
The Sanctuary Residents
Association Incorporated
Constitution (Rules)

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THE SANCTUARY RESIDENTS ASSOCIATION INCORPORATED

RULES

1 DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

In these Rules, unless the context otherwise requires:

Act means the Incorporated Societies Act 1908 as amended by the Incorporated Societies Act 2022;

Annual Financial Statement means the annual financial statement of the Association required to be registered with the Registrar of Incorporated Societies pursuant to section 23 of the Act;

Annual General Meeting means the Annual General Meeting of the Association described in Rule 9.1;

Annual Levy means the annual levy payable by each Member in accordance with Rule 6.4 and described in Rule 12.1;

Association means The Sanctuary Residents Association Incorporated;

Audited Financial Statement means the Annual Financial Statement audited by the Auditor in accordance with Rule 13.2 of these Rules;

Auditor means the auditor appointed by the Board in accordance with Rule 13.3 of these Rules;

Bank means a registered bank as defined under the Reserve Bank of New Zealand Act 1989;

Board means Board of Members appointed in accordance with Rule 10.1 of these Rules;

Board Member means a Member of the Board as described in Rule 10;

Capital Improvements means structural repairs to, and the replacement or renewal of, or any additions to, the Common Facilities and any additional conservation planting and upgrading;

Chairperson means the chairperson of the Association, appointed in accordance with Rule 10.1 of these Rules;

Common Facilities means all Infrastructure within the Sanctuary Estate together with any further facilities intended for common use by all Members which may be installed, erected or constructed on any of the Lots by the Association in the future;

Default Interest Rate means 12% pa or a rate which is 4% pa greater than the 90 day bank buy bill rate published in The New Zealand Herald for the first Working Day of each month whichever rate shall be the greater;

Development means the Vendor's subdivision of the Land into the residential lots, roads, lakes, reserves, accessways as shown on DP 404128;

Financial Year means the 12 month period commencing on 1 April in one year and ending on 31 March in the following year and includes the broken period commencing on the date of incorporation of this Association and ending on 31 March 2009;

Infrastructure means the items and works constructed or to be constructed on the Sanctuary Estate by the Vendor or the Association and initially comprising the works listed at Schedule 2;

Initial Members means the initial members of the Association and shall be those persons who have subscribed to these Rules and whose signatures are attached to these Rules as Schedule 1 irrespective of whether such persons own a Residential Lot;

Invitee means any invitee, visitor or guest of an Owner authorised or approved by that Owner;

Land means all the land the subject of the Development comprising 178.2922 hectares more or less being all those parcels of land comprised as an estate in fee simple as follows:

(a) 28.2371 hectares more or less being Lot 1 Deposited Plan 196760 contained in Certificate of Title NA125B/132;

(b) 88.0370 hectares more or less being Lot 1 Deposited Plan 205260 contained in Certificate of Title NA133C/596;

(c) 27.9233 hectares more or less being Allotment 230 Parish of Waipu contained in Certificate of Title NA570/57; and

(d) 34.0948 hectares more or less being Section 423 Parish of Waipu contained in Certificate of Title NA47C/962;

Lot or Lots means lots 1, 4-6, 8-10, 12, 13, 15-17, 19-27, 27a, 28, 28a, 29-35, 35a, 36-60, 69, 70, 100-106, 200 and 202 on DP 404128;

Levy means an Annual Levy or a Special Levy;

Meeting means an Annual General Meeting or a Special General Meeting;

Member means a member of the Association;

Memorandum of Encumbrance means the memorandum of encumbrance registered against the Residential Lots securing payment of the Annual Levy, Special Levies and any other sums owed by an Owner to the Association;

Officer includes all Board and Committee members;

Owner means the person or persons registered as the proprietor of a Residential Lot. Where the same person or persons are the registered proprietor of more than one Residential Lot that person or persons shall constitute a separate Owner in respect of each Residential Lot owned by that person or persons;

Owner's Scheme means the Owner's Scheme relating to the use and development of the Lots in the Development created or to be created for the benefit of all Owner's by Memoranda of Transfer and registered or to be registered against each Owner's Title a copy of which is attached as Schedule 1;

Owner's Title means an Owner's certificate of title with respect to a Residential Lot in the Development;

