.

The Development Contract relates to the further development of Riverpark Sancrox Estate by Stages 2 to 8 inclusive (Lot 91 to Lot 97 inclusive) after the registration of the initial Community Plan.

The Development Consent will set out the requirements of the original proprietor must satisfy to complete Stage 1 to 8 inclusive.

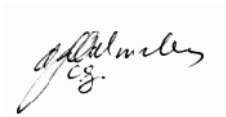
The Development Contract provides in clause 2.2 that the original proprietor will construct the development in accordance with the Development Consent and Construction Certificate for each stage. As set out above, the Development Contract does not need to refer to Stage 1 as the Development Contract is only registered after Stage 1 is completed.

Since the Development Consent regulates the obligations of the original proprietor for the construction of each stage, there is no need to repeat these obligations in the Development Contract other than the obligation to develop in accordance with the Development Consent imposed by clause 2.2(1).

Each of the stage plans are a composite plan showing common property, Lot 1, and any further amenities, accessways and prescribed services constructed for that stage. This approach was adopted rather than creating a separate Concept Plan, Accessway Plan and Prescribed Diagram for each stage. However if the Department requires separate a Concept Plan, Accessway Plan and Prescribed Diagram for each stage including any previous stages completed then the Development Contract can be amended by the insertion of these additional plans.

Please contact the writer if you require any further information.

Yours faithfully
HASTINGS BUSINESS LAWYERS PTY LIMITED



Andrew Walmsley
Director
Accredited Specialist Business Law