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EXHIBIT NOTE

This is the annexure marked "A" referred to in the
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this 20th day of September 1994 before me

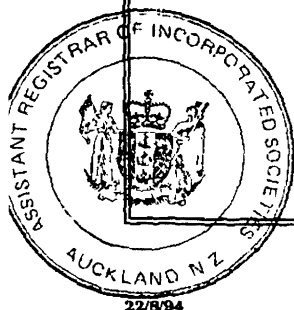


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Signature

A Solicitor of The High Court of New Zealand
(Solicitor to sign in part on Exhibit)

**CONSTITUTION OF
SHANGRI-LA GARDENS
RESIDENTS ASSOCIATION INCORPORATED**

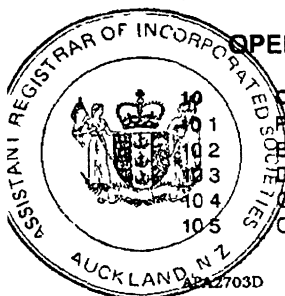


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INTRODUCTION

1 NAME OF ASSOCIATION

1.1 Name

The name of the Association shall be Shangri-La Gardens Residents Association Incorporated

2 DEFINITIONS AND INTERPRETATION

2.1 Definitions

In these rules, unless the context otherwise requires

"Act" means the Incorporated Societies Act 1908

"Association" means the Shangri-La Gardens Residents Association Incorporated, incorporated for the purpose of owning and administering the Communal Facilities in accordance with the Constitution

"Bank" means a bank registered under the Reserve Bank of New Zealand Act 1989

"Capital Improvements" means structural repairs to, and the replacement or renewal of, the Communal Facilities

"Committee" means the committee of members from time to time elected to manage the affairs of the Association pursuant to this Constitution

"Communal Facilities" means the tennis court, barbecue facilities, club house facility, putting green and swimming pool constructed on the Association's land and any other facilities from time to time provided by the Association for common use and enjoyment by Shangri-La Gardens residents

"Controlling Member" means as provided in rule 4.4, the Developer

"Constitution" means this Constitution as amended or added to, including all schedules to this Constitution

"Default Interest Rate" means four per cent above the Association's banker's overdraft rate applicable during the continuance of the default

"Developed Property" means a property within Shangri-La Gardens

- (a) for which a separate certificate of title for an estate in fee simple or a unit title for a stratum estate in freehold has issued, and
- (b) which has been fully developed as a residential property

"Developer" means Gulf Harbour Development Limited and its lawful agent or assignee

"Expense Year" means the year during which estimated operating expenses of the Association are reconciled to actual

"Invitee" means any invitee of or any visitor to an Owner or Occupier

"Manager" means any manager or management company of the Association, appointed under rule 11.1 and having the powers delegated under rule 10.1

"Member" means each person who shall from time to time be a member of the Association pursuant to rules 4.1 to 4.7

"Occupier" means any person occupying any Developed Property under any lease, licence or other occupancy right and shall include all members of an Owner's family

"Operating Expenses" means the total sum of all rates, taxes, costs, full replacement insurance premium and expenses of the Association properly or reasonably assessed or assessable paid or payable or otherwise incurred in respect of the Communal Facilities, and the operation of the Association but shall exclude any costs payable in respect of Capital Improvements

"Owner" means in respect of each Developed Property the person or persons (if more than one jointly and severally) registered as the proprietor for the time being of that Developed Property

"Owner's Title" means the certificate of title issued for an Owner's Developed Property

"Registrar" means the person holding office from time to time as Registrar of Incorporated Societies in terms of the Act

"Residents Scheme" means the scheme to which all Owners or Developed Property, and the Association as owner of the Communal Facilities are bound providing for certain building and other constraints to apply to each Developed Property, and imposed on all Owners under the terms of each Owner's purchase agreement relating to the Owner's property within the Shangri-La Gardens

"Shangri-La Gardens" means all of the land bounded by Island View Drive and Gulf Harbour Drive, Gulf Harbour, Whangaparaoa, being part of the land comprised and described in CT 90D/694 (North Auckland Registry) as at 2 September 1993 owned by the Developer and intended to be developed as a fully integrated residential subdivision