Register has the meaning given in Rule 5.4;

Registered Office means the Registered Office of the Association for the time being, as determined in accordance with these Rules;

Registrar means the Registrar of Incorporated Societies under the Act;

Relevant Authority means any corporation, including any government, local, statutory or non-statutory authority or body having jurisdiction over the Sanctuary Estate;

Residential Lot or Residential Lots means lots 1, 4-6, 8-10, 12, 13, 15-17, 19-27, 27a, 28, 28a, 29-35, 35a, 36-60, 69 and 70 on DP 404128 and any further subdivisions completed in the Sanctuary Estate;

Rules means these rules of the Association and includes any bylaws made pursuant to these Rules;

Sanctuary Estate means the property located at Cove Road, Northland, New Zealand, comprising the Land and includes all Infrastructure located thereon;

Secretary means the Secretary of the Board appointed in accordance with Rule 10.1 of these Rules;

Special General Meeting means a Special General Meeting of the Association described in Rule 9.3;

Special Levy means a Special Levy payable by each Member in accordance with Rule 6.4 and described in Rule 12.3;

Special Contribution means a levy imposed by the Board on all the Owners for the purposes of meeting the costs incurred in exercising the objects of the Association where the same has been approved by the Board as provided by these Rules;

Treasurer means the Treasurer of the Board appointed in accordance with Rule 10.1 of these Rules;

Vendor means Duck Nominees Limited as trustee of the Duck Trust; and

Working Day means a day on which registered banks are open for customary retail banking business in Auckland, but does not include Saturday and Sunday.

In these Rules:

- (a) the plural includes the singular, and vice versa, and words importing any gender include the other genders;
- (b) references to a statute include amendments to that statute, and a statute passed in substitution for that statute, and regulations promulgated under that statute;
- (c) references to sections, clauses and schedules are to those contained in these Rules; references to any document shall include references to such document as amended from time to time, and to any document entered into in replacement or substitution of the other;
- (d) references to any party shall include such party's successors and assigns; and
- (e) headings are inserted for convenience only and shall be ignored in construing these Rules.

2

NAME AND REGISTERED OFFICE

2.1

The name of the Association is "The Sanctuary Residents Association Incorporated".

- 2.2 The registered office of the Association shall be, Mangawhai Books & Gifts 12D Wood Street, Mangawhai Heads, PO Box 401192 Mangawhai Heads or such other place as the Board shall determine from time to time.
- 3 **OBJECTS**
- 3.1 The objects of the Association are:
- (a) To maintain, preserve and enhance the unique character, size and recreational capabilities of the Sanctuary Estate as a premium international standard residential lifestyle community;
 - (b) To enable the Owners to enjoy the assets and facilities of the Sanctuary Estate;
 - (c) To maintain and improve, or develop where not already developed, the Common Facilities, and the recreational and conservation opportunities within the Sanctuary Estate in accordance with the resolutions of the Association to that effect from time to time;
 - (d) To maintain the communal wastewater treatment and disposal system within the Sanctuary Estate;
 - (e) To administer the individual on-site effluent disposal systems within Lots in the Sanctuary Estate, including ensuring compliance with the relevant discharge permits granted by the Northland Regional Council from time to time;
 - (f) To coordinate and manage the ongoing responsibilities of the Owners related to pests, plants and animals within the Sanctuary Estate, and to act as a point of contact between the Owners, the Kaipara District Council and the Northland Regional Council on pests, plants and animals that pose a threat to the ecological values of the Sanctuary Estate;
 - (g) To provide for the enforcement and regulation of the Rules and the Owner's Scheme;
 - (h) To have as its Members all Owners and to ensure that all Owners remain Members; and
 - (i) To levy Members for the purposes of providing funds for and meeting the costs and expenses of the Association; and
 - (j) To promulgate and enforce the Rules of the Association;
 - (k) To enter into management and/or maintenance contracts (as the case may be) to achieve the above objects; and
 - (l) To do all things as may appear necessary to achieve the objects of the Association.
- 3.2 It is not an object of the Association to make a pecuniary gain.
- 4 **POWERS**
- 4.1 **Powers**
Subject to the express terms of these Rules, and to the Act, the Association shall have all the powers of a natural person.
- 4.2 **Limitations**
Notwithstanding Rule 4.1, the Association shall:
- (a) hold all moneys of the Association on deposit with a Bank, and shall not otherwise invest any of such moneys;
 - (b) act solely in furtherance of the objects set out in Rule 3.1; and
 - (c) not borrow any moneys, other than by way of overdraft facility in order to cover any temporary shortfall in funding.
- 5 **MEMBERSHIP**
- 5.1 **Initial Members**
Notwithstanding anything in these Rules, the Initial Members shall have none of the rights and obligations of the Members set out in these Rules, whether for the payment of Levies or otherwise. The Initial Members shall be deemed to have resigned from the Association, without any act required on the Initial Member's parts, as soon as there are 15 or more Owners as Members.
- 5.2 **Owners to be Members**
Except as provided in Rule 5.1, the Members of the Association will be the same as the number of Residential Lots and only Owners shall be Members. If there is more than one Owner with respect to any Residential Lot, such Owners shall together be a Member. For that purpose:
- (a) On the registration of a new Owner under the Land Transfer Act 1952 for a Residential Lot, the new Owner will be deemed to have consented to become a Member and shall immediately join and be admitted as a Member. Each Owner will on becoming a Member provide the Association with such details as are necessary for maintenance of the Register;

