



Unit 21, 17 Cairns Street  
Loganholme, Queensland  
PO Box 1628, OXFENFORD QLD 4210  
Ph: (07) 3077 7070 Fax: (07) 3077 7080  
Email: secretary@qldlifestyle.com.au

11 January 2013

Member Name: <Member's Name>

Member No: <Member's No>

Dear Member(s)

**RE: ANNUAL GENERAL MEETING**

As you are aware the Queensland Lifestyle Cooperative Limited was registered under the Cooperatives Act 1997 (QLD) on 15 December 2011.

Each year the Cooperative is required to convene a general meeting to consider the financial accounts of the Cooperative, to receive the directors' report and conduct other administrative matters.

We therefore wish to invite you to the Annual General Meeting of Members of the Cooperative to be held at 10.30am on Thursday 7 February 2013 at the offices of the Cooperative Unit 21, 17 Cairns Street, Loganholme Queensland. The formal Notice of the meeting is attached.

Note you must be an Active Member over 18 years of age to attend and vote at the meeting. If you are an Active Member over 18 years of age but unavailable to attend, please lodge the Proxy Form attached.

This Annual General Meeting has been called to consider a number of resolutions including a special resolution so please ensure that you read the Notice and all Attachments in their entirety. To assist you the following is a summary of the resolutions;

**Previous Minutes** – A confirmation of the minutes of the last general meeting, in this case the Formation Meeting of the Cooperative.

**Annual Report** – Receive the Financial Statements, Directors' Report/Declaration and Audit Report.

**Dividend/Rebate/Bonuses** – Approval of returns to members (none recommended by directors).

**Election of Director** – Election of a director as one current director must retire at the 1<sup>st</sup> AGM. Mr Len O'Mara will retire at the AGM and will offer himself up for re-election.

**Remuneration of Directors**

The Rules require the remuneration of Directors to be decided by the Members at a general meeting. With the Cooperative only recently being formed the Board does not wish to burden the cash-flow of the Cooperative but would like to offer the Directors something for the time and effort they have put into the formation of the Cooperative and the work required to drive the Cooperative forward.

It is proposed that each Director who has attended/attends a meeting of the Board or the Cooperative be allocated 100 shares in the Cooperative free of charge, such incentive to be increased to 200 shares any time after another 12 months if the Board considers it financially responsible and also that the Annual Subscription fee to the Cooperative be waived for any Director acting when the fee is due.

.../2

The other matter to be considered at the meeting that is deemed special business is:

**Management Agreement - Special Resolution**

The Board asks the members to consider the appointment of Queensland Lifestyle Management Group Pty Ltd (QLMG) to manage the cooperative's secretarial, financial, reporting, banking, insurance administrative and general functions under a management agreement.

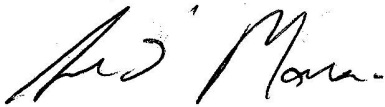
QLMG's managing director Ken Mitchell has extensive knowledge of the property development industry and the management of organisations in general.

The proposed management agreement grants QLMG a standard monthly fee equivalent to all the costs, fees and charges excluding GST that the Manager incurs in meeting its obligations under the management agreement as agreed with the Board and a ten (10) percent surcharge plus GST.

By way of incentive to the Manager to drive the growth of the Cooperative it is proposed that the Board be authorised to negotiate at its discretion on behalf of the Cooperative with the Manager in good faith financial incentives including but not limited to any other fees, service charges and/or profit share payable to the Manager in recompense for the Manager introducing any businesses or ventures to the Cooperative.

The Board are looking forward to meeting you at the meeting and discussing the future of your Cooperative.

Yours sincerely



Len O'Mara  
Secretary

**Note:** Proxy Forms must be posted to the PO Box, delivered to the Registered Office or faxed by the due time and date as noted in the Notice to be valid.

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS**

Notice is hereby given that a Annual General Meeting of Members of the Queensland Lifestyle Cooperative Limited is to be held at 10.30am on Thursday 7 February 2013 at Unit 21, 17 Cairns Street, Loganholme Queensland to conduct the following:

**BUSINESS**

**Ordinary Business**

**NOTE:** An ordinary resolution is one passed by a simple majority of Members' votes.

**Item**

**1. PREVIOUS MINUTES**

To receive, consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

*"That, the minutes of the Formation Meeting of the Cooperative held 24 November 2011 as attached to the Notice be confirmed."*

**2. ANNUAL REPORT**

To receive, consider and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

*"That, the Financial Statements, the Directors' Report and the Independent Audit Report for the year ended 30 June 2012 as attached to the Notice be received and adopted."*

**3. DIVIDEND/BONUS/REBATE**

To consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

*"That, no dividend/bonus or rebate be declared for the year ended 30 June 2012."*

**4. ELECTION OF DIRECTORS**

To consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

*"That, Mr Leonard Timothy O'Mara be elected as a director of the Cooperative."*

**5. REMUNERATION OF DIRECTORS**

To consider, and if thought fit, to pass, with or without modification and/or supplementation, the following as an ordinary resolution:

*"That, each Director be allocated 100 fully paid shares in the Cooperative free of charge for each board meeting attended in the past or the future assignable at the discretion of the Director, such incentive to be increased by the Board to 200 shares per meeting any time after 12 months from the date of this Annual General Meeting for meetings after this period if the Board considers it financially responsible and also that the Annual Subscription fee of the Cooperative be waived for any Director acting when the fee is due."*

**NOTICE OF ANNUAL GENERAL MEETING (Cont'd)**

**Special Business**

**NOTE:** **Special resolutions** must be passed by a two-thirds majority of Members' votes.

**Item**

**6. MANAGEMENT AGREEMENT**

To consider, and if thought fit, to pass, with or without modification and/or supplementation the following as a **special resolution**:

*"That, the agreement to manage the Queensland Lifestyle Cooperative Limited QC0 318 by Queensland Lifestyle Management Group Pty Ltd ACN 154 451 840 as attached to the Notice be approved and the Directors be authorised to sign such agreement on behalf of the Cooperative.*

By Order of the Board of Directors



Len O'Mara  
Secretary

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS**  
**- EXPLANATORY MEMORANDUM**

**Introduction**

The following provides information and explanation of each resolution and together with the other attachments to the Notice should be read with and forms part of the Notice.

