

Twenty Macleay Street Limited – Rental Policy and Guidelines

1. Twenty Macleay Street Limited Constitution

Section 7 of the Company's Constitution sets out the rights and responsibilities of Shareholders in relation to renting apartments they are entitled to occupy. The section states:

- 7.1 *A Member shall not enter into a lease or licence agreement or any arrangement having a like effect of their Residential Unit with any person, other than a member of his immediate family, unless such person has been approved by the Directors.*
- 7.2 *Members wishing to enter into such an agreement or arrangement must first:*
- (a) make a written application to the Directors in the form prescribed by the Directors from time to time for approval to rent out the Residential Unit and provide such information as the Directors reasonably require to enable the Directors to consider the application; and*
 - (b) if the Member's application is approved, arrange for the prospective tenant to complete and provide to the Directors a written application in the form prescribed by the Directors from time to time and provide such information as the Directors reasonably require to enable the Directors to consider the application.*
- 7.3 *A Member or occupier shall not transfer or assign a tenancy or other right of occupation of a Residential Unit or sub-let a Residential Unit to any person unless that person has been approved by the Directors pursuant to a like process as that described in clauses 7.2(a) and (b).*
- 7.4 *The Directors must attend promptly to any written application under clause 7.2 and may decline to approve any such person as a lessee or licensee of a Residential Unit where such person is a minor or is, in their reasonable opinion, of unsound mind or who is not, in their reasonable opinion, a respectable and responsible person. The Directors may adopt such policies, and guidelines for the administration of this sub-clause, not being inconsistent with this sub-clause, as shall to them seem appropriate and such policies and guidelines may be revoked, altered, amended or added to by the Directors or by Special Resolution of the Members in general meeting. Where the Directors refuse to approve such person, the Company shall within thirty (30) days after the date of receiving the written application pursuant to clause 7.2(b), give written notice of the refusal to the Member but shall not be required to provide reasons for its decision.*
- 7.5 *Each Member, occupier and/or tenant that is a party to a lease or licence or any arrangement having a like effect of a Residential Unit in the Building must comply with the terms of the Rental Policy and Guidelines, Real Estate Institute of New South Wales' Residential Tenancy Agreement and Additional Clauses to the Real Estate Institute of New South Wales' Residential Tenancy Agreement annexed at Schedule 1 of this Constitution and forming part of the Rules, Policies and Guidelines whether or not the Member, occupier and/or tenant have executed any of those documents.*

7.6 *The Rental Policy and Guidelines, Real Estate Institute of New South Wales' Residential Tenancy Agreement and Additional Clauses to the Real Estate Institute of New South Wales' Residential Tenancy Agreement may from time to time be revoked, altered, amended or added to by the Directors.*

The Rental Policy and Guidelines set out in this document have been made pursuant to section 7 of the Company's Constitution as noted above.

2. Application form
Shareholders wishing to rent an apartment at Twenty must make written application to the Board using an approval Application Form (Form R), available from the managing agents. The Application Form must include signed acceptance that the shareholder and any tenants will abide by the House Rules and any other conditions of rental, as set out below.
3. Applications to rent apartments (Form R) will only be accepted by the Board where the shareholder applicant provides written details of the name and address of any real estate agents proposed to act on their behalf.
4. Board approval of applications to rent apartments is valid only if provided to shareholders in writing.
5. Board approval of applications to rent apartments at Twenty is subject to continuing adherence to the Board's rental policy, as amended from time to time. Shareholders renting their apartments without Board approval will be in breach of this policy and the Board will take action to evict any person occupying an apartment at Twenty without express consent of the Board, or where the occupant is in breach of the conditions of rental, where approval to rent has previously been granted.
6. Short term rentals (such as so called "executive leasing") are expressly prohibited. The minimum rental period, subject to observance of the House Rules by tenants, is 6 months.
7. All prospective tenants are required to furnish previous rental references and a copy of the last rental ledger and be formally interviewed by one or more representatives of the Board before their application to reside at Twenty will be considered.
8. Any real estate agents engaged by shareholders to let or manage apartments approved for rental must comply with this policy. Agents that do not comply with this policy will be removed from the approved list and denied access to the building.
9. Rental agreements entered into by a shareholder having written Board approval to rent an apartment, and an approved tenant, must state that a condition of rental is that the tenant observe Twenty's House Rules at all times.
10. The Board will maintain a Register of Rental Apartments including details of when applications to rent particular apartments were made, whether and when approval was granted and the name, address and contact details of the shareholders with rights to occupy the apartment and similar details for any agents appointed to manage the apartment. The Register will also contain current information relating to the name and contact details of any tenant, references supplied by the tenant in support of the application to reside at Twenty, a copy of the House Rules signed by the tenant and details relating to the Board meeting where approval of the application to reside at Twenty was given.

11. To avoid doubt, these rules do not apply to family members of shareholders permanently residing at Twenty. Similarly the policy does not apply to guests of shareholders temporarily residing at Twenty.
12. Shareholders may be held personally liable for any property damage at Twenty including costs to repair or make good such damage as and when it occurs. Shareholders approved to rent an apartment at Twenty will be required to sign an indemnity accepting liability for any damage caused by tenants residing in the approved rental apartment or to Twenty's common areas. The Shareholder or their agent must be on site when tenants are moving in or terminating tenancy to ensure the building is secured and any damage is notified to the Board. Where the shareholder or agent is not present to supervise tenants moving in and out of the building, the Board may arrange for an alternate supervisor to oversee this activity to ensure that proper procedures are followed to minimize any damage that might otherwise be caused to the company's property. The costs of any supervision arranged by the Board will be billed to the shareholder.
13. The costs of administration of this policy will be charged to shareholders seeking or having obtained approval to rent apartments at Twenty. The Board may from time to time develop a Schedule of Fees applying to the administration of this policy. Such fees could include: an application fee for transfer of shares; an application fee to approve apartment rental; fees for cost recovery relating to interviewing of prospective new shareholders or tenants; and Registry keeping fees. In addition, any costs associated with actions taken to enforce this policy including legal costs, eviction of unauthorised tenants, recovery of costs relating to property damage and so on may be charged to shareholders. The Board may also take into account whether approval has been given to rent an apartment in determining levies payable.
14. The Board may amend this policy from time to time as it sees fit with changes notified to shareholders at the next AGM.
15. Board decisions relating to approval to rent particular apartments may be rescinded at the Board's discretion where approval tenants breach House Rules, cause a nuisance or disturbance within the building or there are complaints from other shareholders and residents about their behaviour. Wherever possible the Board will endeavour to provide reasonable notice to shareholders directly affected in these circumstances.
16. Approval to rent may be subject to a time limit (e.g 12 months) and shareholders seeking to rent apartments beyond the approved time limit will need to make a new application for extension of approval for a further period not less than 90 days prior to the expiry of the current approval, if so directed by the Board.
17. Only natural persons shall be granted approval to reside at Twenty as tenants. Companies or other forms of incorporated entity, are ineligible.
18. The right to reside as a tenant at Twenty, once granted, is not transferable by the approved tenant to other persons except as provided by and in accordance with the Constitution. Equally, sub-letting is prohibited except as provided by and in accordance with the Constitution.