

MAUNU ESTATES LTD CONSTITUTION



SUE & DAMIEN

021 793 822 | 021 387 345

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The Companies Act 1993

Constitution

of

MAUNU ESTATES LIMITED

1. Definitions

1.1 In this constitution unless the context otherwise requires the following words and expressions have the meanings given to them in this clause:

“Act” means the Companies Act 1993.

“board” means the board of directors of the company

“company” means **MAUNU ESTATES LIMITED**

“month” means calendar month.

“writing” includes all modes of representing or reproducing words, figures or symbols in a visible form including reproduction by facsimile machine.

1.2 Words importing the singular number only include the plural number and vice versa.

1.3 A reference to a person includes any firm, company or other body corporate.

1.4 A reference to a lot means a lot on the plan attached to this constitution being a plan of the subdivision of Lot 1 DP 57692 and the “Subdivision” refers to the subdivision of Lot 1 Deposited Plan 57692.

1.5 Subject to the above, expressions contained in this constitution bear the same meaning as in the Act at the date on which this constitution becomes binding on the company.

1.6 This constitution has no effect to the extent it contravenes the Act.

1.7 A reference to a clause means a clause of this constitution.

1.8 The clause headings are included for the purposes of convenience and do not affect the construction of this constitution.

2. Purpose of the company.

2.1 Common facilities. The company shall consider applications for consents in the matters referred to in a restrictive covenant registered against the lots in the Subdivision. The company shall manage common facilities created in the Subdivision. Those common facilities comprise :

- a the roading network gates and dam reserve and
- b the water reticulation system.

2.2 Acquisition of land. The company has agreed to take transfers of land from Maunu Stud Limited in accordance with a contract between the company and Maunu Stud Limited. That land is to be retained by the company to provide access to lots in the Subdivision and to provide for the dam and adjoining lake.

2.3 Maintenance of roadways gates and dam reserve

- a The company shall maintain the roadways the gates at the entrance of the Subdivision and the dam reserve (together called "the improvements"). The improvements shall be maintained at the same standard as they were in at the time when the land containing them is transferred to the company. The lot owners are each obliged to maintain the road berm in front of their respective lots
- b The costs of maintaining the improvements and paying any other expenses incurred by the company (including rates) shall be levied on the shareholders on the basis of an equal share being payable by the holder of each share. Those costs shall (subject to paragraph 2.3c) be shared equally between the shareholders in proportion to their respective shareholdings and not in proportion to the use that they make of the roading network, gates and dam reserve.
- c No shares in the company which are owned by Maunu Stud Limited shall be included for the purpose of calculating any levy and no levy shall be payable for those shares of Maunu Stud Limited except for one share for each lot which Maunu Stud Limited owns in the Subdivision and which is occupied as a residence.
- d The company shall fix the levy for maintenance of the roading network, gates and dam reserve on the basis of recovering the cost of maintaining them. In fixing the rate of levy the company may also make appropriate provision for reserves for the repair maintenance and replacement of them.
- e If the company arranges any insurance for any potential liability that the company may have as a result of its activities or as a result of its ownership of assets then the cost of that insurance shall be included in the calculation of the levy
- f The amount of the levies and the time and manner of their payment shall be fixed by the company annually at its annual general meeting.
- g The company's obligation to maintain the gates referred to above shall oblige the company to maintain the gates themselves and any cables connecting the gates to lots in the subdivision only where those cables lie on or in company land. Maintenance within the boundaries of any lot shall be the responsibility of the lot owner.