**Definitions**

“**Act**” means the Cooperatives Act 1997 (QLD).

“**AGM**” means an annual general meeting of the Cooperative.

“**Annual Report**” means the Financial Statements, the Director’s Report, Directors’ Declaration and the Independent Audit Report of the Cooperative for the year ended 30 June 2012 attached to this Notice and marked as Attachment B.

“**Board**” or “**Board of Directors**” means the Directors of the Cooperative.

“**Cooperative**” mean Queensland Lifestyle Cooperative Limited QC0318.

“**Director(s)**” means a director(s) of the Cooperative.

“**Financial Statements**” means the Statement of Financial Performance, Statement of Financial Position, Statement of Cashflows and Notes to the Financial Statements of the Cooperative for the year ended 30 June 2012 and marked as such in Attachment B.

“**Letter**” means the letter preceding the Notice which should be read with and forms part of the Notice.

“**Management Agreement**” means the proposed agreement into between the Cooperative and Queensland Lifestyle Management Group Pty Ltd ACN 154 451 840 attached to this Notice and marked Attachment C.

“**Manager**” means Queensland Lifestyle Management Group Pty Ltd ACN 154 451 840.

“**Member(s)**” means the member(s) of the Cooperative.

“**Minutes**” means the minutes of the formation meeting of the Cooperative held 24 November 2011 attached to this Notice and marked Attachment A.

“**Notice**” means this Notice of the Annual General Meeting of Members of the Cooperative to be held at 10.30am on Thursday 7 February 2013 including the preceding letter to Members.

“**Rule(s)**” means the rule(s) of the Cooperative.

**Item 1. - PREVIOUS MINUTES**

Rules 34.(1) (a) require the Members to confirm the minutes of the previous general meeting an AGM. The general meeting previous to this was the formation meeting held 24 November 2011.

**Item 2. - ANNUAL REPORT**

Rule 34.(1) (b) requires the Members to receive from the board, auditors or any other officers of the Cooperative reports on the transactions of the Cooperative during the financial year at an AGM.

**Item 3. - DIVIDEND/BONUS/REBATE**

Rule 34.(1) (c) requires the Members to decide on the dividend, bonus and rebate provided to members of the Cooperative for each year at an AGM. The board have recommended no dividend, bonus or rebate for the year 30 June 2012.

**Item 4. - ELECTION OF DIRECTORS**

Rule 34. (1) (d) requires the Members elect any directors as required at an AGM. Rule 48. (2) requires that at the first annual general meeting of the Cooperative one (1) director must retire. Mr Leonard Timothy O’Mara will retire at this AGM and will offer himself up for re-election.

Any Member holding more than 45 shares who is over 18 years of age may submit their qualifications and nominate for election to a vacant director’s position.

**NOTICE OF ANNUAL GENERAL MEETING OF MEMBERS**  
**EXPLANATORY MEMORANDUM (Cont'd)**

**Item 5. - REMUNERATION OF DIRECTORS**

Rule 34. (1) (d) also requires the remuneration of Directors to be decided by the Members at an AGM.

With the Cooperative only recently being formed the Board does not wish to burden the cash-flow of the Cooperative but would like to offer the directors something for the time and effort they have put in to the formation of the Cooperative and the work being completed to drive the Cooperative forward.

It is proposed that each Director who has attended a meeting of the Board or the Cooperative in the past or in the future be allocated 100 shares in the Cooperative free of charge to be assigned at the discretion of the Director and such incentive can be increased to 200 shares per meeting any time after 12 months after the date of this AGM if the Board considers it financially responsible and that the Annual Subscription fee to the Cooperative be waived for any Director acting when the fee is due.

The intention of the resolution is to provide incentive and reward for the efforts of the Directors while minimizing the drain on the cashflow of the Cooperative, If the resolution is not carried it is possible that it may affect the Cooperative potential to meet its aims and objectives.

**Item 6. - MANAGEMENT AGREEMENT**

Section 226 (2) of the Act requires “that a Cooperative must approve a Management Contract by special resolution”.

The Board has negotiated for Queensland Lifestyle Management Group Pty Ltd (QLMG) to become the manager and to exclusively provide all the management services to the Cooperative including but not limited to the provision of secretarial, financial, reporting, banking, insurance administrative and general functions under a Management Agreement which must be approved as a special resolution at a general meeting of the Cooperative to become operative. While the Cooperative will be exclusively managed by the Manager, the Manager will be able to manage other similar businesses.

QLMG’s managing director Ken Mitchell has extensive knowledge of the property development industry and the management of organisations in general.

The proposed management agreement grants QLMG a standard monthly fee equivalent to the costs, fees and charges excluding GST that the Manager incurs in meeting its obligations under the Management Agreement as agreed with the Board plus a ten (10) percent surcharge and GST.

By way of incentive to the Manager to drive the growth of the Cooperative it is proposed that the Board be authorised to negotiate at its discretion on behalf of the Cooperative with the Manager in good faith financial incentives including but not limited to any other fees, service charges and/or profit share payable to the Manager in recompense for the Manager introducing any businesses or ventures to the Cooperative.

The intention of this resolution is to provide the Cooperative with an experienced, knowledgeable and secure long-term management team who have an incentive to aggressively promote the primary aims and objectives of the Cooperative.

The effect of passing resolution is there will be a dedicated manager providing the secretarial, financial, reporting, banking, insurance administrative and general functions of the Cooperative with an incentive to the Manager to grow and develop the Cooperative according to its aims and objectives. The effect of not passing the resolution will be that the Cooperative will have to rely on voluntary assistance from its members.

**PROXY FORM (Appointment of Proxy)**

I/We being Member No.  (please insert) of the Cooperative and entitled to vote at the Annual General Meeting of the Cooperative to be held at 10.30am on Thursday 7 February 2013 hereby appoint:

the Chairman of the Meeting (mark with 'X') **OR**  Member No.  Write the name of the person you are appointing if this person is someone other than the Chairman of the Meeting

or failing the person named, or if no person named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit).