- (b) A Member shall resign and be deemed to have resigned without any act required on the Member's part, from the Association immediately that Member ceases to be the registered proprietor of a Residential Lot, provided that such registration shall not relieve a person of any obligation or liability arising before that person ceased to be an Owner. No Member shall be entitled to any refund of levies from the Association on resigning as a Member; and
- (c) Any person proposing to take a transfer of a Residential Lot may request, in writing, that the Association provide such person with such a certificate, as at a given date, setting out any liabilities to the Association of the Member proposing to transfer that property.
- 5.3 Membership not Assignable**
No Membership, or any part thereof held by a Member may be assigned, provided that:
- (a) on the death of a Member, the executor, administrator or trustee of the estate of that Member; or
- (b) in relation to a bankrupt individual Member, the assignee in bankruptcy of that Member,
- shall be entitled to exercise all Membership rights and privileges and shall be liable to fulfil all obligations of such Member.
- 5.4 Register of Members**
The Association shall maintain a register of Members recording:
- (a) for each Member: Name, address, occupation, telephone number and facsimile number or email address and similar details for a third party to be contacted in the event of absence or emergency;
- (b) for each occupier: Name, address, telephone number and email address and similar details for a third party to be contacted in the event of absence or emergency;
- (c) membership: The date upon which each Member became a Member; and
- 5.5 No Notice of Trust**
No notice of any trust whether express, implied or constructive will be entered on the register of Members provided that nothing in this Rule shall prevent a family or other trust from owning a Residential Lot.
- 5.6 Subdivision**
In the event that a Residential Lot is subdivided the registered proprietors of the each of the newly created lots shall immediately become a Member of the Association.
- 5.7 Nomination**
Where a company is a Member that company shall nominate a person being an officer of that company to represent the company in matters requiring the involvement of the company as a Member provided that nothing in this Rule shall relieve such company of its obligations to comply with the Rules.
- 6 MEMBER'S OBLIGATIONS**
- 6.1** Each Member agrees to comply promptly and fully with all of the Rules, the Ownership Scheme and with any further covenants given in favour of the Association by such Member.
- 6.2** Subject to these Rules and the Ownership Scheme, each Member (and its Invitees) shall be entitled to make full use of the Common Facilities within the Sanctuary Estate.
- 6.3** Each Member acknowledges that they will take all reasonable care in using the Common Facilities and exercising their rights under the Owner's Scheme having due regard to the rights and interests of each other Member. Each Member acknowledges that all rights pursuant to these Rules and the Owner's Scheme are exercised by the Member at that Member's own risk, or at the risk of the Member's invitee (as the case may be) and the Member will not hold any other Member, the Vendor or their respective successors in title liable in any way for any loss, damage or injury sustained by that Member or invitee.
- 6.4 Levies**
Each Member shall pay the Annual Levy, and any Special Levies, set by the Association from time to time.
- 7 OBLIGATIONS OF THE ASSOCIATION**
- 7.1 Rules and Register**
The Association shall:
- (a) provide copies of the Rules to Members on request, and answer any enquiries of Members with respect to the Rules;
- (b) enforce the Rules and the Owner's Scheme, taking such action in this regard as the Association considers appropriate; and
- (c) keep the Register in accordance with Rule 5.4.