2.4 Water reticulation system.

- a The land acquired by the company under paragraph 2.2 shall have appurtenant to it easements to provide a water reticulation system throughout the Subdivision and the company shall maintain the water reticulation system wherever it lies within the company's land or in the area of any water easement appurtenant to the company's land.
- b Each shareholder in the company shall be entitled to one water connection for each share held in the company to enable that shareholder to take water for stock and domestic use on land owned by that shareholder in the Subdivision. The point at which each shareholder connects to the water system shall be that point agreed between the shareholder and the company. The water is not potable.
- c All water taken by each shareholder shall be metered (the meter being installed and maintained by the shareholder at the cost of the shareholder) and the shareholder shall pay for that metered water at a rate determined by the company from time to time.
- d The company shall fix the rate payable for water based on recovering the cost of providing and maintaining the water supply. In fixing the rate the company may also make appropriate provision for reserves for the repair maintenance and replacement of the water reticulation system.
- e The company shall not be liable for any defect or failure in the water supply or for any loss or damage that the shareholder suffers (whether directly or indirectly) from any such defect or failure.

2.5 Damage by shareholders etc

If any of the improvements or any of the water reticulation system is damaged by any shareholder or by the employee agent or employee of any shareholder then that shareholder shall meet the costs of making that damage good.

2.6 Fencing

If any shareholder requires the company to contribute to any boundary fencing costs then the company shall be entitled to recover that cost from the particular shareholder concerned.

3. Shares

3.1 Number of Shares. At the date of registration, there shall be 50 shares in the company. The number of shares has been calculated on the assumption that there will not be more than 50 lots created in the Subdivision and that the original shareholder will transfer one share to the buyer of each lot in the Subdivision.

3.2 Restriction on Share Ownership. No person or entity may hold shares in the company unless that person or entity is also the registered proprietor of at least one lot in the Subdivision. Any person or entity who is the registered proprietor of any lot shall be deemed to be the holder of the share attaching to that lot.

Except as otherwise provided the company shall be entitled to treat the registered holder of any share as the absolute owner and accordingly shall not be bound (except as ordered by a

court of competent jurisdiction or as by statute required) to recognise any trust charge encumbrance lien or other claim to or interest in such share on the part of any other person.

- 3.3 Mortgage of shares.** Whenever a shareholder mortgages charges or agrees to sell exchange or otherwise dispose of or grant rights in respect of a share in the company the shareholder shall also mortgage charge agree to sell exchange or otherwise dispose of or grant rights in respect of the relevant lot in the same manner and to the same person and vice versa.
- 4. The company may hold its own shares.**
Shares acquired by the company may be held by the company and shall not be deemed to be cancelled under Section 66 (1) of the Act unless the company cancels them, and if the company cancels any shares it holds those shares may be reissued by the company.
- 5. Transfer of shares**
- 5.1 Entry in register.** Subject to clause 5.2 and clause 5.6, shares may be transferred by entry of the name of the transferee on the register, following receipt of a transfer in accordance with clause 5.2.
- 5.2 Signed transfer.** For the purpose of transferring shares a form of transfer signed by the present holder of the shares or the holder's personal representative must be delivered to the company or to the agent of the company who maintains the register.
- 5.3 Form of transfer.**
- a** The form of transfer may be in the form set out in the First Schedule to the Securities Transfer Act 1991 or in any usual or common form, or any other form approved by the board.
 - b** The form of transfer must be accompanied by evidence which satisfies the directors of the contemporaneous transfer to the transferee of the lot to which that share attaches, and such other evidence as the directors may require to prove the title of the transferor or his or her right to transfer the share or shares.
- 5.4 Board's right to refuse registration of transfer.**
- a** The board shall, within 30 working days of the receipt of a transfer of shares, resolve to refuse or delay the registration of the transfer if:
 - i** the holder of the shares has failed to pay an amount due to the company in respect of those shares; or
 - ii** the board considers that to effect the transfer would result in a breach of the law; or
 - iii** the share transfer has not been properly executed or does not comply with clause 5.2 or clause 5.3.
 - iv** the share to be transferred or the relevant lot is subject to any mortgage or charge or lien, unless the directors are satisfied that such mortgage charge or lien will be discharged upon the transfer of the share and the relevant lot or

that the holder of such mortgage charge or lien consents to the transfer of the share and the relevant lot.

- b A resolution of the board to refuse or delay a transfer of shares must set out in full the reasons for doing so and must be sent to the transferor and transferee within 5 working days of the date of the resolution.