**Voting Directions to your Proxy – please mark 'X' to indicate your direction for each Item in the boxes below:**

Item	For	Item Against	Item Abstain*
1. PREVIOUS MINUTES	<input type="checkbox"/>	1. <input type="checkbox"/>	1. <input type="checkbox"/>
2. ANNUAL REPORT	<input type="checkbox"/>	2. <input type="checkbox"/>	2. <input type="checkbox"/>
3. DIVIDEND/BONUS/REBATE	<input type="checkbox"/>	3. <input type="checkbox"/>	3. <input type="checkbox"/>
4. ELECTION OF DIRECTORS	<input type="checkbox"/>	4. <input type="checkbox"/>	4. <input type="checkbox"/>
5. REMUNERATION OF DIRECTORS	<input type="checkbox"/>	5. <input type="checkbox"/>	5. <input type="checkbox"/>
6. MANAGEMENT AGREEMENT	<input type="checkbox"/>	6. <input type="checkbox"/>	6. <input type="checkbox"/>

\* If you mark the abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the majority on a poll.

**PLEASE SIGN HERE** This section must be signed in accordance with the instructions overleaf to enable your directions.

**Individual or Joint Member 1**

Sole Director/Company Secretary

**Joint Member 2**

Director

**Joint Member 3**

Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone No.

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Date

**INSTRUCTIONS FOR PROXY FORM (Appointment of Proxy)**

**(For guidance only and proxy forms are ultimately subject to the Cooperatives Act of 1997 (QLD) and the Rules of the Cooperative)**

1. A proxy must be an active member of the Cooperative not under the age of 18 years old.
2. No person can act as proxy for more than 10 members, unless the proxy acts under an instrument which states the way in which the proxy is to vote in relation to a particular resolution
3. Joint members only have 1 vote between them.
4. An instrument appointing a proxy must not be treated as valid until the instrument, and the power of attorney or other authority (if any) under which the instrument is signed, or a notary certified copy of the power or authority, is or are deposited, at least 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

5. **Signing Instructions**

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one person's name the Individual must sign.

Joint Holding: where the holding is in more than one name all of the Joint Member should sign.

Power of Attorney: to sign under Power of Attorney, you must concurrently lodge or have already lodged the original Power of Attorney or copy certified by a notary with the Cooperative.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, the proxy form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the meeting the appropriate Certificate of Appointment of Corporate Representative must be produced prior to admission.

6. **Lodgment of Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address/PO Box/number given below no later than 48 business hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Lodgement must be received by the Cooperative no later than 10.30am Tuesday 5 February 2013 in order to be valid:**

**IN PERSON** Unit 21, 17 Cairns Street, Loganholme

**BY MAIL** PO Box 1628, Oxenford Qld 4210

**BY FAX** 07 3077 7080



**ATTACHMENT A**

**MINUTES OF FORMATION MEETING**

**24 NOVEMBER 2011**

**Minutes of a meeting of the proposed members  
of the proposed Queensland Lifestyle Cooperative Limited (“Cooperative”)  
held at 21/17 Cairns Street, Loganholme, Queensland  
on Thursday 24<sup>th</sup> November, 2011 at 3pm (“Formation Meeting”).**

**PROPOSED**

**MEMBERS PRESENT:** Mr David Mitchell, Mr Kevin Doodney, Mr Rob Eadie, Mr Terry Stone, Mr Len O’Mara, Mr John Murdoch and Mr Ken Mitchell

**OTHERS PRESENT:** Mr Peter McNally (the solicitor who had liaised with the Cooperative’s registrar on behalf of the proposed members prior to this formation meeting)

**CHAIRPERSON:** Those present elected Mr David Mitchell to chair the meeting (“Chairperson of the Formation Meeting or Chairperson”) and Mr Len O’Mara the (“Secretary of the Formation Meeting”).

**CHAIRPERSON’S  
ADDRESS:**

The Chairperson opened the meeting at 3.05pm and thanked everyone for attending.

The Chairperson stated that under the Cooperative’s Act 1997 (QLD) and Cooperative Regulations 1997 (“the Act”) Sections 16 to 23 there were a number of statutory requirements to be complied with before the registrar under the Act (“Registrar”) could consider the registration of a proposed cooperative which were to be undertaken at this meeting.

**QUORUM:** The Chairperson noted that Section 16 required that the formation meeting be held by five (5) persons and as there were 7 persons present as proposed members there was a Quorum.

**ORDINARY BUSINESS:**

**ITEM 1.**

**PRESENTATION OF THE DISCLOSURE STATEMENT:**

The Chairperson tabled the Disclosure Statement of the proposed Queensland Lifestyle Cooperative Limited approved under Section 17 of the Act (“Disclosure Statement”).

**ITEM 2.**

**PRESENTATION OF THE RULES:**

The Chairperson tabled the Rules of the proposed Queensland Lifestyle Cooperative Limited approved under Section 18 of the Act (“Rules”).

The Chairperson asked the meeting to consider the approval of the Rules and noted that the resolution must be passed by at least 2/3 of the proposed members at the meeting.

The Chairperson moved the following resolution:

*“That, the Rules of the proposed Queensland Lifestyle Cooperative Limited approved by the Register under Section 18 of the Act be passed.”*

Seconded: Mr Len O’Mara

Carried: Unanimously by a show of hands

A Certification that the Rules had been presented to the meeting which was to be forwarded to the Registrar was then signed by the Chairperson and Secretary of the Formation Meeting.

**ITEM 3.**

**APPLICATIONS FOR MEMBERSHIP**

The Chairperson tabled applications for membership of the proposed Cooperative signed by the proposed members present and asked for discussion as to whether the proposed members were suitably qualified under Section 16 of the Act.

After discussion the Chairperson noted as there were reasonable grounds to believe that the proposed members would be active members of the proposed Cooperative, that each proposed member was older than 18 and that they satisfied any other requirement for membership under the proposed rules, they were suitably qualified to be a member of the proposed Cooperative.

**ITEM 4.**

**ELECTION OF DIRECTORS AND OFFICERS**

The Chairperson noted that the Rules required no fewer than three (3) and not more than six (6) elected directors. The Chairperson tabled consents to being nominated for election as a director signed by five (5) of the proposed members present. He asked for further nominations for election as a director, principal executive officer and secretary.