"Special Resolution" means a resolution of the Association in general meeting passed by a majority of not less than 75% of such Members as, being entitled to do so, vote in person or by proxy at such general meeting

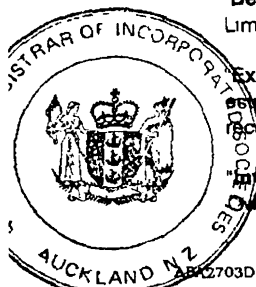
2.2

Interpretation

In this Constitution, unless the context otherwise requires

- (a) words denoting the singular shall include the plural and vice versa,
- (b) one gender shall include the other genders,
- (c) words denoting persons shall include any individual, company, corporation, firm,

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&
added
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partnership, joint venture, association, organisation, trust, state, agency of a state, municipal authority, government or any statutory body in each case whether or not having separate legal identity,

- (d) any covenant or agreement on the part of two or more persons shall bind those persons jointly and severally,
- (e) reference to anything of a particular nature following upon a general statement shall not in any way derogate from, or limit the application of the general statement, unless the particular context requires such derogation or limitation,
- (f) any reference to "month" or "monthly" shall mean, respectively, calendar month or calendar monthly,
- (g) references to rules are references to rules in this Constitution,
- (h) the table of contents, the section headings and clause headings have been inserted for convenience and a quick guide to the provisions of this Constitution and shall not form part of this Constitution or affect its interpretation in any way,
- (i) reference to any statute, regulation, ordinance or bylaw shall be deemed to extend to all statutes, regulations, ordinances or bylaws amending, consolidating or replacing the same

3 OBJECTS

3.1 General

The Association is formed for the following purposes and to promote the following objects for the benefit of Members

- (a) To own and continue to own the Communal Facilities
- (b) To provide a means whereby Members can use and enjoy the Common Facilities, and to regulate the use of Communal Facilities by Members
- (c) To provide for the proper maintenance, repair, renovation, replacement and management of the Communal Facilities
- (d) To raise levies on Members for the purpose of providing funds for and meeting the costs and expenses of the Association

To promulgate and enforce rules and covenants benefitting Members and Shangri-La Gardens, and in particular (and without limitation) to provide for the enforcement and regulation of the Residents Scheme

To undertake any other activity or work

relating to Shangri-La Gardens as the Association may from time to time resolve by Special Resolution

3.2 Pecuniary gain not to be an object

The Association does not have as an object the pecuniary gain of Members, and no Member shall be entitled to receive any dividend out of any levy, fee, donation or other income or funds of the Association

3.3 Members may contract

A Member may enter any agreement or understanding with the Association for the supply of any goods or services for such consideration and on such other terms and conditions as would be reasonable if that person were not a Member

MEMBERSHIP

4 MEMBERSHIP

4.1 Number of memberships

The membership of the Association shall consist of the same number of memberships as there are Developed Properties from time to time

4.2 First Members

The first Members ('First Members') of the Association shall be

**TAN KOK SENG
LEE SENG POH
GRAEME BRUCE JOHNSTONE
NEALE JOHN HOWCROFT
CEDRIC DOUGLAS GOTHARD
VASSO BELL
GRANT MERVYN HONEYCOMBE
PHILIP CHARLES CREAGH
CHRISTOPHER PATRICK EISELL MOORE
GREGORY JOHN SHANAHAN
BRETT EVAN CRAN
EDLYN MOY
SCOTT GRAHAM MACKY
SCOTT DAVID CAMPBELL
CHRISTOPHER STAFFORD TURNER**

These Members shall resign from the Association as soon as there are more than fifteen Owners (excluding the Developer) as Members. The First Members shall be entitled to vote at any meeting of the Association, to elect a Committee, and exercise all rights of Members set out in this Constitution, but shall have no obligations as Members

4.3 Owners to be Members

Subject to rule 4.2, each Owner shall be a Member, and only Owners shall be Members, and for that purpose

