

COMMONAGE CLOSE BODY CORPORATE RULES

BODY CORPORATE NUMBER ()

(OTAGO LAND REGISTRY)

The body corporate rules set out in the second and third schedules to the Unit Titles Act 1972 are repealed and the following rules substituted in their place:

1 RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION OF THE PROPRIETORS

Duties of Proprietor

1.1 A Proprietor shall:

- (a) permit the Body Corporate (or its agents or employees) at all reasonable hours, and at any time in the case of an emergency, to enter the Unit for any of the following purposes:
 - (i) viewing the condition of the Unit;
 - (ii) installing, maintaining, repairing or renewing any pipes, conduits, wires, cables, services, ducts, or plant in, upon, or passing through the Unit and capable of being used in connection with the enjoyment of any other Unit or the Common Property.
 - (iii) maintaining, repairing, cleaning, repainting, redecorating or renewing any Common Property including driveways, visitor parking, gardens, grounds and paths; and
 - (iv) ensuring that the Rules are being observed;
- (b) comply in **all** respects with **all** legal requirements for the time being in force in the area in which the Unit is situated insofar as they relate to the use, occupation or enjoyment of the Unit;
- (c) forthwith and at all times carry out all work that may be ordered by any competent local authority or public body in respect of the Unit to the satisfaction of that local authority or public body;
- (d) duly and punctually pay all rates, taxes, charges and other outgoings from time to time payable in respect of the Unit to any local authority or public body and all sums properly levied in respect of the Unit by the Body Corporate in such manner and at such times as the Body Corporate may from time to time direct;
- (e) repair and maintain the interior and exterior of the Unit and keep it in sufficiently good order, repair and condition to ensure that no damage, harm or diminution in value shall ensue to the Common Property or any other unit in the building of which the Proprietor's Unit forms part;

- (f) maintain any garden or ground forming part of the Unit or an accessory unit in a neat and tidy condition;
- (g) make no additions or structural alterations to the Unit including any alteration to installations for the supply of gas, water or electricity. and including the installation of any air conditioning or in any way alter the elevation or external appearance of the Unit or erect any fences around or within the Unit without first obtaining the consent in writing of the Body Corporate and obtaining all necessary statutory and local authority approvals;
- (h) observe and comply and procure the observance and compliance of his visitors, agents, servants and tenants with the rules of the body corporate relating to the control, car parking arrangements, management, security, safety, care, operation, cleanliness and use of the units and Common Property and for the preservation of good order, safety and comfort and enjoyment of the occupants thereof and visitors thereto as may from time to time be in force and effect;
- (i) contribute to a sinking fund established by the Body corporate in respect of maintenance of the Common Property.
- (j) make no alteration to the colour scheme or appearance of the exterior of the Unit without first obtaining the consent in writing of the Committee, such consent to be given at the absolute discretion of the Committee;
- (k) make no alteration to any paved or sealed areas without first obtaining the consent in writing of the Committee;
- (l) neither fix nor erect any sign to any part of the exterior of the Building without first obtaining:
 - (a) the prior written approval of the Committee, such approval to be given at the absolute discretion of the Committee;
 - (b) all statutory and local authority approvals;
 - (c) and complying with the directions of the Committee as to the position, size, colour and style of sign;
- (m) not fix signs to interior walls of the Building comprising part of the Common Property without first obtaining the prior written consent of the Body Corporate Committee and complying with any directions or conditions it may impose;
- (n) maintain and clean to the satisfaction of the Committee any signs which that Proprietor fixes to or erects on the exterior of the Building, or fixes to any internal wall of the building comprising part of the Common Property and comply with all conditions and continuing obligations imposed in terms of these Rules set out above;
- (o) not use or permit the use of any Unit for any purpose which may be illegal or injurious to the reputation of the Proprietors of the Building, or

which may interfere with the peaceful enjoyment of any other Unit or the Common Property, or which may interfere with the general management of the Building or the Land;

- (p) not interfere or obstruct the Manager appointed in any Service Contractors Agreement from performing their duties or interfere with or obstruct them from using any part of the Common Property designated by the Body Corporate for use by the Manager.
- (q) Ensure that they and any of their guests and invitees comply with any security arrangements established and prescribed in respect of access to and security generally in respect of the Development and the Land;
- (r) Ensure that the Body Corporate is at all times kept informed of current and effective contact details for communications to and service of notices on the Proprietor including mail address, phone numbers, and (if available) fax numbers and email addresses and shall likewise keep the Body Corporate promptly informed of any changes to those details;
- (s) Ensure that, on mortgaging of the Unit (in terms of the Property Law Act 1952), the Body Corporate is provided with the date of registration (and eventual discharge) of the mortgage and the name, address, and contact details of the mortgagee;
- (t) Give notice to the Body Corporate of the appointment and termination of the appointment of any letting agent and/or manager in terms of a management agreement for the purposes of letting the Unit, such notice to contain the name, address, and contact details of such agent or manager and shall ensure that any rental agreement or management agreement contains a provision that the tenant or manager shall comply with all Rules of the Body Corporate.