After discussion and there being no further nominations for directorships the Chairperson asked by the nominees for directorship to confirm that they were not Disqualified Persons under Section 208 of the Act and that they would meet the qualification requirements of a member director as defined in Rule 45 (2) by holding at least forty-five (45) shares in the proposed Cooperative as noted on their applications for membership.

The Chairperson asked for discussion as to whether those nominated were suitably qualified under the Act to be elected as a director.

The Chairman noted that the nominees confirmed in the affirmative the above questions regarding Section 208 and their proposed shareholding and that it was believed that they were suitably qualified to be elected.

The Chairperson moved the following resolution:

*“That, pursuant to the Rules, Mr Kevin Doodney be elected as Director of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Len O’Mara

Carried: Unanimously by a show of hands

The Chairperson moved the following resolution:

*“That, pursuant to the Rules, Mr Terry Stone be elected as Director of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Rob Eadie

Carried: Unanimously by a show of hands

The Chairperson moved the following resolution:

*“That, pursuant to the Rules, Mr Rob Eadie be elected as Director of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Kevin Doodney

Carried: Unanimously by a show of hands

The Chairperson moved the following resolution:

*“That, pursuant to the Rules, Mr Len O’Mara be elected as Director of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Terry Stone

Carried: Unanimously by a show of hands

Because on the conflict for the following resolution Mr David Mitchell stepped aside as Chairperson and the members agreed that Mr Len O’Mara act as temporary Chairperson.

The Chairperson moved the following resolution:

*“That, pursuant to the Rules, Mr David Mitchell be elected as Chairperson Director of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Kevin Doodney

Carried: Unanimously by a show of hands

The Chairperson moved the following resolutions to the Directors of the proposed Cooperative:

*“That, pursuant to the Rules, Mr David Mitchell become the Principal Executive Officer of the proposed Queensland Lifestyle Cooperative Limited.”*

Seconded: Mr Kevin Doodney

Carried: Unanimously by a show of Director’s hands

Mr David Mitchell resumed as Chairperson.

The Chairperson moved the following resolution to the Directors of the proposed Cooperative:  
“That, pursuant to the Rules, Mr Len O’Mara become the Secretary of the proposed Queensland Lifestyle Cooperative Limited.”

Seconded: Mr Terry Stone      Carried: Unanimously by a show of Director’s hands

The Chairperson moved the following resolution to the Directors of the proposed Cooperative:  
“That, pursuant to the Rules, Mr Brian Bower of BNB Audit Partners who had consented to act as auditor which consent has not been withdrawn be appointed as Auditor of the proposed Queensland Lifestyle Cooperative Limited.”

Seconded: Mr Len O’Mara      Carried: Unanimously by a show of Director’s hands

Those persons elected as directors and officers of the proposed Cooperative then completed their details as required under the Act on Annexure A to be forwarded to the Registrar.

**ITEM 5.**

**AUTHORISATION TO APPLY FOR REGISTRATION**

The Chairperson noted that Section 16 required a person to be authorised to make the application to the Registrar for registration of the cooperative.

The Chairperson moved the following resolution:-

*That Mr Peter McInally be authorised to:-*

*(i) apply to the Registrar for registration of the proposed Queensland Lifestyle Cooperative Limited; and*

*(ii) do anything necessary to have the proposed cooperative registered.*

**ITEM 6.**

**ANNEXURE A TO FORM 3**

The Chairperson noted that under the Act Annexure A to Form 3 had to be completed by the proposed members in attendance at the formation meeting and attached to an application for registration of the proposed cooperative sent to the Registrar.

The proposed members present completed and signed the Annexure for Form 3.

**CLOSURE OF MEETING:**

There being no further business the meeting was duly closed at 3.45pm.

**SIGNED AS A TRUE RECORD**

.....  
Chairman

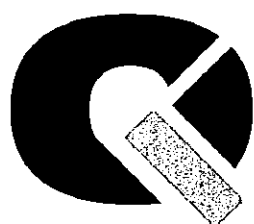
**ATTACHMENT B**

**ANNUAL REPORT**

**FIRST**

**ANNUAL  
REPORT**

**2012**



**Queensland Lifestyle  
Cooperative Limited**

**QC 0318**

**REGISTERED OFFICE**

**ADDRESS: UNIT 21, 17 CAIRNS STREET  
LOGANHOLME QLD 4219  
POSTAL ADDRESS: PO BOX 1628, OXFENFORD QLD 4210**

**TELEPHONE: (07) 3077 7070 FAX: (07) 3077 7080  
EMAIL: [secretary@qldlifestyle.com.au](mailto:secretary@qldlifestyle.com.au)**

## **Index**

**Page No.**

1-2	Directors' Report
3-4	Auditor's Report
5	Directors' Declaration
6	Statement of Financial Performance
7	Statement of Financial Position
8	Statement of Cash Flows
9-10	Notes to the Financial Statements

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**DIRECTORS' REPORT**

Your Directors submit their report together with the financial report of Queensland Lifestyle Cooperative Limited and the consolidated financial report of the consolidated entity, being the Cooperative and its controlled entities, for the year ended 30 June 2012 and the Audit Report thereon.

**DIRECTORS:**

The names of the Directors holding office from registration on the 15 December 2012 and until the date of this report are:

KEVIN DOODNEY	Real Estate Agent
TERRY EDWARD STONE	Finance Consultant
ROBERT PAUL EADIE	Administration Manager (Construction)
DAVID MICHAEL MITCHELL	Managing Director (Development)
LEONARD TIMOTHY O'MARA	Finance Consultant

**ATTENDANCE AT DIRECTORS' MEETINGS:**

	<b><u>ELIGIBLE</u></b>	<b><u>ATTENDED</u></b>
KEVIN DOODNEY	2	2
TERRY EDWARD STONE	2	2
ROBERT PAUL EADIE	2	2
DAVID MICHAEL MITCHELL	2	2
LEONARD TIMOTHY O'MARA	2	2

**PRINCIPAL ACTIVITIES:**

The Principal activity of the Cooperative during the year was the development of residential housing in Australia. There has been no significant change in the nature of this activity during the year.