- (a) An encumbrance shall be registered against each Owner's title with and for the benefit of the Association whereby each Owner covenants, for the Owner and the Owner's successors in title from time to



time, that the Owner shall

- (i) for so long as the Owner is the registered proprietor of the Developed Property (and not otherwise) at all times be and remain a Member in good standing of the Association and meet all levies and other lawful impositions levied in respect of the Developed Property or the Owner's interest in the Developed Property by the Association, and
 - (ii) at all times, comply with the terms of this Constitution, including the rules forming part of or attached to this Constitution as to the use and enjoyment of the Communal Facilities
- (b) Upon any Owner becoming registered as registered proprietor of an Owner's title, such Owner shall immediately join the Association as a Member, and shall remain a Member in good standing throughout that Owner's term of ownership of the relevant Developed Property
- (c) Any Member selling that Member's Developed Property shall be obliged to procure the incoming purchaser, acquiring the Developed Property, to enter into, execute and deliver to the Association an acknowledgement of Membership in such form as the Association shall from time to time supply, effective from the date the incoming purchaser becomes the beneficial owner of the Developed Property
- (d) The Association shall, as soon as convenient, issue to each Member, or new Member as the case may be, a certificate of Membership recording that Member's interest in the Association
- (e) The Association shall be entitled from time to time to set such reasonable fee in relation to the issue of a Membership certificate, or a transfer of Membership from an outgoing Owner to an incoming Owner, as the Association shall determine
- (f) A Member shall be deemed to have resigned from the Association immediately that Member is no longer a Owner, provided that such resignation shall not relieve a person of any obligation or liability arising before that person ceased to be a Member

Each Owner shall, immediately upon becoming an Owner, (and thereafter as any details change), provide the Association with the details necessary for maintenance of the register of Members pursuant to rule 4 5, and shall upon entry of the details into the register, become a

Member

4 4 Developer as Controlling Member

Until the development of Shangri-La Gardens is fully completed, or the Developer chooses to resign, the Developer shall be the controlling member of the Association, regardless of whether the Developer is at any time a Member. The Controlling Member shall have only the rights specified in this Constitution, and shall have no other rights or obligations of a Member. No reference in this constitution to a Member shall be taken as including a reference to the Controlling Member. Upon development of Shangri-La Gardens being completed, the Developer shall be deemed to have resigned as Controlling Member, and thereafter, there shall be no Controlling Member in respect of the Association

4 5 Register of Members

The Association shall maintain a register of Members recording

- (a) **For each Member** name, address, occupation, telephone number and facsimile number (at home and at work) and similar details for a third party to be contacted in the event of absence or emergency
- (b) **For each Occupier** name address, occupation, telephone number and facsimile number (at home and at work) 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
- (d) **Voting** where there is more than one Owner of a Developed Property, which of such Owners is entitled to vote in accordance with rule 14 1
- (e) **Mortgagee** name, contact person, telephone number and facsimile number of any person holding a mortgage over the Member's Developed Property

4 6 Not assignable

The rights, privileges and obligations of a Member are not assignable

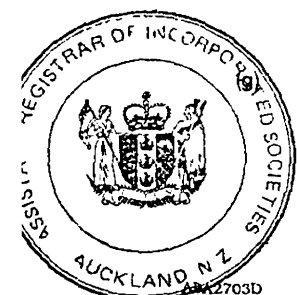
4 7 More than one Owner

If there is more than one Owner for a Developed Property, such Owners shall collectively constitute one Member

5 USE OF COMMUNAL FACILITIES

5 1 Entitlement to use

Subject to the rules of the Association relating to the use of the Communal Facilities, each Member,



Occupier and their invitee shall be entitled to make full use of the Communal Facilities

6 OBLIGATIONS OF MEMBERS

6.1 Member's share

Each individual Member shall be obliged to pay the same share of Operating Expenses

6.2 Association's estimate

Prior to or as soon as practicable after the commencement of each Expense Year, the Association shall by written notice advise each Member of the Association's estimate ("Association's Estimate") of each Member's share of Operating Expenses which shall include full replacement insurance policy premiums of the Communal Facility for that Expense Year, plus such contingency sum as the Association shall, in its sole discretion, fix

6.3 Obligation to pay

Each Member shall, on the first day of each month in each Expense Year, pay one twelfth of the Association's Estimate applicable to that Expense Year. Payment shall be made by each Member in the manner set by the Association