Powers and Duties of Body Corporate

1.2 The Body Corporate shall:

- (a) repair, maintain, clean, repaint, redecorate and renew when required all parts of the Common Property including entranceways, stairs, fire escapes, fences (if any), grassed areas, gardens, paved and sealed areas, curbing, channelling, drainage and other services used, or intended, adapted, or designed for use, in connection with or for the enjoyment of the Common Property, and any chattels, fixtures and fittings attached to or intended for use with the Common Property;
- (b) repair and maintain all pipes, wires, cables, services, ducts and all other apparatus and equipment which may be reasonably necessary for the enjoyment of any incidental right which may from time to time exist by virtue of section 11 of the Unit Titles Act 1972;

- (c) on request, produce to any Proprietor, or a registered mortgagee of any Unit, or any person authorised in writing by any Proprietor or registered mortgagee of any Unit, all policies of insurance effected by the Body Corporate under the provisions of section 15 of the Unit Titles Act 1972 and the receipt(s) for the last premiums paid in respect of such insurance;
- (d) insure and keep insured the Buildings and other improvements on the Land for replacement value (including demolition costs and architect's fees) against fire and other risks set out in section 15(1)(b) of the Unit Titles Act 1972 and shall authorise the Secretary or the Manager, as the case may be, to obtain from a registered valuer a valuation for insurance purposes prior to each renewal of the Body Corporate insurance and the costs incurred shall be deemed part of the insurance premium;
- (e) Impose an annual levy (payable in the manner the Body Corporate decides) upon each individual proprietor in terms of section 15(2) of the Unit Titles Act 1972 based on the unit entitlement of each Unit.
- (f) Comply with all other provisions of Section 15 of the Act.

1.3 The Body Corporate may:

- (a) borrow any money necessary to enable it to adequately perform its duties or exercise its powers;
- (b) invest any money for the time being held by it (whether in a fund established under section 15 of the Unit Titles Act 1972 or otherwise) in any of the modes of investment for the time being authorised by law for the investment of trust funds;
- (c) establish an account or accounts at a bank, and nominate for the purposes of Rule 1.3 three (3) persons (including the Secretary) of whom any two (2) may operate the account or accounts;
- (d) establish and maintain a sinking fund with annual contributions thereto from the Proprietors for maintenance or repair of Common Property and replacement items (including painting); such sinking fund to be held in an appropriate bank account on deposit by the Secretary and expended at the Body Corporate's discretion.
- (e) levy contributions to each Proprietor in accordance with the Act or these Rules, on the basis of an annual budgeted sum and payable by quarterly payments in advance to the credit of the Body Corporate's bank account. Any surplus of contributions over budgeted expenditure shall be carried forward to the next year. For the avoidance of doubt:
 - (i) the Body Corporate may resolve at any time that the whole or any part of the accumulated funds are surplus to the Body Corporate's requirement and shall be refunded to Proprietors in proportion to their actual contributions.
 - (ii) if any Proprietor fails to pay the whole or any part of that Proprietor's contribution with 14 days of the due date for payment then the amount not paid shall bear interest at a rate of interest equal to the ANZ

Banking Group (New Zealand) Limited's base rate at the date of default plus 3% calculated on a day to day basis, provided that such rate of interest shall not exceed 14%, from the due date for payment down to the date of actual payment. Interest shall continue to accrue both before and after judgement.

- (f) enter into any agreement with a Proprietor, or an occupier of any Unit, for the provision of amenities or services by them to the Unit or to the Proprietor or occupier or for the provision of amenities or services by a Proprietor occupier to the Body Corporate or another Proprietor or occupier of a Unit;
- (g) grant to a Proprietor or to anyone claiming through the Proprietor any special privilege in respect of the enjoyment of part or parts of the Common Property provided that any such grant shall be determinable by special resolution, and that any such grant shall not be inconsistent or conflict with any lease or easement affecting any part of the Common Property granted by all the Proprietors in accordance with the Unit Titles Act 1972;
- (h) settle and approve schemes for the colour and landscaping of the Units and for signs to be erected or painted on the Units or on the Common Property;
- (i) levy and require payment of a contribution or other lawful payment due from a Defaulting Proprietor, without the necessity of making an application pursuant to Section 33 of the Act or apportioning the liability to the Proprietors as a whole, and any fees, costs or expenditure incurred in the recovery of a contribution or other lawful payment shall be recoverable from such Defaulting Proprietor (including legal fees which shall be recoverable from a Defaulting Proprietor on a solicitor/client basis); should any such levy not be paid within fourteen (14) days of demand then the levy will increase by 10% for every levy period the levy remains outstanding.