**OPERATIONAL RESULTS:**

The Cooperative's net profit for the financial year after provision for income tax was:

Year Ended	Year Ended
30 June 2012	30 June 2011
\$	\$
(Nil)	(Nil)



**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**REVIEW OF OPERATIONS:**

During the year the Cooperative continued seek opportunities to develop residential housing in Australia..

**DIVIDEND:**

No dividend was recommended by the Directors nor provided for as at 30 June 2012 (2011 – Not registered).

**STATE OF AFFAIRS/EVENTS SUBSEQUENT TO BALANCE DATE:**

There are no events have arisen during the financial year or since the end of the financial year that has significantly affected or may significantly affect the operations of the Cooperative, the result of those operations and/or the state of affairs of the Cooperative in future financial years;

The Cooperative has been able to pay its debts .

**DIRECTORS' INTERESTS:**

No Director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the Cooperative with a Director, a firm which a Director is a member or an entity in which a Director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements.

**DIRECTORS' AND AUDITOR'S INDEMNIFICATION:**

The Cooperative has not, during the financial year, in respect of any person who is or has been an officer or an auditor of the Cooperative or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against liability, including costs and expenses in successfully defending legal proceedings that by law would otherwise attach to the officer or auditor for negligence, default, breach of duty or breach of trust of which the officer or auditor may be guilty in relation to the Cooperative: or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed at Brisbane, in accordance with a resolution of Directors 31<sup>st</sup> day of October 2012.



\_\_\_\_\_  
DAVID MICHAEL MITCHELL  
(Director)



\_\_\_\_\_  
LEONARD TIMOTHY O'MARA  
(Director)

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

## **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Queensland Lifestyle Cooperative Limited, which comprises the statement of financial position as at 30 June 2012, and the statement of financial performance for the year then ended, a statement of cash flows, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

## **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

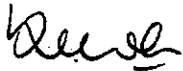
## Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

## Auditor's Opinion

In our opinion the financial report of Queensland Lifestyle Cooperative Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



BNB Audit Partners  
Brian Bower RCA 3906

Date: 31 OCTOBER 2012 .

Level 1/128 Kortum Drive Burleigh Heads  
Qld 4220

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**DIRECTORS' DECLARATION**

In the opinion of the directors of Queensland Lifestyle Cooperative Limited

(a) The financial statements and notes, as set out on pages 6 to 10, are in accordance with the Cooperatives Act 1997, including:

(i) giving a true and fair view of the financial position of the Cooperative (and the consolidated entity) as at 30 June 2012 and of their performance, for the year ended on that date, and

(ii) complying with Accounting Standards

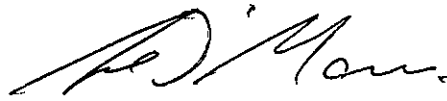
(b) there are reasonable grounds to believe that the Cooperative will be able to pay its debts as when they become due and payable.

Signed at Brisbane, in accordance with a resolution of Directors the 31<sup>st</sup> day of October 2012.



---

DAVID MICHAEL MITCHELL  
(Director)



---

LEONARD TIMOTHY O'MARA  
(Director)

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012	2011
<b><u>INCOME:</u></b>		\$	\$
Member's Application Fees		200	
<b>TOTAL INCOME</b>		<u>200</u>	
<b><u>EXPENSES:</u></b>			
Accounting Fee			
Advertising & Marketing Fees			
Audit Fee		200	
Bank Charges			
Computer Expenses			
Contingency			
Director's Fees			
Directors' Expenses			
Dividends on Shares			
Equipment Lease			
Management Fees			
Printing Postage & Stationery			
Rent & Outgoings			
Statutory Fees			
Sundry Expenses			
Telephone			
Travel Expenses			
Write-offs & Adjustments			
<b>TOTAL EXPENSES</b>		<u>200</u>	
NET PROFIT(LOSS) FOR THE YEAR			
INCOME TAX FOR YEAR			
<b>NET PROFIT (LOSS) AFTER INCOME TAX</b>			
ACCUMULATED PROFIT(LOSSES) AT BEGINNING OF YEAR			
ACCUMULATED PROFIT(LOSSES) AT END OF YEAR			

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012	2011
		\$	\$
<b><u>CURRENT ASSETS:</u></b>			
CASH AT BANK & ON HAND	5	500	
TRADE ACCOUNT DEBTORS			
<b>TOTAL CURRENT ASSETS</b>		<u>500</u>	
<b><u>NON CURRENT ASSETS:</u></b>			
PREPAID EXPENSES			
<b>TOTAL NON CURRENT ASSETS:</b>			
<b><u>TOTAL ASSETS:</u></b>		<u>500</u>	
<b><u>CURRENT LIABILITIES:</u></b>			
BANK OVERDRAFT CREDITORS			
PROVISION FOR DIVIDEND			
PROVISION FOR GST			
PROVISION FOR INTEREST			
PROVISION FOR REBATES			
PROVISION FOR INCOME TAX			
PROVISION FOR DOUBTFUL DEBT			
<b>TOTAL CURRENT LIABILITIES:</b>			
<b><u>NON CURRENT LIABILITIES:</u></b>			
<b>TOTAL NON CURRENT LIABILITIES:</b>			
<b><u>TOTAL LIABILITIES:</u></b>			
<b><u>NET ASSETS:</u></b>		<u>500</u>	
<b><u>SHAREHOLDERS' EQUITY:</u></b>			
CONTRIBUTED EQUITY	6	500	
ACCUMULATED PROFITS/(LOSSES)			
TAX PAID			
RESERVES			
<b><u>TOTAL SHAREHOLDERS' EQUITY:</u></b>		<u>500</u>	

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

	NOTE	2012	2011
<b><u>CASH FLOWS</u></b>		\$	\$
<b><u>FROM OPERATING ACTIVITIES</u></b>			
Member's Application Fees		200	
Payments to Suppliers		(200)	
<b>NET CASH</b>		<hr/>	
<b>PROVIDED BY OPERATING ACTIVITIES</b>		<hr/>	
<b><u>CASH FLOWS</u></b>			
<b><u>FROM INVESTING ACTIVITIES</u></b>			
Net Movement in Advances		<hr/>	
<b>NET CASH</b>		<hr/>	
<b>PROVIDED BY INVESTING ACTIVITIES</b>		<hr/>	
<b>CASH FLOWS</b>			
<b>FROM FINANCING ACTIVITIES</b>			
Dividends Paid			
Net Proceeds (Subscribed less Repaid) Shares		500	
<b>NET CASH</b>		<hr/>	
<b>PROVIDED BY FINANCING ACTIVITIES</b>		<hr/>	
Total Net Increase/Decrease in cash held		500	
Cash at beginning of Financial Year		<hr/>	
<b>CASH AT END OF FINANCIAL YEAR</b>	7a	<hr/>	

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2012**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are a general purpose financial report which has been drawn up in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Cooperatives Act 1997.