- 7.2 **Repairs and Maintenance**
The Association shall ensure the proper operation, maintenance, repair, renovation and replacement of the Common Facilities, and shall undertake such Capital Improvements as are necessary for this purpose.
- 7.3 **Services**
The Association shall, inter alia, procure that:
- (a) appropriate security arrangements will be in place including provision of gates and fencing at the entrances to the Sanctuary Estate;
 - (b) appropriate receptacles for refuse disposal are provided for the disposal of refuse and for the regular collection and disposal of refuse from the Sanctuary Estate; and
 - (c) suitably qualified individuals are engaged to maintain the Common Facilities.
- 7.4 **Insurance**
The Association shall effect and maintain such insurances as it considers prudent with respect to the Common Facilities and the Association's affairs, and shall include all costs of such insurance (which shall include all valuations and other professional fees required or deemed desirable for the purposes of such insurances and the cost of certificates relating to such insurances) in the Annual Levies.
- 7.5 **Bylaws**
The Association shall promulgate, amend and distribute to Members from time to time bylaws for the use of the Sanctuary Estate including any restrictions on use for security, maintenance or other reasons and bylaws concerning the behaviour of Members and their invitees.
- 8 **BREACH OF OBLIGATIONS**
- 8.1 **Occupiers and Invitees**
A reference to an act or omission by any Member, shall include any act or omission by any mortgagee in possession of that Member's Lot or any occupiers or invitees of the Member. Each occupier or invitee of a Member shall be deemed to have knowledge of the Rules and in the case of occupiers of the Member's Lot, each Member must take all reasonable steps (including enforcing the terms of any lease or licence) to ensure the occupiers comply with these Rules. In any case of persistent default under these Rules by an occupier, the Member shall, on demand by the Association, terminate the occupier's right to occupy the Residential Lot. A copy of these Rules shall be attached to every lease, licence or other document defining occupancy rights and any such document must contain an obligation on the occupier to observe and comply with the Rules and the Owner's Scheme.
- 8.2 **Consequences**
Upon any breach of these Rules by a Member (*Offending Member*):
- (a) where damage has been caused to any part of, or construction on, the Sanctuary Estate (including, but not limited to, the Common Facilities) the Offending Member shall immediately make good such damage at its own cost. Where the Offending Member constitutes more than one Member, all such Members will be jointly and severally liable for the cost of making good such damage;
 - (b) if such default continues for seven days after notice is given by the Association to the Offending Member to remedy the default, the Association may arrange for the damage to be made good at the cost of the Offending Member and may charge the Offending Member with such costs;
 - (c) any money paid or expenses incurred by the Association (including any legal costs of the Association) in remedying, or attempting to remedy any breach by an Offending Member of these Rules, or incurred in the exercise, or attempted exercise, or enforcement or attempted enforcement of any power right or remedy of the Association in respect of such breach shall be a debt due from the Offending Member to the Association; and
 - (d) if any money payable by the Offending Member to the Association is in arrears and unpaid for seven days (whether or not formal demand for payment has been made and without any formal demand being necessary) such money shall bear interest at the Default Interest Rate applicable during the continuance of the default, computed on a daily basis from the due date until the date of payment in full.
- 8.3 **Cancellation of Membership**
Without prejudice to the Association's rights and remedies against each and every Owner as provided by Rule 8.2, any Owner who fails to make due and punctual payments of the Annual Levy, Special Levies or any other sums due to the Association will be in breach of the terms of the Memorandum of Encumbrance which breach will give rise to

an entitlement on the part of the Association through the Board to exercise the power of sale in favour of the Association in respect of the Owner's Lot as provided for in the Memorandum of Encumbrance.

9 MEETINGS

9.1 Annual General Meeting

The Association shall hold an Annual General Meeting each year no later than six months after the Society's balance date.

9.2 Business

The business of each Annual General Meeting shall be:

- (a) to confirm the minutes of the last Annual General Meeting and of any Meeting held since that annual Meeting;
- (b) to establish and approve the annual budget for undertaking the Association's duties for the following year;
- (c) to receive and consider the Annual Financial Statement and the report of the Auditor thereon;
- (d) the election of Members of the Board pursuant to Rule 10.3; and
- (e) any other business set out in the notice of Meeting.

9.3 Special General Meetings

A Special General Meeting shall be convened by the Board of the Association whenever required by the Board or by written request signed by not less than 50% of the Members.

9.4 Development

Any Member of the Association may raise issues concerning the Development by way of a written request to the Board to summon a Special General Meeting for such discussion and resolution and the Board shall not unreasonably decline such requests.

9.5 Quorum

No business shall be transacted at any Meeting unless a quorum is present when the Meeting proceeds to business. A quorum shall be not less than 50% of all Members for the time being eligible to vote at Meetings, present in person or by proxy.

9.6 Notices of Meetings

A notice of a Meeting shall be sent to every Member not less than 10 Working Days before the date of such Meeting. Such notice shall specify the date, time

and venue of such Meeting. For Special General Meetings such notice shall specify all business and notices of motion to be considered at such meeting and no business or notice of motion which is not specified shall be discussed or transacted at the meeting. In the case of accidental omission to give notice to, or the failure to receive notice of a Meeting by, any Member entitled to such notice, that omission or failure shall not invalidate the proceedings of the Meeting to which such notice relates.

9.7 The Chairperson of Meetings

The Chairperson shall be entitled to run any Meeting at which he or she is present. If the Chairperson is not present then those Board Members who are present may choose one of their number to chair such Meeting and if for any reason no Chairperson is elected by such Board Members then the Members at that Meeting may elect any person present as Chairperson of the Meeting.

9.8 Adjournment

If within half an hour after the appointed time for the commencement of a Meeting the quorum is not present, the Meeting if convened upon the requisition of the Members shall be dissolved, but in any other case shall stand adjourned to the day, time and place determined by the chairperson of the Meeting. No notice need be given with respect to the adjournment of a Meeting. No business may be considered at any adjournment other than business which might have been considered at the Meeting.

9.9 Adjourned Meeting

If at the adjourned Meeting a quorum is not present within half an hour after the time appointed for the commencement of the adjourned Meeting the Members present shall constitute a quorum.

9.10 Voting at Meetings

Any business at a Meeting may be voted upon by show of hands or by secret ballot as the Chairperson directs.

9.11 Exercising Votes

Each Member shall be entitled to exercise one vote per Residential Lot owned. In the event of equality of voting at a Meeting the chairperson shall have a casting vote.

9.12 Poll

At a Meeting, a poll may be demanded (before or on the declaration of the result of the vote) by any Member.

9.13 Proxy

Any vote to be cast at a Meeting may be exercised personally or by proxy. Where 2 or more persons are jointly entitled to exercise one vote and wish to do so by proxy that proxy shall be jointly appointed by them and

- may be one of them. A proxy shall be appointed in writing. If only one of those persons is present at a Meeting and they have not appointed a proxy as aforesaid, he or she may exercise the vote.
- 9.14 **Powers of the Association in Meetings**
Subject to Rule 9.1, the Association in a Meeting may, by resolution of not less than 75% of the Members present (in person or by proxy) and voting at such a meeting, exercise such powers, authorities and discretions of the Association notwithstanding any such power, authority or discretion may have been placed in the Board by virtue of these Rules.
- 9.15 **Declaration**
A declaration by the Chairperson of the Meeting, to the effect that any resolution has been carried, or lost, and an entry to that effect in the minute book of the Association shall be conclusive evidence of the fact without proof of the number of votes recorded in favour of or against the resolution.
- 9.16 **Written resolution**
A resolution in writing, signed or assented to whether by letter, telegram, cable, telex or facsimile by not less than 75% of the Members entitled to vote as at the date of the resolution is valid and effective as if it had been passed at a Meeting. Any such resolution may consist of several documents (including facsimile or other similar means of communication).
- 10 **ADMINISTRATION**
- 10.1 **Board Members**
Until the first Annual General Meeting, all Members of the Association shall constitute the Board. Thereafter, the Board shall consist of a maximum of five and minimum of three Members, as is fixed from time to time by the Association at an Annual General Meeting. The majority of Officers on the Board must also be Members of the the Society. The Board shall from time to time appoint one of its number to be the Chairperson. The Chairperson will be the contact person who can handle enquiries from the Registrar. The Board shall from time to time appoint a Secretary and Treasurer, who are not required to be Members and who may be bodies corporate. The Board may remove and replace a Chairperson, Secretary or Treasurer.
- 10.2 **Duration of Board**
Subject to Rule 10.4, a Board Member shall hold an elected position until the earlier of:
- (a) The next Annual General Meeting following election (when the Board Member shall be eligible for re-election);
 - (b) The date written resignation from a position is received by the Board;
 - (c) The date of removal from such position by the Board in a Special General Meeting in accordance with Rule 10.4;
 - (d) The date of cessation of ownership of a Residential Lot; or
 - (e) The death of the Board Member.
- 10.3 **Appointment of Board**
Board Members will be elected or re-elected at Meetings on a majority vote by the Members in the manner prescribed by these Rules.
- 10.4 **Removal**
A Board Member may be removed before the expiration of his or her term of office, by resolution of a Special General Meeting of Members, which resolution may also appoint a replacement Board Member.
- 10.5 **Casual Vacancies on Board**
In the event of any casual vacancy on the Board (whether caused by the death, resignation, or ineligibility of a Board Member or by some other circumstance) the remaining Board Members may (by majority vote, and irrespective of whether they constitute a quorum), appoint a Member to fill the vacancy until the position is filled by the Association in a Meeting. For the avoidance of doubt, the appointment of any Board Member as Chairperson shall not create a casual vacancy on the Board.
- 10.6 **Alternate Board Member**
Each Board Member shall have power from time to time by written notice to appoint any person to act as an alternate Board Member in place of such Board Member whenever that Board Member is unable to attend to his or her duties. Any such alternate Board Member may be removed or suspended from office by notice in writing to the Association from the Board Member for whom such alternate Board Member is acting or by resolution of the Board. Alternate Board Members shall have the same rights and duties as the Board Member for whom the alternate is acting.
- 10.7 **Powers of the Board**
The affairs of the Association shall be managed by the Board, which may exercise all powers of the Association and do on its behalf all such acts as it may deem necessary or expedient to achieve the objects of the Association and as are not by these Rules required to be exercised or done by the

- Members in a Meeting and may exercise such authority, powers and discretions as may by these Rules be vested in the Board, but subject always to any limits which may from time to time be imposed by the Members in a Meeting on the exercise by the Board of any such powers.
- 10.8 **Bank Account**
The Association shall establish a bank account in the name of the Association at a Bank for the deposit of Association funds and the payment of accounts authorised by the Board prior to payment. Any drawings on that account (including any cheque drawn on that account) shall be made only under the signature of the Chairperson or the Secretary or the Treasurer plus one other Board Member.
- 10.9 **Conduct Meetings**
The Board may get together, adjourn and otherwise regulate its meetings and procedures as it thinks fit. A majority of members of the Board from time to time shall form a quorum for a Meeting and no business of the Board shall be conducted at any time when less than a quorum is present at the same time and in the same place. The Secretary shall, upon the request of any Board Member, convene a meeting of the Board.
- 10.10 **Voting**
Resolutions of the Board shall be passed by majority. Each Board Member shall be entitled to exercise one vote. In the case of equality of votes the matter shall be referred to a Meeting for a decision. Notwithstanding any provisions to the contrary in these Rules, a resolution in writing signed by such of the Board Members as would constitute a quorum at a Meeting of the Board shall be as valid and effective as if it had been passed at a Meeting of the Board duly convened and constituted.
- 10.11 **Board minutes and records**
The Secretary shall cause proper minutes be kept of the proceedings of all meetings of the Association and of the Board. All business transacted at each such meeting and the minutes of such meeting shall be signed by the Chairperson and shall be accepted as a correct and accurate record of business transacted at such meeting without further proof of facts.
- 10.12 **Duties of Secretary**
The duties of the Secretary shall include:
- (a) convening Meetings when required to do so in accordance with these Rules and likewise convening meetings of the Board;
- (b) giving all such notices as the Association in general meeting or the Board may instruct or which the Association may be required to give to Members in the manner provided in these Rules;
- (c) keeping minutes of all Meetings of the Board, which shall be made available for inspection by any Member on request at any reasonable time, and entering into the minute book:
- (i) the time, date and venue of such Meeting; and
- (ii) all business considered and resolutions passed at such Meeting;
- (d) performing or supervising the performance of the clerical work for, and the maintenance of proper records of, the Association;
- (e) maintaining a membership register for the Association;
- (f) giving all such notices, certificates or information to the Registrar as may be required by the Act or by the Registrar pursuant to the Act;
- (g) issuing and receiving correspondence on behalf of the Association; and
- (h) holding in safe custody the common seal of the Association.
- 10.13 **Duties of Treasurer**
The Treasurer shall:
- (a) receive, and issue receipts for, all Annual Levies, Special Levies, and any other moneys paid to the Association;
- (b) operate and maintain a bank account in the name of the Association;
- (c) pay all accounts properly incurred by or on behalf of the Association;
- (d) report immediately to the Association any Member who fails to pay Annual Levies or Special Levies within a prescribed period;
- (e) keep all financial records;
- (f) compile all proper accounting records from time to time as required by the Act or by the Board; and
- (g) compile the Annual Financial Statement, and provide for the auditing of the accounting records of the Association and the distribution of the Audited Financial Statement to Members.

- 10.14 **Reimbursement of expenses only**
Board Members shall not be entitled to any remuneration for their services as such, but Board Members and their alternates shall be entitled to reimbursement for reasonable expenditure by way of travelling and accommodation expenses and other out-of-pocket expenses incurred in connection with the business of the Association (other than in attending Meetings).
- 10.15 **Duties of Officers**
Act in good faith and in the best interests of the Society.
Exercise powers for proper purposes only. Comply with the Incorporated Societies Act and the Constitution.
Exercise reasonable care and diligence.
Not create a substantial risk of loss to the Association.
Not incur an obligation the Board doesn't reasonably believe that the Society can perform.
- 11 **USE OF SEAL**
- 11.1 **Signing deeds**
Any deed or certificate to be signed by the Association must be signed by the affixing of the Association's common seal in the presence of the Chairperson or secretary and one Board Member (and in the case of a secretary which is a body corporate, by a duly authorised representative of that body corporate), in each case in accordance with a resolution of the Board. The Board shall obtain, and provide for the safe custody of, a common seal for the Association.
- 11.2 **Signing other documents**
All documents and written announcements requiring execution or signing on behalf of the Association must be signed by the Chairperson or the secretary and a Board Member (and in the case of a secretary which is a body corporate, by a duly authorised representative of that body corporate).
- 12 **MEMBER'S LEVY**
- 12.1 **Annual Levy**
The Annual Levy for each Member shall be an equal share of the total budget approved at an Annual General Meeting provided that each Member whose Lot is connected to the reticulated communal sewage scheme shall pay an additional levy relating to the cost of administering and maintaining that scheme.
- 12.2 **Notice**
As soon as reasonably practicable after the Annual General Meeting, the Board shall give written notice to each Member of the Annual Levy for the current year, and the due date for payment of the Annual Levy.
- 12.3 **Special Levies**
In the event the Annual Levy is inadequate for the costs and liabilities of the Association in any calendar year the Board may levy such additional amount equally upon all Members by written demand which shall be payable within 30 days provided the special levy shall not exceed \$500.00 unless confirmed at an Annual General Meeting or Special General Meeting of the Association.
- 12.4 **Special Contribution**
The Board may from time to time fix an additional annual levy to be paid by each Member together with the Annual Levy, to be set aside as a sinking fund to allow for and meet the costs of Capital Improvements or the enforcement of the objects of the Association.
- 12.5 **Surplus Funds**
Any surplus funds from any calendar year shall be credited against the sum payable in the following Financial Year.
- 12.6 **Levies for use of Water**
In addition to the levies referred to above, the Association may from time to time impose specific levies on each Member who is granted permission to use water obtained from the Common Facilities for the purposes of irrigation and animal welfare (for example, troughs).
- 13 **ANNUAL FINANCIAL STATEMENT**
- 13.1 **Preparation**
The Association shall prepare the Annual Financial Statement as soon as practicable after the expiry of each Financial Year, and in any event no later than three months after the expiry of each Financial Year. The Statement is to be filed with the Registrar within six months of the Society's balance date.
- 13.2 **Audit**
The Annual Financial Statement may be audited by the Auditor. The Auditor shall be furnished by the Association with all information, accounts and explanations as may be necessary for the performance of the duties of the Auditor. The Auditor shall certify (so far as appropriate) as follows:
- (a) that he or she has conducted the audit;
 - (b) whether or not he or she has obtained all of the information and explanations he or she has required; and
 - (c) whether or not the Audited Financial Statement is in his or her opinion properly drawn up so as to give a true and fair view of the income and

expenditure, and assets and liabilities, of the Association.

A copy of the Auditor's certificate shall appear on all copies of the Annual Financial Statement provided to a Member and considered at an Annual General Meeting.

13.3 Auditor

The Auditor shall be a member of the New Zealand Association of Accountants and shall be appointed, and thereafter removed and replaced, by the Board.

14 MISCELLANEOUS

14.1 Amendment

If agreed to by not less than 75% of the Members the Association may vary any of the Rules of the Association or make such additional rules from time to time as it deems necessary for the proper conduct of its affairs except that such varied or additional rules shall not be inconsistent with the objects of the Association as set out in Rule 3.1 and the duties set out in Rule 7.

14.2 Dissolution

The Association may be dissolved in accordance with section 24 of the Act. Upon the winding up of the Association, all surplus assets after the payment of all costs, debts and liabilities shall be distributed among Members equally.

14.3 Notice

A notice may be given by the Association to any Member either personally, by email, text message or by sending such notice to the Member by post. Such notice shall be deemed to be received at 9.00am (New Zealand time) on the next Working Day after it is sent.

14.4 Several Owners

Where there is more than one Owner with respect to any Residential Lot:

- (a) notice may be given by the Association to each of such Owners by giving notice to the Owner first named in the Register; and
- (b) each Owner shall have joint and several liability with respect to all obligations of such Owners as a Member to the Association.

14.5 Indemnity

The Association shall indemnify each Board Member for any liability incurred in respect of the affairs of the Association, other than a liability arising out of the wilful breach of these Rules by the Board Member.

14.6 No liability

No Board Member shall be responsible for any loss that may result from the acts or omissions of such person as a Board Member, except in the case of wilful breach of these Rules by the Board Member.

14.7 Arbitration

In the event of any dispute arising within the Association or the Board which is unable to be resolved by the Association or the Board within sixty (60) days of the dispute, any Member may have the matter settled by arbitration before a sole arbitrator appointed by the President or Vice president of the Auckland District Law Association or any replacement body for the time being. Such arbitration shall be carried out in accordance with the Arbitration Act 1996 or any enactment in substitution thereof. The costs of such arbitration shall be borne equally between the parties to the dispute and paid within 30 days of invoice. Any charges, awards, costs of arbitration not paid by due date shall bear interest at the Default Interest Rate calculated daily from the due date to the date of payment.

SCHEDULE 1

Initial Members

Tessa Christina Kennings

Nicholas Francis

Alistair Stuart Law

Arthur Chung

Danae Weston

Gayle Harvey

Peter Bryant Highton

Paula Jane Lester

Elizabeth Louise Edward

Heather Edmonds

Anne Kitt

Robert Parker

Matthew Graham Ockleston

Kelly Jayne Wyse

Clifton Lin

SCHEDULE 2

Infrastructure

- Power cabling to individual Lot boundaries;
- Telephone cabling to individual Lot boundaries (sufficient for broadband);
- Roothing;
- Walkways, bridges, seats and safety rails;
- Lakes;
- Dams and culverts, spillways and fish passes including safety rails;
- Gates and proximate rock walls;
- CCTV cameras [on gates];
- Tennis Courts;
- Children's play area;
- Picnic Areas and picnic furniture;
- Sewage facilities for Lots to be connected to the communal sewage system in the Development;
- Jetty on each lake;
- Waste disposal and recycling facilities; and
- Fencing on Lots 1, 10 and 13.