Requirement for Committee

- 1.4 The powers and duties of the Body Corporate shall be exercised and performed by the Committee, subject to any restriction imposed or direction given at a general meeting of the Body Corporate.

Committee of the Body Corporate

- 1.5 The Committee consists of Proprietors and is charged with the powers, authorities, duties and functions of control and management of the Common Property for the mutual benefit of Proprietors. A decision of the Committee is a decision of the Body Corporate, except for Restricted Issues which must be determined at a general meeting. The Committee must act faithfully and responsibly discharge the fiduciary duty to comply with statutory duties such as policing Body Corporate Rules, organising maintenance and attending to other matters not delegated to the Secretary.

Subject to any restriction imposed or direction given at a general meeting, the Committee may delegate to one or more of its members such of its powers and duties as it thinks fit, and at any time may revoke the delegation.

If there is no Committee, the responsibility for the matters set out in these Rules and the powers given to the Committee by these Rules, shall be those of the Body

Corporate; and, unless the context otherwise requires, every reference in these Rules to the Committee shall be read as a reference to the Body Corporate.

Composition of Committee

- 1.6 Until the first Annual General Meeting of the Body Corporate, the Proprietors of all Units shall constitute the Committee.

Thereafter the Committee must consist of at least four but not more than six persons (excluding Secretary) as fixed by the Body Corporate from time to time. There must be a Chairperson and Treasurer, whether or not there is a Secretary. The Secretary may be delegated the powers of any or all of the members of the Committee in accordance with a Secretary contract.

Eligibility for Committee Membership

- 1.7 A person is eligible to be a member of the Committee if the person is an individual and is a Proprietor. Only one co-Proprietor of a Unit can be a member of the Committee, on the basis of ownership of the Unit, at a time.

The Secretary is non-voting and non-elected and cannot hold a proxy for other Committee members.

When Committee is Elected

- 1.8 The election of the members of the Committee must be conducted by open ballot and must appear as the last item on the agenda of each Annual General Meeting of the Body Corporate. Where only one person is nominated to any one position, that person shall be declared elected to that position at the general meeting. Each person entitled to vote in the open ballot has one vote in respect of each Unit of which he is entitled to vote.

Nominations to Committee

- 1.9 This Rule states how individuals are nominated for election other than an election held at the first Annual General Meeting.

The Secretary must serve notice on each Proprietor shown on the Body Corporate's roll, inviting each Proprietor to nominate themselves or another Proprietor for election as an ordinary member of the Committee, or Chairperson.

The notice must be given at least three weeks before, but not earlier than six weeks before, the end of the Body Corporate's financial year.

A nomination must be given in the form of a written notice and if the nomination is from a Proprietor nominating themselves, it must be signed and dated by the Proprietor or if the nomination is from a Proprietor nominating another Proprietor, it must be signed and dated by the individual and countersigned by the Proprietor, or person acting under the authority of the Proprietor and must state the Proprietors Unit number. Such nomination shall be accompanied by a brief curriculum vitae of the nominee which shall be circulated to Proprietors with the notice of the Annual General Meeting. A nomination must contain the surname and either the first given name or other name or abbreviation by which the nominated person ("the candidate") is generally known, the position or positions the candidate is nominating for.

Nominations must be given to the Secretary by the end of the Body Corporate's financial year.

As soon as practicable after receiving a nomination under this Section, the Secretary must forward written notice to the candidate acknowledging that the nomination has been received.

Term of Office

1.10 The members of the Committee including the Chairperson shall be elected at each Annual General Meeting to hold office until the end of the next Annual General Meeting.

However a member's position becomes vacant if the member dies, or becomes ineligible to hold the position by reason of no longer being a Proprietor, or resigned by written notice given to the Body Corporate Secretary, or is absent from two consecutive meetings of the Committee without the Committee's leave, or is convicted (whether or not a conviction is recorded) of an indictable offence, or is removed from office by ordinary resolution of the Body Corporate.

The Committee must (even though the number of its members may have fallen below a quorum) appoint a person who is eligible to be a member of the Committee to fill a vacancy in the position of Chairperson or ordinary member, or call a general meeting of the Body Corporate to fill the vacancy.

Restricted Issues

1.11 A Restricted Issue is a decision:

- (a) fixing or changing a contribution to be levied by the Body Corporate; or
- (b) to change rights, privileges or obligations of the Proprietors; or
- (c) on an issue reserved, by ordinary resolution of the Body Corporate for decision by ordinary resolution of the Body Corporate; or
- (d) that may only be made by special resolution or unanimous resolution of the Body Corporate; or
- (e) to bring a proceeding in a court, other than:
 - (i) a proceeding to recover a liquidated debt against a Proprietor; or
 - (ii) a counterclaim, third party proceeding or other proceeding in relation to a proceeding to which the Body Corporate is already a party.

Who May Call Committee Meetings

1.12 A meeting of the Committee may be called by the Secretary or the Chairperson, or in the absence of both the Secretary and the Chairperson, another member of the Committee acting with the agreement of enough members to form a quorum at a meeting of the Committee.

- 1.13 The Committee shall upon a requisition in writing made by at least half of the Proprietors entitled to exercise a vote in accordance with the provisions of these Rules including Rule 1.34, convene an extraordinary general meeting of the Body Corporate.

Place of Committee Meetings

- 1.14 The first meeting of the Committee after the Committee is elected must be held where the person calling the meeting decides, after that the meeting must be held where the Committee decides and may be held by teleconference, electronic chatrooms etc.

Time and Agenda for Committee Meetings

- 1.15 A meeting is convened by giving written notice of at least 14 days and an agenda to all Committee members of when and where the meeting is to be held.

Advice of the meeting must also be given to each Proprietor individually, other than a Proprietor who has instructed the Secretary that the Proprietor does not wish to be given advice of Committee meetings and has not withdrawn the instruction.

The notice calling a Committee meeting must include an agenda stating the substance of motions to be considered at the meeting. However, the Committee may also consider other issues raised at the meeting and resolve motions subject to any restricted matters previously determined at a general meeting.

Chairing Committee Meetings

- 1.16 The Chairperson must chair all meetings of the Committee at which the Chairperson is present. If the Chairperson is absent from a meeting, the member chosen by the members present (with that member's agreement) must chair the meeting.

Quorum at Committee Meetings

- 1.17 At a meeting of the Committee a quorum is at least half the number of voting members of the Committee represented personally, by proxy or by means of direct communication.

For deciding whether there is a quorum, a voting member who is present is counted as one or if the voting member also has the proxies of one or more, absent voting members, is counted a two.

A Committee member may exercise the proxy of only one person for voting at a meeting of the Committee. A Committee member cannot be represented by proxy at more than three meetings of the Committee in the year for which the Committee is appointed.

Voting at Committee Meetings

- 1.18 At a meeting of the Committee a motion is resolved by a majority of votes of the voting members present (either in person or by proxy or by means of direct communication) and voting and each voting member has one vote on each motion to be decided. Therefore, if a quorum is present, a motion supported by a majority of the votes of the voting members present is a decision of the Committee.

In the case of an equality of votes, the Chairman for the time being of the meeting shall have a casting vote as well as a deliberative vote.

Conflict of Interest

- 1.19 A member of the Committee must disclose to a meeting of the Committee the members direct or indirect financial interest in an issue or motion being considered. That member must not, if the member is a voting member, vote on the issue or motion. Similarly a proxy holder required to disclose an interest must not vote as the proxy on the issue or motion.

Voting Outside Committee Meetings

- 1.20 A resolution on a motion before the Committee is a valid resolution of the Committee, even though the motion is not passed at a meeting of the Committee, if called and conducted under the following correct procedures. Notice of the motion must be given to all Committee members or, in an emergency, as many members as it is practicable to contact and a majority of all voting members of the Committee must agree in writing to resolve the motion.

The notice must be given in writing and the members agreement to the motion must be given in writing and recorded in the minute book. However in an emergency, notice may be given and the members agreement expressed orally or by another appropriate form of communication. In the case of an emergency, the motion must be ratified at the next Committee meeting.

Minutes of Committee Meetings

- 1.21 The Committee must ensure full and accurate minutes of its meetings are taken and a full and accurate record is kept of each motion voted on. A copy of the minutes including the resolutions passed at a meeting of the Committee must be given within a reasonable time to the Proprietors of each Unit included in the Unit Title Plan.

Opposing the Carrying out Resolutions of Committee Meetings

- 1.22 A notice of opposition signed by the Proprietors of at least half the Units may be given to the Secretary, opposing the carrying out of a resolution. If after seven days from the date the minutes were posted to Proprietors, no notice of opposition is received by the Secretary, the Committee may then carry out the resolution or earlier if the resolution is necessary to deal with an emergency.

Committee Expenditure Limit

- 1.23 Any expenditure of over \$500.00 per Unit (plus GST) per single project, not being expenditure which the Body Corporate is legally obliged or previously authorised to incur, shall be referred to a general meeting.

General Meetings

- 1.24 A general meeting of the Body Corporate, to be called the Annual General Meeting, shall, in addition to any other meeting, be held at least once in every calendar year and not more than 15 months after the holding of the last preceding Annual General Meeting.

The first Annual General Meeting of the body corporate shall be held within 3 months after the date of the deposit of the unit plan or of the first sale of a unit, whichever is the later.

All general meetings of the Body Corporate other than the Annual General Meetings shall be called Extraordinary General Meetings.

- 1.25 The Proprietors must also be invited to submit motions for inclusion on the agenda for all general meeting.
- (a) However, a member of the Body Corporate may at any time submit a motion for consideration at a general meeting of the Body Corporate and if a motion is submitted, it must be included on the next general meeting agenda on which it is practicable to include the motion.
 - (b) Despite subsection (a), a motion may be included on the agenda for an Annual General Meeting only if the Secretary receives the motion before the end of the Body Corporate's financial year immediately preceding the meeting.
- 1.26 At least 21 days' notice of every general meeting of the Body Corporate specifying the place, the date, and the hour of the meeting, and the agenda shall be given to all persons entitled to exercise a vote in accordance with the Rule 1.34. Provided that accidental omission to give such notice to anyone so entitled shall not invalidate any proceedings at any such meeting.
- 1.27 A voting paper in respect of all motions shall be included in the general meeting notice for use by a person entitled to vote if a person wishes to cast his vote in writing. A voting paper shall be given to the Secretary or Chairman before the start of the general meeting.
- 1.28 Any notice required to be given under these Rules shall be sufficiently given if delivered personally to the person concerned or if left, or sent by letter posted to the person concerned at the last address of that person notified to the Body Corporate, or if no such address has been so notified at that person's last known place of residence or place of business in New Zealand.
- 1.29 At a general meeting of the Body Corporate, the persons entitled in accordance with the provisions of Rule 1.34, on an ordinary resolution to exercise the voting power in respect of not less than one-third of the voters, shall constitute a quorum.
- 1.30 Save as otherwise provided in these Rules or in the Act, no motion shall be resolved at any general meeting of the Body Corporate unless a quorum is present at the time and that motion is set forth in the notice of the meeting.
- 1.31 If within half an hour from the time appointed for a general meeting of the Body Corporate a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time and if at the adjourned meeting a quorum is not present within half a hour from the time appointed for the meeting, the number of persons present and entitled to vote at the expiration of that half hour shall constitute a quorum.

- 1.32 At a general meeting of the Body Corporate the Chairman shall normally be the Chairperson of the Committee if he is present. If there is no convenor or if the convenor is not present or is unwilling to act, a Chairman shall be elected at the commencement of the meeting, to chair that particular meeting.
- 1.33 Save as otherwise provided by the Act, or these Rules, all matters at a general meeting of the Body Corporate shall be determined by a simple majority of votes of those present. In the case of equality of votes the Chairman for the time being of the meeting shall have a casting vote as well as a deliberate vote.
- 1.34 (a) Subject to the provision of Section 41 of the Act, for the period from the date of registration of these Rules to six months after Commonage Close Limited advises the Body Corporate that the development of Commonage Close as detailed on the Unit Title Plan (“the Development”) is completed or 12 months from the date of registration of these Rules, whichever is the earlier, at any general meeting of the Body Corporate where any resolution is required, including without limitation, any unanimous resolution, Commonage Close Limited shall be entitled to exercise one vote in respect of each Principal Unit.
- (c) Subject to the provision of Section 41 of the Act, for the period from six months after Commonage Close Limited advises the Body Corporate that the Development is completed or 12 months from the date of registration of these Rules, whichever is the earlier, at any general meeting of the Body Corporate:
- (i) where a unanimous resolution is required, each person who is a Proprietor shall be entitled to exercise one vote; and
- (ii) in all other cases one vote only shall be exercised in respect of each principal Unit and no separate vote may be exercised in respect of any accessory Unit.
- 1.35 At any meeting of the Body Corporate any person present and entitled to vote on the matter that is under consideration may demand a poll thereon which shall be taken in such manner as the Chairman thinks fit.

Where a poll is demanded or a special resolution is before the meeting, each vote shall correspond in value with the Unit entitlement of the principal Unit and accessory Unit (if any) in respect of which it is exercised. In all other cases each vote shall be of equal value.

- 1.36 The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded. Where a poll is not demanded, a declaration by the Chairman that a resolution has been carried shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded for or against the resolution.
- 1.37 Any vote to be cast at a general meeting of the Body Corporate may be exercised personally or by proxy or by written voting paper. Where two 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 these persons is present at a general meeting and they have not appointed a proxy as aforesaid, he or she may exercise the vote.

Except where a unanimous resolution is required, a power of voting in respect of a Unit shall not be exercised unless all amounts accrued due and payable under the

Act to the Body Corporate in respect of the Unit in respect of which the vote is exercisable have been duly paid.

- 1.38 Where a resolution is proposed as a Special Resolution, it shall only be passed at a general meeting of the Body Corporate, where the Proprietors who vote in support of the motion together:
- (a) constitute more than 75 per centum of the total number of Proprietors; and
 - (b) hold more than 75 per centum of the aggregate Unit entitlement.

For the purpose of determining the number of Proprietors pursuant to (a) above, each Unit has one (1) Proprietor.

- 1.39 A motion may be amended at a general meeting by the persons present, and having the right to vote, at the meeting. However, an amendment cannot be made that changes the subject matter of the motion.
- 1.40 In counting the votes cast for and against a motion to amend a motion, or an amended motion, all persons who are not present personally or by proxy at the meeting, but would, if present, have the right to vote, must be taken to have voted against the amendment to a motion or the amended motion.

Secretary

- 1.41 A Secretary (who may or may not be a Proprietor) shall be appointed under a Secretary contract, by the Body Corporate at an Annual General Meeting for such term, at such remuneration, and upon such conditions as it may approve, and any Secretary so appointed may be removed by the Body Corporate by special resolution, either at a subsequent Annual General Meeting or at an Extraordinary General Meeting called for that purpose. At any such meeting the Secretary shall have the right to attend and be heard.
- 1.42 The function of the Secretary shall be to keep proper books of account in which shall be kept full, true and complete account of the affairs and transactions of the Body Corporate and to carry out such other functions as may from time to time be delegated to him by the Body Corporate.
- 1.43 The Secretary shall prepare a balance sheet showing the Body Corporate's financial dealings during the period to the budget year end and financial year end being the last quarter day preceding the anniversary of the first Annual General Meeting and shall arrange, at the direction of the Committee, for the accounts of the Body Corporate for the period to financial year end to be duly audited by an independent qualified auditor, and shall include a copy of the duly audited accounts in the Annual General Meeting notice.
- 1.44 The Secretary shall in the name and on behalf of the Body Corporate give Certificates pursuant to Section 36 of the Act to a Proprietor, any person authorised in writing by any Proprietor, Purchaser or Mortgagee of a Unit, to request such Certificates.
- 1.45 If a Proprietor defaults in the payment of a contribution levied under Section 15(2)(c) or Section 15(2)(a) of the Act the Body Corporate may so advise any person who is a first mortgagee of the Unit in respect of which the amount is payable.

- 1.46 The Secretary shall on application by a Proprietor or a mortgagee of a Unit, or any person authorised in writing by either of them, make the books of account and all minutes available for inspection at reasonable times and the Secretary shall be entitled to charge a reasonable fee to reflect the time and costs involved in complying with the request.

Seal of Body Corporate

- 1.47 The common seal of the Body Corporate shall be kept in such location as is determined by the Committee and, in the absence of any such determination, by the Secretary
- 1.48 The seal shall only be affixed to an instrument or document in the presence of two Committee members one of whom must be the Chairman. If the Chairman is absent then the Chairman shall specify in writing another Committee member to be present on the Chairman's behalf.
- 1.49 Notwithstanding subsection 1.47 and 1.48, a Secretary shall, for the purpose of properly exercising or performing any of his powers, authorities, duties or functions, be entitled to have the custody of the common seal of the Body Corporate and to affix it to any instrument or document and, where he so affixes it, shall attest the fact and date of the affixing of the seal by his signature.
- 1.50 Where a Secretary has affixed the common seal of the Body Corporate to any instrument or document in terms of 1.49 above, he shall be deemed to have done so under the authority of a delegation made by the Body Corporate.

Additional Use Provisions

Company Use of Units

- 1.51 While Commonage Close Limited is the Proprietor of any Unit:
- (a) it may use such Unit for display purposes;
 - (b) it may allow prospective purchasers of any Unit to inspect such display Unit;
 - (c) it may use such signs, advertising or display material in or about the display Unit and Common Property as it thinks fit.

2 RULES THAT MAY BE AMENDED BY RESOLUTION OF BODY CORPORATE

Aerials

- 2.1 Except with the express written consent of the Body Corporate a Proprietor shall not erect or fix to the Building any radio or television aerial or antenna or satellite dish.

Matters to be directed to the Secretary

- 2.2 All notifications and requests for consideration of any particular matter to be referred to the Committee or to the Body Corporate shall be directed to the Secretary and not to the Chairperson or any member of the Committee.

Obstruction

- 2.3 Except as provided otherwise in these Rules, the Common Property, entrances, lobbies, stairways and corridors shall not be obstructed by any Proprietor or used for any purpose other than reasonable ingress and egress to and from Units.

Interior Maintenance

- 2.4 (a) A Proprietor shall not employ any contractor or worker for the purpose of repairing or altering or making good any part of any Unit or any services to any Unit other than a contractor or worker appointed or approved by the Committee for such purpose or under the supervision and to the satisfaction of the Committee, which may specify conditions under which the work shall be carried out.
- (c) Nothing in this Rule shall prevent a Proprietor from employing an interior decorator for the purpose only of decorating or redecorating the interior of any Unit.