**(a) Basis of Accounting**

The financial statements have been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements.

**(b) Income Tax**

The consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense is calculated on the operating profit before tax, adjusted for permanent differences. Income tax in respect of the current year is Nil (2011 – Nil).

	2012	2011
	\$	\$

**2. DIRECTORS**

**a. Directors' Remuneration**

Directors' remuneration for the Cooperative	Nil	Nil
---	-----	-----

Number of Directors' whose income was within the following band: \$0-\$9,999	Nil	Nil
--	-----	-----

<b>b. Loans to Directors</b>	Nil	Nil
------------------------------	-----	-----

<b>c. Other transactions with Directors</b>	Nil	Nil
---	-----	-----

**d. At the date of this report Directors held shares with the Cooperative.**

<b>DIRECTORS:</b>	<b>SHARES</b>
KEVIN DOODNEY	100
TERRY EDWARD STONE	100
ROBERT PAUL EADIE	100
DAVID MICHAEL MITCHELL	100
LEONARD TIMOTHY O'MARA	100

**3. AUDITOR'S REMUNERATION**

	<u>2012</u>	<u>2011</u>
Audit Services:	<u>200</u>	

**4. OPERATING RESULTS**

	2012	2011
Net Profit for the year		
After charging:		
Audit Fees	200	
Directors' Fees		

And crediting:-



	2012	2011
	\$	\$

**5. CASH AT BANK & ON HAND**

This comprises:

Cash on hand	500	
	<u>500</u>	

**6. CONTRIBUTED EQUITY**

During the year members subscribed for and were repaid on shares held in the Cooperative and the net movements

**Balance 1 July**

Shares Subscribed	500	
-------------------	-----	--

Shares Repaid

<b>Balance 30 June</b>	<u>500</u>	
------------------------	------------	--

Members participate in dividends and proceeds on winding up of the Cooperative in proportion to the number of shares held.

**7. NOTE TO THE STATEMENT OF CASH FLOWS**

**a. Reconciliation of Cash**

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows;

Cash at Bank and on hand	<u>500</u>
--------------------------	------------

**b. Reconciliation of Cash Flows from operations with profit(loss) from ordinary activities after Income Tax.**

Net profit(loss) from ordinary activities after income tax

(Increase)Decrease in debtors

Increase(Decrease) in creditors

Increase(Decrease) in provision for dividend

Increase(Decrease) in provision for taxation

<b>Net cash provided by (used in) operating activities</b>	<u>                    </u>
--	-----------------------------

**8. DIVIDEND**

No dividend was recommended by the Directors and provided for as at 30 June 20012 (2011: Not registered).

**9. EMPLOYEES**

At the year end the Cooperative had no employees.

**10. CORPORATE DIRECTORY**

The Cooperative was incorporated in Queensland. The registered office and principal place of business is:  
Unit 21, 17 Cairns Street, Loganholme,  
Qld

Telephone: (07) 3077 7070

Facsimile: (07) 3077 7080

**INTENTIONALLY LEFT BLANK**

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**REGISTERED OFFICE**

UNIT 21, 17 CAIRNS STREET,  
LOGANHOLME QLD 4219  
TELEPHONE: (07) 3077 7070 FAX: (07) 3077 7080  
EMAIL: [secretary@qldlifestyle.com.au](mailto:secretary@qldlifestyle.com.au)

**ATTACHMENT C**

**MANAGEMENT AGREEMENT**

**MANAGEMENT AGREEMENT**

**BETWEEN**

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED**

**AND**

**QUEENSLAND LIFESTYLE MANAGEMENT GROUP PTY LTD**

THIS AGREEMENT is made on the \_\_\_\_ day of \_\_\_\_\_ 2013.

**PARTIES:**

**QUEENSLAND LIFESTYLE COOPERATIVE LIMITED QC0318** a Cooperative formed and registered under the Cooperatives Act 1997 (QLD) of Unit 21, 17 Cairns Street, Loganholme, Qld 4129

**AND**

**QUEENSLAND LIFESTYLE MANAGEMENT GROUP PTY LTD ACN 154 451 840** of Unit 21, 17 Cairns Street, Loganholme, Qld 4129.

**RECITALS:**

- A. The parties hereto wish to establish the terms of an agreement for the provision of services by the Manager to the Cooperative to be ratified by the Cooperative members by special resolution at a general meeting.
- B. The Manager is experienced in the business of management.
- C. The Cooperative wishes to retain the Manager to provide management services to the Cooperative.
- D. The parties hereto wish to confirm the management fees.

**1. INTERPRETATION**

In this agreement unless the context otherwise requires:

- reference to a person includes any other entity recognized by law and vice versa;
- words importing the singular number include the plural number and vice versa;
- words importing one gender include every gender;
- any reference to any of the parties by their defined terms includes that party's executors, administrators or permitted assigns, or being a company, its successors or permitted assigns;
- every agreement or undertaking expressed or implied by which more persons than one agree or undertake any obligation or derive any benefit in terms of this Agreement shall bind or ensure for the benefit of such persons jointly and each of them severally.
- clause headings are for reference purposes only.

## 2. DEFINITIONS

In this Agreement unless the context otherwise requires:

“**Account**” means the account to be established by or on behalf of the Cooperative for which the only signatories are nominees of the Cooperative, and which is conducted in a place and on terms approved by the Board;

“**Agreement**” means this management agreement as modified or amended from time to time.