6.4 Annual reconciliation

As soon as practicable after the end of each Expense Year the Association shall provide to each Member an itemised statement of the actual Operating Expenses for the previous Expense Year. If the Member's share of actual Operating Expenses for the previous Expense Year is greater than the total of the monthly payments made by the Member pursuant to rule 6.3, the Member shall forthwith pay to the Association the difference. If the Member's share of actual Operating Expenses for the previous Expense Year is less than the total of the monthly payments made by the Member pursuant to rule 6.3, the Association shall credit the difference to the Association's Estimate for the then current Expense Year

6.5 Interim payments

If the Association has failed to advise a Member of the Association's Estimate for an Expense Year before the date the first payment is due under rule 6.3, the Member shall on that date and every other date on which a payment is due under rule 6.3 pay one twelfth of the Association's Estimate applicable to the previous Expense Year. On the Association's Estimate for the Expense Year being advised to that Member an appropriate adjustment shall be made

Special levies

The Committee

shall from time to time fix an additional monthly levy to be paid by each Member together with the monthly instalments of the Association's Estimate for that Member, to be set aside as a sinking fund

to allow for and meet the costs of Capital Improvements, and

- (b) may from time to time fix such special levies, payable by each Member at such times as are set by the Association, as the Association considers are necessary for it to meet its obligations under this Constitution,

provided that any levy payable by a Member under this clause shall be equal to that Member's share of the total estimated cost to be provided for and met from the proceeds of the levies paid by all Members

6.7 Sale of Developed Property

Where a Member ("Vendor") sells a Developed Property

- (a) Notwithstanding any other rule in this Constitution, the Vendor shall remain liable for sums owed to the Association by that Vendor
- (b) The Vendor shall continue to be liable as a primary and principal debtor for all indebtedness of the purchaser of the Developed Property to the Association until such time as the Vendor complies with its obligations under clause 4.3
- (c) The purchaser of the Developed Property shall be liable as a Member for all indebtedness of the Vendor to the Association in respect of the Developed Property purchased and a certificate of the Association given pursuant to rule 6.8 shall be conclusive as to the sum of this indebtedness

6.8 Statement of Member's position

The Association shall, on application by a Member, or any person authorised in writing by such Member, provide the Member or authorised person with a statement of the indebtedness of the Member to the Association calculated to the date specified in the application. The statement shall show

- (a) the Association's estimate of such Member's share of Operating Expenses for the current Expense Year,
- (b) payments made by the Member on account of Operating Expenses in the current Expense Year,
- (c) payments due from the Member on account of Operating Expenses in the current Expense Year, and not paid by the Member, and
- (d) any accumulated unpaid default interest

6.9 Covenants and rules

- 6.10 Each Member agrees to promptly and fully comply with all rules made by the Association from time to time, and any covenants given in favour of the Association by such Member (whether by



encumbrance, separate deed, or as noted against each Owner's Title)

7 BREACH OF OBLIGATIONS

7.1 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 Developed Property or the Invitees of such Members or the Occupiers of such Member's Developed Property, the Invitees of such Occupier. A Member must advise the Association of such details of the Occupiers of the Member's Developed Property as are requested by the Association. Each Member must take all reasonable steps (including enforcing the terms of any lease) to ensure Occupiers comply with this Constitution. In any case of persistent default by an Occupier of this Constitution, the Owner shall on demand by the Association, terminate the Occupier's right to occupy the Developed Property. A copy of this Constitution shall be attached to every lease, licence, or other document defining occupancy rights.

7.2 Consequences

Upon any breach of this Constitution by a Member (**Offending Member**)

- (a) Where damage has been caused to the Communal Facilities, the Offending Member shall make 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 do anything, including paying money, necessary to remedy the default.
- (c) All money paid and 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 this Constitution, 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.
- (d) If any money payable by an 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 be payable on demand and shall bear interest at the Default Interest Rate, computed on a daily basis from the due date until the date of payment in full.

POWERS OF THE ASSOCIATION

8 POWERS AND OBLIGATIONS OF THE ASSOCIATION

8.1 Communal Facilities Rules, Residents Scheme Rules

In fulfilment of the purposes and objects of the Association, the Association shall have the powers to promulgate and amend rules relating to the use of Communal Facilities, matters relating to the Residents Scheme and such other matters undertaken by the Association as decided by the Committee from time to time. The first of such rules as relating to the Communal Facilities and Residents Scheme shall be those rules attached as schedules 1 and 2 to this Constitution.

8.2 Booking system

The Association shall from time to time have power to introduce a suitable and fair system to ensure an appropriate priority system for the use of Communal Facilities by Members.

8.3 Repair of Communal Facilities

The Association shall ensure the proper operation, maintenance, repair, renovation and replacement of the Communal Facilities, and shall undertake such Capital Improvements as are necessary for this purpose.

8.4 Insurance

The Association shall effect and maintain all insurances as it considers prudent with respect to the Communal Facilities and the Association's affairs, and shall meet 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).

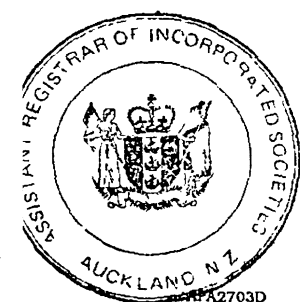
8.5 Service contractors

The Association may, from time to time, nominate a service contractor (with respect to security, landscaping or other such services as the Association considers desirable) as an exclusive service contractor or to Shangri-La Gardens. Any Member wishing to contract for services within Shangri-La Gardens, shall, where a service contractor or utility supplier has been nominated in respect of those services, only use that service contractor.

9 LIMITATIONS ON POWERS OF THE ASSOCIATION

9.1 No indebtedness

The Association shall not borrow any money, other than short-term borrowing to cover any temporary shortfall in meeting the Association's obligations under this Constitution, except by Special Resolution.



9 2 No encumbrances

The Association shall hold the Communal Facilities in its own name and shall not mortgage, charge, encumber, transfer or otherwise deal with the Communal Facilities, except by Special Resolution, provided that where the Association is obliged to grant any interest in or right in respect of the Communal Facilities by any agreement with the Developer, such interests or rights may be granted by the Committee

9 3 No investments

The Association shall hold all funds with a Bank, and shall not invest those funds other than by deposit with a Bank, except by Special Resolution

9 4 No improper use

All Communal Facilities designed for recreational purposes shall be used only for such purposes

9 5 Application of funds

All money paid to the Association by Members in accordance with this Constitution is to be applied exclusively for the purposes of

- (a) owning, administering and maintaining the Communal Facilities, or
- (b) administering and enforcing the Residents Scheme

OPERATION OF THE ASSOCIATION

10 COMMITTEE

10 1 Powers

The administration of the Association shall be vested in the Association in general meeting, and shall be delegated to the Committee. The Committee may exercise all the powers, authority and discretions of the Association as permitted by this Constitution and do on its behalf all such acts as they deem necessary or expedient. The powers, authority and discretions as exercised by the Committee are subject always to any limits which may from time to time be imposed by the Association. The Committee may delegate any of its powers to sub committees consisting of such Member or Members of their body as they think fit or to the Manager. Any sub-committee so formed shall in the exercise of the powers so delegated comply with the directions of the Committee

10 2 Bank accounts

The Association shall establish a bank account, and any drawings on that account (including any cheque drawn on that account) shall be made only under the signature of the Manager and one other member of the Committee

10 3 Documents

All documents and written announcements requiring execution on behalf of the Association must be signed by the chairperson

10 4 Composition

The Committee shall comprise the following persons

- (a) a chairperson,
- (b) a treasurer/secretary, and
- (c) a minimum of five and a maximum of 12 general Committee members, as determined by the Association in general meeting before election of Committee members,
- (d) the Manager (if one is then appointed)

10 5 Committee members

The Committee shall be elected by the Association at every annual general meeting, provided that the Association shall only elect persons as members of the Committee, and shall not elect any person specifically as chairperson

10 6 Term of office

A Committee member shall hold elected position until the earliest of

- (a) the next annual general meeting following election (when the Committee member shall be eligible for re-election),
- (b) the date written resignation from position is received by the Association,
- (c) the date of removal from such position by the Association in general meeting, or
- (d) the date of cessation of membership

10 7 Casual Vacancies

In the event of a casual vacancy in any position on the Committee (whether caused by death, cessation of membership from the Association, or some other means) the remaining Committee members may appoint another Member to fill the vacancy until the position is filled by the Association in general meeting

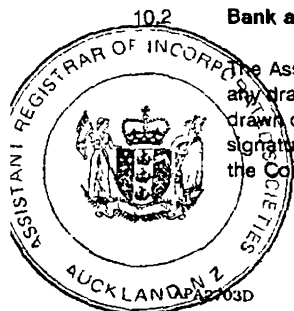
10 8 Controlling Member's position

Notwithstanding any other rule in this Constitution, the Controlling Member shall remain as a general Committee member, for so long as it remains Controlling Member and the Association shall not be entitled to remove the Controlling Member from this position for any reason whatsoever

10 9 Duties of treasurer/secretary

The treasurer/secretary shall

- (a) convene general meetings when requested



to do so in accordance with this Constitution,

- (b) attend all meetings of the Committee and have full speaking rights at such meetings,
- (c) give all notices required to be given by these rules or as directed from time to time by the Association or the Committee,
- (d) keep minutes at all general meetings and Committee meetings and enter into the minute book
 - (i) the time, date and venue of such meeting,
 - (ii) all business considered and resolutions passed at such meeting,
- (e) hold in safe custody the common seal of the Association,
- (f) receive, and issue receipts for, all annual levies, additional fees, and any other moneys paid to the Association,
- (g) operate and maintain a current bank account in the name of the Association,
- (h) pay all accounts properly incurred by or on behalf of the Association,
- (i) report immediately to the Association any Member who fails to pay annual levies or additional fees within the prescribed period,
- (j) keep all financial records and any security documents in safe custody,
- (k) compile all proper accounting records from time to time as required by the Act or by the Committee which give a true, fair and complete account of the financial affairs and transactions of the Association, and
- (l) compile the financial statements of the Association immediately following each financial year, and provide for the auditing of those records and the distribution of the audited financial statements to Members as soon as reasonably practical after each such audit is completed

10 10 Conduct of Meetings

The Committee may meet together, adjourn and otherwise regulate its meeting and procedures for conducting its business as it thinks fit. A majority of the members of the Committee from time to time, provided that such majority includes the Controlling Member (if there is one) shall form a quorum for a Committee meeting. No business of the Committee shall be conducted at any time when less than a quorum is present at the same time and place. The Committee may meet at any time and the secretary shall, upon the request of the chairperson or any three Committee members, convene a meeting of

the Committee

10 11 Chairperson

The Committee from time to time shall appoint, remove and replace a chairperson and a treasurer/secretary for such terms as it sees fit from among their number (provided that the Controlling Member shall not be chairperson) in the case of the chairperson to chair Committee meetings and otherwise exercise the powers of the chairperson set out in this Constitution, and in the case of the treasurer/secretary to fulfil the duties set out in rule 10 9

10 12 Casting Vote

In the case of a tie in votes the chairperson may exercise a casting vote

10 13 Seal

The Committee shall obtain a common seal for the use of the Association and shall provide for its safe custody. The common seal shall not be used except by resolution of the Committee. Every instrument to which the common seal is affixed shall be witnessed by any two members of the Committee

10 14 Voting

Resolutions of the Committee shall be passed by majority. Each Committee member shall be entitled to exercise one vote, provided that the treasurer/secretary shall not be entitled to vote and further provided that the Controlling Member (if there is one) shall be entitled to exercise a number of votes equal to one more than the number of other Committee members present at any Committee meeting. Notwithstanding any contrary provision in this Constitution, a resolution in writing signed by such of the Committee members as would constitute a quorum at a Committee meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and constituted

10 15 Validity of Committee's actions

All acts properly done by any meeting of the Committee or by any person acting as a Committee member, notwithstanding that it may afterwards be discovered that there was some defect in the appointment or continuance in office of any such Committee member, or that they were disqualified, shall be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a Committee member

10 16 Committee minutes and records

The Committee shall cause proper minutes to be kept of the proceedings of all meetings of the Association and of the Committee. All business transacted at such meetings signed by the chairperson shall be accepted as a correct and accurate record of the business transacted at such meetings without any further proof of the facts contained in such minutes



11 MANAGER

11.1 Duties

As administrators of the operations of the Association, the Committee shall be primarily responsible to manage the affairs of the Association but may appoint, remove and replace a manager from time to time to manage the affairs of the Association, under the supervision of the Committee

12 GENERAL MEETINGS

12.1 Annual general meeting

In addition to any other meetings in that year, the Association shall hold an annual general meeting each year. Not more than 18 months shall elapse between the date of one annual general meeting and that of the next. The Committee will determine the time and place of each year's annual general meeting.

12.2 Special general meetings

A general meeting other than an annual general meeting may be requested by the Committee, or by written requisitions signed by not less than 25% of current Members. The secretary shall call a special general meeting within 14 days of receiving an effective request.

12.3 Powers of the Association in general meeting

The Association in general meeting may, by resolution, exercise all powers, authorities and discretions of the Association notwithstanding that any such power, authority and discretion may have been delegated to the Committee by or pursuant to this Constitution. Notwithstanding any contrary provision in this Constitution, a resolution in writing signed by 75% of the Members entitled to vote in person or by proxy at general meetings, together with the Controlling Member (if there is one), shall be as valid and effectual as if it had been passed at a general meeting of the Association duly convened and constituted.

12.4 Quorum

No business shall be transacted at any general meeting of the Association unless the quorum is present when a meeting proceeds to business. Quorums shall be not less than 20% of all Members or 10 Members (whichever is the lesser) eligible to vote at general meetings, present in person or by proxy, together with the Controlling Member (if there is one).

12.5 Notice of general meeting

A notice of general meeting of the Association 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. In the case of a general meeting other than an annual general meeting such notice shall specify all business and all notices of motions to be considered at such meeting. No business or notice of motion which is not specified shall be discussed

or transacted at such meeting, unless the chairperson, in his sole discretion, allows

12.6 Failure to give notice

The accidental omission to give notice, or the non-receipt of such notice by any Member, shall not invalidate the proceedings at any such meeting.

12.7 The chairperson

The chairperson at any general meeting shall be

- (a) the chairperson of the Association, or
- (b) if the chairperson is not present or is unwilling to take the chair, then those Committee members who are present may choose one of their number to chair the meeting, or
- (c) if for any reason no chairperson is selected by the Committee, any Member appointed by a majority of Members present in person or by proxy shall be the chairperson.

12.8 Adjournment

If a quorum is not present within half an hour from the time appointed for the holding of a general meeting convened on requisition of Members, the meeting shall be dissolved. In any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Committee shall determine (such date not to be later than 14 days from the date of the adjourned meeting). If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the Members present together with the Controlling Member (if there is one) shall constitute a quorum.

12.9 Adjourned meetings

No business other than that business which might have been transacted at the meeting from which the adjournment took place, shall be transacted at any adjourned meeting. Members shall not be entitled to receive any notice in respect of adjourned meetings.

13 VOTING

13.1 One Member one vote

Each Member present at a general meeting of the Association (not at that time being in breach of the Constitution) shall be entitled to one vote for each Developed Property of which that Member is a registered proprietor, which may be exercised either in person or by proxy. Where there is more than one Owner in respect of any Developed Property, such Owners are collectively a Member pursuant to rule 4.7 and only one such Owner shall be entitled to vote. In the absence of agreement between such Owners as to who shall exercise this vote, the Owner appearing first on the certificate of title to the Developed Property shall be entitled to exercise that vote. On the death of any Member, and pending the



transfer of that Member's property within the executor of that Member's estate shall be entitled to exercise that Member's vote

13 2 Controlling Member's vote

The Controlling Member (if there is one) shall be entitled (other than where a Special Resolution is required by this Constitution) to exercise a number of votes equal to one more than the number of Members present at any general meeting. The Controlling Member shall not be entitled to vote on any Special Resolution

13 3 Corporation representatives

Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Association, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which that person represents as that corporation could exercise if it were an individual Member, and references in this Constitution to a Member being present in person shall mean and include a representative appointed pursuant to this rule, and such person may also stand for election to the Committee

13 4 No vote if fees unpaid

Unless all annual levies and additional fees presently payable by the Member to the Association have been paid in full, the Member shall not be entitled to vote at any general meeting of the Association, whether in his own right or as a proxy for another person

13 5 Voting at meetings

At any general meeting

- (a) A resolution may be put to the vote by the chairperson or by any Member present at the meeting and entitled to vote
- (b) Resolutions put to the vote shall be decided on voices or a show of hands, unless a poll is demanded on or before declaration of the result of the voices or show of hands by
 - (i) the chairperson of the meeting, or
 - (ii) at least five Members present in person or by proxy
- (c) In the case of a resolution put to the vote of the meeting by voices or a show of hands, a declaration by the chairperson that such resolution has been carried or lost or an entry to that effect in the Association's minute book, shall be conclusive evidence of that fact, without further proof of the number or proportion of votes recorded in favour of or against such resolution

Resolutions shall be passed by a majority of votes, except where Special Resolution

or the unanimous resolution of all Members is required by this Constitution

- (e) In the case of a tie in votes, the chairperson may exercise a casting vote

13 6 Good faith

Members shall, in exercising any vote at any general meeting, or as a Committee Member, exercise such vote in good faith with a view to ensuring that all Members are treated equally by the Association, and that each Member shall bear that Member's share of all Operating Expenses and of all costs and expenses to be met by levies made by the Association under rule 6 5, irrespective of whether any expenditure by the Association benefits all Members

GENERAL

14 GENERAL

14 1 Dissolution

The Association may be wound up in accordance with section 24 of the Act. Upon the winding up of the Association, ownership of the Communal Facilities shall vest in the Members as tenants in common in shares equal to the Member's share as at the date of winding up, and the Association shall take all necessary steps to vest legal title to the Communal Facilities in the Members in such shares

14 2 Alteration of Constitution

This Constitution shall not be amended, added to or rescinded except at an annual general meeting, or a general meeting convened for that purpose, and unless written notice of the proposed amendment, addition or rescision shall have been given to all Members in accordance with this Constitution

14 3 Amendments by Special Resolution

No rule, including this one, shall be amended, added to or rescinded except by Special Resolution, and with the written consent of the Controlling Member (if there is one)

14 4 Amendments by Unanimous Resolution

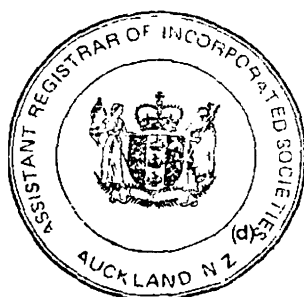
Notwithstanding any other rule in this Constitution, rules 4 3 and 14 1 may only be altered, added to or rescinded following a unanimous resolution from all members entitled to vote in the meeting

14 5 Amendments to be acceptable to Registrar

No such amendment, addition or rescision shall be valid unless and until accepted by the Registrar

14 6 Registered office

The registered office shall be situated at a place nominated by the Committee



14 7 Liability of Members

No Member shall be under any liability in respect of any contract or other obligation made or incurred by the Association

14 8 Member's Indemnity from Association

The Association shall indemnify each Member against any liability properly incurred by such Member in respect of the affairs of the Association, to the extent of property owned by the Association

14 9 No liability except where wilful default

No action in law or otherwise shall lie in favour of any Member against any other Member of the Committee, or any Committee member in respect of any act or omission pursuant to these rules, provided that nothing in this rule shall prevent an action in respect of any loss or expense arising from the wilful default of the person against whom such action is taken

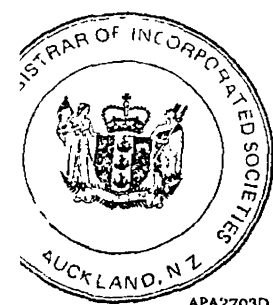
14 10 Member's Indemnity of Association

Each Member shall indemnify and keep indemnified the Association from and against any action, claim, demand, loss, damage, cost, expense and liability which the Association may suffer or incur, or for which the Association may become liable in respect of or arising from any breach of this Constitution by the Member subject and except to the extent of the Association receiving payment from any insurance policy

14 11 Approval

Where in this Constitution any reference is made to the approval or consent of the Association

- (a) such approval or consent shall be given at the sole discretion of the Association, as appropriate,
- (b) no approval or consent given on any occasion by either the Association shall serve as a precedent for, or be binding in any way with respect to, any future application for consent or approval, and
- (c) such reference shall mean the prior written approval or consent of the Association, as appropriate



Incorporated at Auckland, this 20th
day of September, 1994
[Signature]
Auckland Registrar of Incorporated Societies