Windows

- 2.5 All windows shall be kept clean and, if broken or cracked, shall be promptly replaced by the Proprietor of the Unit (at the expense of the Proprietor or occupier) with fresh glass of the same colour and the same or better quality and weight.

Blinds, Awnings, Curtains etc

- 2.6 (a) A Proprietor shall not erect external blinds or awnings, unless the colour and design of those blinds or awnings have been approved by the Committee. Proprietors shall as often as the need shall arise (in the opinion of the Committee) replace at each Proprietor's own cost any blinds or awnings.
- (b) A Proprietor must not cover or coat any window of a Unit with aluminium foil or any other reflective material.

Cleanliness and Removal of Rubbish

- 2.7 (a) A Proprietor shall ensure that the Unit is kept clean at all times and that rubbish is regularly collected from the Unit and not allowed to accumulate. All rubbish shall be disposed of in bins or receptacles for removal on the usual days by the local authority or by independent contractors when required to do so by the Body Corporate.
- (b) A Proprietor shall not deposit litter, rubbish, or dirt on the Common Property, and the cost incurred in removing any rubbish from or the cleaning of any part of the Common Property where there has been a breach of this Rule shall be borne by the Proprietor responsible.
- (c) In disposing of rubbish a Proprietor shall ensure that bottles are completely drained, cleaned and deposited in unbroken condition in the area designated for bottles and all other rubbish must be drained and securely wrapped in small parcels and deposited in the area designated for rubbish.

Animals

- 2.8 A Proprietor must not raise, breed, or keep dogs, cats, fish, birds, or animals in any Unit without the prior written consent of the Secretary and on such terms and conditions as may be prescribed. The only automatic exception shall be a bona fide and properly trained and controlled guide dog in the constant company of a blind or physically impaired person.

No Dangerous Substances

- 2.9 A Proprietor shall not permit anything to be done or bring or keep anything in the Unit or in the Building which may create a fire hazard, or which may increase the rate of fire insurance on the Building, or which may contravene the fire regulations, or the Rules, regulations, ordinances or by-laws of any authority having jurisdiction over the Building or the services supplied to the Building, including without limitation, inflammable chemicals, liquid or gas or other inflammable material other than that either in a duly certified LPG container or in the fuel tank of a motor vehicle.

Conduct and Noise

- 2.10 A Proprietor shall not make or permit any objectionable noise in the Building or on the Common Property or interfere in any way with the peaceful enjoyment of other Proprietors or lessees, or occupiers of other Units, or those having business with them or of any person lawfully using the Common Property.

Heavy Objects

- 2.11 A Proprietor shall not, without the prior written consent of the Body Corporate, bring into or install in or permit to be brought into or installed in the Building or the Unit any goods, merchandise, machinery, plant or any other object of such weight, nature, or description as shall impose or throw upon the Building any stress, strain, or weight likely to damage, weaken, or cause any movement or structural defect in the Building or any part of it. All damage done to the Building by installing, moving, or removing heavy objects shall be made good and paid for by the Proprietor who or whose occupier or agent caused the damage. Before any heavy article is moved into or out of the Building at least 24 hours notice in writing of the intention to do so shall be given to the Body Corporate and the moving of the article into or out of the Building shall only be done under the supervision of a responsible person approved by the Body Corporate.

Awareness of Rules

- 2.12 A Proprietor shall ensure that any tenant, licensee, or occupier of the Proprietor's Unit has received a copy of these Rules (and any amendments) and shall make such person(s) aware that they are required to comply with these Rules (and any amendments).

Emergency Contact

- 2.13 A Proprietor shall advise the Secretary of the Proprietor's private address, telephone and fax numbers and email address or, if the Proprietor is a corporation, those contact details in respect of the Secretary or other responsible person employed by the Proprietor, and shall keep the Body Corporate promptly informed of any change of such addresses or telephone/fax numbers.

Recovery of Funds Spent to Rectify Breach

- 2.14 Where the Body Corporate spends money as a result of a breach of the Act or of the Rules by any Proprietor or the guests or licensees of any Proprietor or occupiers of the Proprietor's Unit, the Body Corporate shall be entitled to recover the amount so spent as a debt in any action in any court of competent jurisdiction from the Proprietor together with the Body Corporate's legal costs (on a solicitor/client basis).

Fire Drills and Evacuation Procedures

- 2.15 The Body Corporate may require the Proprietors to perform fire drills and observe all necessary and proper emergency evacuation procedures, and the Proprietors shall co-operate with the Body Corporate in observing and performing such Rules and procedures.

Special By-Laws for Common Property

- 2.16 The Committee may make special by-laws relating to the Common Property and its use and enjoyment. These special by-laws shall be complied with by all Proprietors. Such special by-laws shall not be inconsistent with these Rules and shall not derogate from any lease or easement in respect of the Common Property granted by all the Proprietors in accordance with the Act or any special right or privilege given by the Body Corporate pursuant to these Rules.

Car Parking

- 2.17 Each Proprietor of a car parking space must:
- (a) use it for the purposes of car parking only;
 - (b) not litter, otherwise soil it, or so use it as to create a nuisance;
 - (c) keep the car parks fully open and not enclosed in any way.

Common Car Parking Spaces

- 2.18 Car parking spaces not allocated to a specific unit may be used only for the purposes designated by the Body Corporate.

Vehicles

- 2.19 A Proprietor may not park or stand a motor vehicle, including any boat, trailer or boating equipment, upon Common Property or interfere with or obstruct access by other persons to the Buildings. Further, a Proprietor shall not permit any maintenance or repair work, other than minor maintenance work, on motor vehicles on the Common Property. A Proprietor must clean down any Common Property used for such minor maintenance work.

Clothes Drying

- 2.20 A Proprietor must not erect on the exterior of the Unit a clothesline or apparatus for similar purpose (either permanently or temporarily) or hang to dry clothes or any other thing on or from the exterior of the Unit or in such a way as to be visible from the outside of the Unit.

Security

- 2.21 (a) If the Committee restricts the access of any Proprietor to any part of the Common Property for security purposes the Committee may make available to the Proprietor free of charge the number of security keys which the Committee considers necessary. The Committee may charge a reasonable fee for any additional security key required by a Proprietor.
- (b) A Proprietor must exercise a high degree of caution and responsibility in making a security key available for use by an occupier of a Unit and must take all reasonable steps to ensure return of the security key to the Proprietor or the Committee.
- (c) A Proprietor in possession of a security key must not duplicate or permit the security key to be duplicated and must take all reasonable steps to ensure that the security key is not lost or handed to any person other than another Proprietor and is not disposed of other than by returning it to the Proprietor or Committee.
- (d) A Proprietor must promptly notify the Committee if a security key has been lost, stolen, or destroyed.
- (e) A Proprietor must obtain the prior consent of the Secretary if he wishes to install an alarm system in a Unit. All alarm systems must be monitored either by the security company employed by the Body Corporate or by another security company approved by the Secretary.

Damage to Common Property

- 2.22 A Proprietor or occupier of a Unit shall not:
- (a) damage any lawn, garden, tree, shrub, plant, or flower being part of or situated upon Common Property; or
- (b) mark, paint, drive nails or screws or the like into, or otherwise damage, cause loss to or deface the Common Property, including any structure that forms part of the Common Property except with the prior consent in writing of the Body Corporate.
- 2.23 A Proprietor shall not erect any partition or do anything whereby the access, light or air relating to adjoining Units may be diminished or interfered with or lost.
- 2.24 A Proprietor shall not:
- (a) use or permit any part of any Unit to be used for commercial activity other than for a home office and not make any application at any time (by way of resource consent or plan change or otherwise) for any use of the Unit other than for a dwelling (which may include a home office) without the prior written consent of the Committee, which consent may be given or withheld at the entire discretion of the Committee;
- (b) discharge or allow to be discharged any firearm in the Unit or elsewhere on the land.

- 2.25 A Proprietor shall not use any motorbike or motorcycle, including any three-wheeled and four-wheeled motorbike on the land other than on sealed areas for transportation purposes only, and in particular shall not drive any such vehicle recklessly and/or at excessive speed and/or in a manner which is likely to or does cause damage to the Common Property and/or in such a manner that constitutes a nuisance in the opinion of the Committee.

Breaches and Penalties

- 2.26 (a) A person who contravenes or fails to comply with any provision of these Rules or any lawful direction given under them shall be guilty of a breach of these Rules.
- (b) A person guilty of a breach of these Rules must remedy that breach immediately they become aware of it and in any event within seven days after notice from the Committee requiring them to do so.
- (c) A drunken or disorderly person, or person creating a nuisance, annoyance, disturbance or damaging or interfering with the peaceful enjoyment of the Proprietor or occupier of any Unit found in or upon the Common Property may be similarly ejected and removed from the Building by a security officer or a member of the New Zealand Police.

General

- 2.27 The duties and obligations imposed by these Rules and By-Laws on the Proprietors shall be observed not only by the Proprietor but also by the occupiers of the Units and by the Proprietors' and occupiers' guests, employees, agents, workers, children, invitees, licensees and tenants. The Proprietor or occupier of a Unit shall take all reasonable steps to ensure that all such persons do not behave in a manner likely to interfere with the peaceful enjoyment of the Proprietor or occupier of another Unit or of any person lawfully using Common Property.
- 2.28 Rules 2.1 to 2.27 (both numbers inclusive) may only be added to, amended, or repealed by special resolution of the Body Corporate at a general meeting.