“**Board**” means the Board of Directors of the Cooperative;

“**Business Day**” means a day (other than a Saturday, Sunday or public holiday) on which the banks are open for business in Brisbane, when a thing is to be done or a payment made on a day which is not a Business Day, it must be done or paid on the following Business Day:

“**Cooperative**” means the Queensland Lifestyle Cooperative Limited QC0318 a Cooperative formed and registered under the Cooperatives Act 1997 (QLD) of Unit 21, 17 Cairns Street, Loganholme, Qld 4129 and any subsidiary, body corporate, joint venture, partnership or other business arrangement of the Cooperative that is owned or controlled wholly or partially directly or indirectly by the Cooperative.

“**Event of Default**” means any of the events so described in this Agreement.

“**Governing Act**” means the Cooperatives Act 1997 and includes any amending act or acts or any act enacted to replace that act to govern the operation of cooperatives in Queensland and also includes, where the context permits, any regulations, orders, prudential standards or model rules (subject to *any* amendments made by the Cooperative) made pursuant to such Act;

“**GST**” means as defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

“**Intellectual Property**” or “**IP**” means inventions (whether or not patentable), works of authorship, trade secrets, techniques, know-how, ideas, concepts, algorithms, and other intellectual property incorporated in any service or deliverable and first created or developed by the Manager in providing the services under this agreement to the Cooperative.

“**Manager**” means Queensland Lifestyle Management Group Pty Ltd ACN 154 451 840 of Unit 21, 17 Cairns Street, Loganholme, Qld 4129.

“**Member**” means any member admitted as such to membership of the Cooperative in accordance with the Governing Act;

“**Month**” means a calendar month; and

“**Rules**” means the rules of the Cooperative as set-out under the Governing Act.

### **3. CONDITIONS PRECEDENT**

The Manager shall supply the following in form and substance satisfactory to the Cooperative:

- (a) specimen signatures of all authorized officers of the Manager;
- (b) evidence that the Manager holds any licenses reasonably required for the conduct of the Manager's business including its management;
- (c) evidence that the Manager holds professional indemnity insurance and fidelity insurance reasonably required by the Cooperative;
- (d) certified copy of the Manager's memorandum and articles of association; and
- (e) certified copy of the certificate of incorporation of the Manager.

### **4. COOPERATIVE MANAGEMENT DUTIES**

#### **4.1 Administrative, General and Promotional Duties**

The Manager shall:

- (a) provide the Cooperative with cooperative secretarial expertise to enable the Cooperative to comply with the requirements of the Governing Act;
- (b) develop and manage the financial and operating procedures for the businesses and other activities of the Cooperative for the benefit of the Cooperative and keep all records and books of account of the Cooperative, as required by the Governing Act and other statutory requirements;
- (c) produce such reports, including the production of financial accounts, as prescribed by the Governing Act, other statutory requirements or as otherwise reasonably required by the Cooperative.
- (d) ensure that it and the Cooperative comply with all laws relating to the conduct of its businesses;
- (e) ensure it and the Cooperative comply with all laws relating to the activities of the cooperatives including the Governing Act;
- (f) ensure that the Cooperative and Members operate within the Rules and inform the Board in writing of any breach of the Rules;
- (g) comply with all reasonable directions of the Board in performing its duties and promptly provide to the Cooperative any information required by the Board;
- (h) permit the Cooperative to conduct any audit or inspection of the Cooperative's files, records, accounts and procedures;
- (j) permit the auditor of the Cooperative to conduct any audit or inspection of the Cooperative's files, accounts and procedures;



- (j) not without the prior written consent of the Board, create any obligation legally binding on the Cooperative;
- (k) inform the Cooperative promptly in writing of any liability, contingent liability that it becomes aware of that is not in the normal course of business or that has not had prior written consent of the Board;
- (l) inform the Cooperative promptly in writing of any legal action, claim, default notice or other legal or statutory document served on the Cooperative or the Manager; and
- (m) generally promote the primary activities/objects of the Cooperative and specifically introduce businesses, ventures or service opportunities to drive the growth of the Cooperative in line with those primary activities/objectives.

#### **4.2 Insurance**

The Manager shall:

- (a) ensure that the Cooperative enters insurance policies appropriate to its business activities;
- (b) not do or permit any thing to be done which would void, terminate or adversely affect any insurance policy;
- (c) comply with all reasonable directions of the insurers and the Board in relation to any insurance policy; and
- (d) promptly give all notices and documents required by and to insurers and parties named in those insurance policies, and take all other steps reasonably required to ensure the cover granted under any insurance policies is maintained and that any claim is paid in full promptly.

#### **4.3 Reports-**

The Manager shall:

- (a) provide to the Board a report on the tenth Business Day after the end of each month on the operations of the Cooperative;
- (b) comply with all reasonable requirements of the Cooperative in respect of any reports required for Board meetings or general meetings of the Cooperative: and
- (c) provide such reports as are reasonably required by the Cooperative from time to time to comply with the Cooperative's reporting requirements.

#### **4.4 Bank Accounts**

The Manager shall operate bank accounts properly authorised by the Board to be opened including the provision of signatures to the accounts under the provisions and rules authorised by the Board.

#### **4.5 Collection of Payments**

The Manager shall ensure that all money received in respect of the business and other operations of the Cooperative shall only be paid into the Cooperatives bank accounts. Ownership of and title to all money in these bank accounts will vest in the Cooperative.

#### **4.6 Notices to Members**

The Manager shall issue any notices reasonably required by the Cooperative addressed to all Members.

### **5. FEES**

- (a) The Cooperative shall pay to the Manager a monthly management fee as agreed from time to time by the Cooperative and the Manager equivalent to the costs, fees and charges excluding GST that the Manager expends in meeting its obligations under this Agreement plus a ten (10) percent surcharge and GST.
- (b) The Manager shall provide an invoice to the Cooperative for the fee pursuant to clause 5. (a).
- (c) The fee determined pursuant to clauses 5. (a) shall be paid by the Cooperative to the Manager no later than the thirtieth day after the end of the month to which the fee relates.
- (d) In the event of termination of the Agreement, the Manager shall be entitled to payment of all fees owing but not paid up to the date of termination of this Agreement.
- (e) By way of incentive to the Manager, the Board will on the behalf of the Cooperative negotiate with the Manager in good faith financial incentives including but not limited to any other fees, service charges and/or profit share payable to the Manager in recompense for the Manager introducing any business, venture or service to the Cooperative.