5.5 Registration of transfer. Subject to clause 5.3 (form of transfer) on receipt of a duly completed form of transfer, the company must enter the name of the transferee on the register as holder of the shares, unless the board has resolved in accordance with clause 5.4 to refuse or delay the transfer of the shares.

5.6 Compulsory transfer of shares. If any shareholder has ceased to hold the relevant lot as registered proprietor and has not contemporaneously transferred his or her share to the new owner of the relevant lot, former shareholder shall be deemed to have appointed the company as the shareholder's agent for the transfer of the share to the person entitled to hold it.

The consideration (if any) for the share shall be as the directors in their absolute discretion determine and in particular for a consideration which will wholly or partly satisfy any indebtedness of the former shareholder to the company. The directors shall be under no duty fiduciary or otherwise to any shareholder to obtain the best or any price for the share upon its transfer.

Upon the company selling any share the company may receive the purchase price (if any) and any director may execute a transfer of the share on behalf of the former shareholder. The company shall then register the transfer and shall hold the purchase money (if any) in trust for the former shareholder but subject to a right of set off which the company shall have in respect of any monies owing to the company by the former shareholder howsoever arising.

The receipt of the company for the purchase monies shall be a good discharge to the transferee and after the transferee's name has been entered in the register in exercise of the powers contained in this clause the validity of the proceedings may not be questioned by any person. This clause shall apply to the holder(s) of any interest as tenants in common in a share.

6. Indemnity and Insurance

6.1 Indemnity of directors and employees.

- a The board may cause the company to indemnify a director or employee of the company or a related company for costs incurred by him or her in any proceeding:
 - i that relates to liability for any act or omission in his or her capacity as a director or employee; and
 - ii in which judgment is given in his or her favour or in which he or she is acquitted, or which is discontinued.
- b The board may cause the company to indemnify a director or an employee of the company or a related company in respect of:

- i liability to any person other than the company or a related company for any act or omission in his or her capacity as a director or employee; or
- b costs incurred by the director or employee in defending or settling any claim or proceeding relating to or any liability under paragraph 6.1 b i.

not being a criminal liability or liability in respect of a breach, in the case of a director, of the duty specified in section 131 of the Act (duty to act in good faith and in the best interests of the company) or, in the case of an employee, of any fiduciary duty owed to the company or related company.

- c The board must ensure that particulars of any indemnity given to any director or employee of the company or related company are forthwith entered in the interests register.

6.2 Insurance of directors and employees.

- a The board may, subject to section 162 of the Act, cause the company to effect and pay for insurance for a director or employee of the company or a related company in respect of:
 - i liability, not being criminal liability, for any act or omission in his or her capacity as a director or employee; or
 - ii costs incurred by such directors or employees in defending or settling any claim or proceeding relating to any such liability; or
 - iii costs incurred by a director or employee in defending any criminal proceedings in which he or she is acquitted.
- b The directors who vote in favour of authorising the effecting of insurance under clause 6.2 a must sign a certificate stating that, in their opinion, the cost of effecting the insurance is fair to the company.
- c The board must ensure that particulars of any insurance effected for any director or employee of the company or related company are forthwith entered in the interests register.

6.3 Definitions. For the purpose of this clause 6 “director” includes a former director and “employee” includes a former employee.

7. Appointment and removal of directors

7.1 Appointment. The company shall from time to time determine the number of directors, but there shall always be at least one and not more than four directors.

- a So long as Maunu Stud Limited has any shares in the company it shall be entitled to appoint two directors. Those directors or either of them may be removed from office only by Maunu Stud Limited and if either or both is removed from office then Maunu Stud Limited may appoint a replacement or replacements.

- b All other directors shall be appointed only by ordinary resolution of the shareholders (including Maunu Stud Limited if it is a shareholder). At least one of those directors shall be a nominee of the shareholders in the company excluding Maunu Stud Limited.
- c Each director (other than any director appointed under paragraph 7.1a) holds office until his or her retirement, disqualification or removal in accordance with this constitution.

7.2 Disqualification and removal. The office of director shall be vacated if the director:

- a resigns in writing; or
- b becomes incapacitated as defined in section 6 1 a and b of the Protection of Personal and Property Rights Act 1988; or
- c becomes disqualified from being a director pursuant to section 151 of the Act; or
- d is absent from more than three successive board meetings without the permission of the other directors; or
- e (not being a director appointed pursuant to paragraph 7.1) is removed by ordinary resolution of the shareholders.

7.3 Shareholding qualifications. A director is not required to hold shares in the company.

8. New Issue of Shares.

New shares offered to shareholders pursuant to section 45 of the Act and not accepted within the prescribed time or in respect of which an intimation is received from the person to whom the offer is made declining such offer may be disposed of by the directors in such manner as they think most beneficial to the company.

9. Proceedings at Meetings of Shareholders.

9.1 First Schedule Modified. The First Schedule to the Act is modified as follows.

9.2 Chairperson. Subclause 1(2) of the First Schedule to the Act is deleted and replaced with the following:

“1(2) If no chairperson of the board has been elected, or if at any meeting of shareholders the chairperson of the board is not present within 15 minutes of the time appointed for the commencement of the meeting, the directors present shall elect one of their number to be chairperson of the meeting. If at any meeting no director is willing to act as chairperson, or if no director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairperson of the meeting.”

9.3 Notice of Meetings. Clause 2 of the First Schedule to the Act is amended as follows:

- a by deleting subclause 4 and replacing it with the following:

“4 The chairperson may, and if so directed by the meeting shall, adjourn the meeting from time to time and place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of the business to be transacted at an adjourned meeting.”;

b by adding the following subclause:

“5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice thereof shall not invalidate the proceedings at that meeting.”

9.4 Voting. Clause 5 of the First Schedule to the Act is amended as follows:

a by deleting subclause 7 and replacing it with the following:

“7 In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting shall not be entitled to a second or casting vote”;

b by adding the following subclauses:

“9 Subject to any right or restrictions for the time being attached to any class of shares, every shareholder present in person or by proxy and voting by voice or on a show of hands shall have one vote.”

“10 The chairperson may demand a poll on a resolution either before or after a vote thereon by voice or on show of hands.”

“11 The demand for a poll may be withdrawn.”

“12 Except as provided in subclause 13, if a poll is duly demanded it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.”

“13 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.”

9.5 Proxies. Clause 6 of the First Schedule to the Act is amended by adding to it the following subclauses:

“6 A proxy form shall be sent with each notice calling a meeting of the company.”

“7 An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

*MAUNU ESTATES LIMITED
INSTRUMENT APPOINTING A PROXY*

I/We of being a shareholder of Maunu Estates Limited hereby appoint [print name of proxy] of or failing him/her of as my/our proxy to vote for me/us on my/our behalf at the the Annual/Special Meeting of the company to be held at on commencing at am/pm for all meetings of the company held within 12 months of the date hereof] and at any adjournment of any such meeting.

*Signed this day of 19
[Usual signature/s]*

“8 Where it is desired to afford shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

*MAUNU ESTATES LIMITED
INSTRUMENT APPOINTING A PROXY*

I/We of being a shareholder of Maunu Estates Limited hereby appoint [print name of proxy] of or failing him/her of as my/our proxy to vote for me/us on my/our behalf at the the Annual/Special Meeting of the company to be held at on commencing at am/pm and at any adjournment thereof.

I/We direct my/our proxy to vote in the following manner

<i>Resolutions</i>	<i>Vote with a Tick</i>	
	<i>For</i>	<i>Against</i>
<i>1.</i>	.	.
<i>2.</i>	.	.

*Signed this day of 19
[Usual signature/s]*

“9 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no intimation in writing of such death, insanity, revocation or transfer as aforesaid has been received by the company before the start of the meeting or adjourned meeting at which the proxy is used.”

“10 The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned

meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default, the instrument of proxy shall be treated as invalid.”

- 9.6 Postal Votes.** Clause 7 of the First Schedule to the Act providing for postal votes is deleted.
- 9.7 Resolutions in Lieu of Meeting.** A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such signed resolutions shall be as valid and effectual as the original signed document with effect from completion of its transmission.
- 10 Proceedings of the board.**
- 10.1 Proceedings of directors.** The provisions of the Third Schedule to the Act are deleted and replaced as follows.
- 10.2 Regulation of meetings, quorum and convening.** The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The quorum necessary for the transaction of business by the directors may be fixed by the directors and, unless so fixed, shall be the majority of the directors. A director may, and an employee at the request of the director shall, at any time, by any means of communication, summon a meeting of directors. It shall not be necessary to give notice of a meeting of directors to any director for the time being absent from New Zealand.
- 10.3 Voting.** Questions arising at any meeting of directors shall be decided by a majority of votes. In cases of an equality of votes the chairperson shall not have a second or casting vote. No business shall be transacted when a quorum is not present.
- 10.4 Vacancies.** The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number necessary for a quorum, the continuing directors or director may act only for the purpose of increasing the number of directors to the number necessary for a quorum or for the purpose of summoning a special meeting of the company.
- 10.5 Chairperson.** The directors may elect a chairperson of their meetings and determine the period for which he or she is to hold office; but if no such chairperson is elected, or if at any meeting the chairperson is not present within five minutes after the time appointed for the meeting, the directors present may choose one of their member to be chairperson of the meeting.
- 10.6 Resolution in writing.** A resolution in writing, signed by all the directors for the time being entitled to receive notice of a meeting of the directors, shall be as valid and effectual as if it had been passed at a meeting of directors duly convened and held. Any such resolution may consist of several documents in like form, each signed by one or more directors. A facsimile of any such signed resolution shall be as valid and effectual as the original signed document with effect from completion of its transmission.
- 10.7 Method of meeting.** A meeting of the directors may be held either:
- a by a number of the directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or

- b by means of audio, or audio and visual, communication by which all directors participating and constituting a quorum can simultaneously hear each other throughout the meeting.

10.8 Minutes. The directors shall ensure that minutes are kept of all proceedings at meetings of the directors.

11 Directors' Remuneration.

Section 161 of the Act shall not apply. The remuneration of the directors shall from time to time be determined by the shareholders in general meeting and shall be divided amongst the directors as they shall agree or failing agreement, equally.

12. Indemnity of directors.

12.1 Every director and other officer or servant of the company shall be indemnified by the company and it shall be the duty of the directors out of the funds of the company to pay all costs losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or any act or deed properly done by him as such officer or servant or in any way in the discharge of his duties but not including expenses of attendance at directors meetings unless and to the extent that the directors may approve.

12.2 Any director officer or auditor shall be indemnified against any liability incurred by him in that office in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted to him by the Court.

13 Distribution of Surplus Assets.

Subject to the terms of issue of any shares in the company, upon the liquidation of the company the assets, if any, remaining after payment of the debts and liabilities of the company and the costs of winding up ("the surplus assets") shall be distributed among the shareholders in proportion to their shareholding provided, however, that the holders of shares not fully paid up shall receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the company in satisfaction of the liability of the shareholder to the company in respect of the shares either under the constitution of the company or pursuant to the terms of issue of the shares.

14 Distribution in specie.

Upon a liquidation of the company, the liquidator, with the sanction of an ordinary resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder shall be compelled to accept any shares or other securities whereon there is any liability.

15 Removal from the New Zealand Register.

15.1 Directors May Apply for Removal. In the event that:

- a the company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or
- b the company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the company into liquidation;

the board of directors may in the prescribed form request the Registrar to remove the company from the New Zealand register.

Certified as the constitution of the company



Stuart Owen Spicer Applicant

STATEMENT OF PASSING OVER

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