### **6. EVENTS OF DEFAULT**

If:

- (a) there is a default by the Manager in the performance of any term agreement, or condition contained in or implied by this Agreement, or any other document;
- (b) a receiver, receiver and manager, liquidator, provisional liquidator, trustee, inspector, official manager, or similar person is appointed to the Manager's undertaking of any part thereof;
- (c) the Manager stops payment of any cheque made to the Manager in favour of the Cooperative or without the Co-operative's prior written consent ceases or threatens to cease to carry on its business or a material part of its business;
- (d) there is any change in ownership or control of the Manager or any company of which the Manager is a subsidiary except with the prior written consent of the Cooperative which will not be unreasonably withheld;

- (e) any distress or execution is levied or enforced against any of the assets or property of the Manager; and
- (f) any licenses or permits required to be held by the Manager to discharge its obligations under this Agreement ceases to be held;

and if capable of remedy, is not remedied within 30 days of written notice of such default to the Manager by the Cooperative an Event of Default shall at the option of the Cooperative have occurred. A determination by the Cooperative in its absolute discretion that any one or more of the above have occurred will, except in the case of manifest error be final and binding on the Manager, the Manager shall promptly inform the Cooperative in writing upon the happening of any of the events described in this clause.

## **6 TERMINATION**

### **6.1 Rights on Default**

If any event of Default occurs the Cooperative may as its option in the manner and at the times the Cooperative in its absolute discretion deems appropriate but without any obligation to do so and notwithstanding any omission, neglect, delay or waiver of the right to exercise such option, do any or all of the following:

- (a) terminate this Agreement to the extent that the Manager is no longer entitled to manage the affairs of the Cooperative;
- (b) appoint any other person to manage the Cooperative;
- (c) take over management of the Cooperative.

### **6.2 Termination by Lapse of Time**

The Manager's right to manage the affairs of the Cooperative shall terminate on that date which is 10 years from the date of this Agreement. The Cooperative may renew or extend this Agreement for further periods not exceeding 5 year intervals at the request of the Manager and such extension will not be unduly withheld.

### **6.3 Duties on Termination**

In the event of termination of this Agreement the Manager shall deliver as soon as practicable to the Cooperative all files and relevant documents and information including information on computer files pertaining to the affairs of the Cooperative. -

### **6.4 Resignation of Manager**

The Manager may resign as Manager following at least 60 days notice to the Cooperative but the resignation shall not take effect until a new Manager has been appointed by the Cooperative.

## **7 ADMINISTRATIVE PROVISIONS**

### **7.1 Costs and Expenses**

Each party shall pay its own legal costs on this Agreement. Any stamp duty payable on the Agreement shall be paid by the Manager.

## **7.2 Notices**

Any notice to be given to a party to this Agreement shall be given in writing and shall be:

- (a) sent through the post to the address specified for the party in this Agreement, in which case service will be deemed to be effected two Business Days after posting; or
- (b) delivered to or left at the address specified for the party in this Agreement; or
- (c) sent by facsimile to the facsimile number specified for the party in this Agreement, in which case service will be deemed to be effected upon conclusion of transmission.

A party may notify a new address or facsimile number in Australia to substitute for any address or facsimile number shown in this Agreement.

## **7.3 Governing Law**

This Agreement will be governed by and construed in accordance with the law for the time being in force in Queensland. The parties agree to submit to the non-exclusive jurisdiction of the Court of Queensland.

## **7.4 Assignment**

- (a) The Cooperative may assign novate or participate its rights and/or obligations under this Agreement or any part thereof. The Manager must execute such documents as in the opinion of the Cooperative are reasonably necessary for such purposes. The benefit of all provisions of this Agreement will ensure mutatis mutandis for the benefit of any such assignee novatee or participant.
- (b) The Manager may not assign novate transfer or deal with its rights or obligations under this Agreement or under any other collateral document or security in whole or in part without the prior written consent of the Cooperative such consent not to be unreasonably withheld.

## **7.5 Disclosure**

The Cooperative may (subject to the provisions of the Privacy Act or any legislation dealing with the privacy of individuals or corporations) disclose to a potential assignee novatee or participant or any other person information about the Manager or any other collateral document.

## **7.6 Relationship**

The Manager confirms that it is not the agent of the Cooperative but is an independent contractor.

## **7.7 Confidentiality**

- (a) The Manager shall maintain confidential the terms of this Agreement and the arrangement between the Manager and the Cooperative. The Manager may disclose details of this Agreement and the arrangement to any Member as required by the Governing Act or otherwise as required by law or any competent authority or anyone approved in writing by the Cooperative.

- (b) The Manager shall not disclose to any person any details relating to a Member without the prior written permission from the Member or except as required by Law.

**7.8 Exclusivity**

- (a) The Cooperative may not undertake nor engage any other party to undertake the duties, functions or activities to be provided by the Manager under this Agreement.
- (b) The Manager may engage in any kind of the type of business contemplated by this Agreement with any other party.

**7.9 Ownership of Intellectual Property**

- (a) The Manager and the Cooperative shall each retain ownership of, and all right, title and interest in and to, their respective, pre-existing IP, and no license therein, whether express or implied, is granted by this Agreement or as a result of the services performed hereunder. To the extent the parties wish to grant to the other rights or interests in pre-existing IP separate license agreements on mutually acceptable terms will be executed.
- (b) The Cooperative grants the Manager a royalty-free, paid up, worldwide, perpetual, non-exclusive, non-transferable license to use any of the Cooperative's IP incorporated in any deliverable, solely for the Manager's use of that deliverable for its internal business purposes. The Cooperative shall retain ownership of and unrestricted right to use any of its IP.
- (c) The services performed and any deliverable items produced by the Manager for the Cooperative pursuant to this Agreement are not "works for hire".

THE **PARTIES** have signed this Agreement.

**QUEENSLAND LIFESTYLE  
COOPERATIVE LIMITED QCO318**  
by authority of a resolution of its Board.

Witness:

**QUEENSLAND LIFESTYLE  
MANAGEMENT GROUP PTY LTD**  
**ACN 154 451 840** by authority of a  
resolution of its board of directors.

Witness: