

10.5 Appointment of Auditor

- (a) As soon as practicable after the date of execution of this Deed the Management Committee will appoint the Auditor of the Scheme.
- (b) The Auditor may at any time be removed from office by the Management Committee or by Owners by Extraordinary Resolution.
- (c) The Auditor may retire upon the expiration of not less than 90 days' notice in writing to the Management Committee.
- (d) Any vacancy in the office of Auditor occurring under clause 10.5(c) will be filled by the Management Committee appointing a chartered accountant or firm of chartered accountants as auditor.
- (e) The Management Committee will give to the Auditor such information as the Auditor reasonably requires for the performance of its duties with respect to the Scheme.

10.6 On request information

Owners will be able to obtain on request free of charge the latest financial statements of the Scheme.

10.7 Financial year

The Financial Year for the Scheme will be 1 April to 31 March, with the first financial year for the Scheme being the period from the Commencement Date to 31 March 2008.

11 MEETINGS**11.1 Meeting of Scheme**

- (a) The Management Committee will from time to time:
 - (i) at the request in writing of persons holding not less than 20 Members, summon a meeting of the Owners for the purpose of giving to the Management Committee their opinions or directions in relation to the exercise of its powers; or
 - (ii) summon a meeting of the Owners where it otherwise requires or desires.
- (b) Every meeting summonsed pursuant to this clause will be summoned by giving notice specifying the time and place of meeting to every Owner. The meeting will be held under the chairmanship of a person nominated by the Management Committee or in the event of default of such appointment, such other person as may be appointed by the majority of the Owners at the meeting.

11.2 Rules for convening and conducting meetings

Every meeting of the Scheme must be convened and conducted in accordance with the rules set out in Schedule 2.

11.3 Annual General Meeting.

The Management Committee will convene an Annual General Meeting by no later than the date falling 2 calendar months from the commencement of each financial year of the Scheme. At that meeting, the Owners will consider and determine by Ordinary Resolution:

- (a) Approval of the annual accounts for the Scheme for the previous financial year;
- (b) Appointment of the members of the Management Committee until the next Annual General Meeting;

- (c) Any amendment to the level of Annual Levies payable for the ensuing financial year as determined by the Management Committee under subclause 9.1(c); or
- (d) if required by this Deed, by Extraordinary Resolution, approval of or resolution of such other matters as the Owners may consider desirable in respect of the Scheme. Any such matters must, in the absence of a separate Extraordinary Resolution allowing the approval or resolution to be tabled from the floor at the meeting, be notified in writing to the Management Committee, by a Member, for inclusion in the meeting Agenda before such time that the Management Committee calls for the meeting in accordance with this Deed and Schedule 2.

11.4 Written Owner's Resolution instead of holding a meeting

- (a) A written Resolution signed by at least 75 percent of the Owners who would be entitled to vote on that Resolution at a meeting of the Scheme is as valid as if it had been passed at a meeting of the Scheme. Any such Resolution may consist of several copies of the Resolution, each signed by one or more Owners. A copy of a Resolution, which has been signed and sent by facsimile, email or any similar means of communication, will satisfy the requirements of this clause.
- (b) The Secretary must send a copy of the Resolution to every Owner who did not sign the Resolution or on whose behalf the Resolution was not signed, within 5 Business Days of the Resolution being passed.

12 TRANSFER OF INTERESTS

12.1 Sale

An Owner will be entitled to sell or transfer its Interests only in accordance with this clause 12. A transfer or transmission of an Interest will be deemed to include a transfer of the Owner's interest as licensee under the Occupation Licence;

12.2 Transfer of Interests

Any Owner may transfer an Interest held by that Owner (but not part of an Interest) to another person/s, other than a corporation, provided:

- (a) the Management Committee has approved the proposed transferee, such approval not to be unreasonably withheld where the transferor proves to the satisfaction of the Management Committee that the proposed transferee is respectable and responsible and has the financial resources to meet the Owner's commitments under the Scheme and the Occupation Licence;
- (b) the transfer does not result in an Owner or a related party to that Owner holding more than 2 Interests at any time unless such transfer is also approved by Ordinary Resolution of Owners;
- (c) the Management Committee has received:
 - (i) a transfer form of the Interest in or substantially in the form specified in Schedule 3 duly executed by the transferor and the transferee; and
 - (ii) a Deed of Assignment of the Occupation Licence in or substantially in the form specified in Schedule 3 duly executed by the transferor and the transferee for each Interest; and
 - (iii) a Deed of Accession in or substantially in the form specified in Schedule 3 duly executed by the transferee for the Interest binding the transferee to this Deed.

- (d) the transferor has paid to the Scheme's nominated solicitors the legal fees and disbursements relating to the transfer including the preparation of the documents specified in subclause (c) above and has paid any other reasonable costs incurred by the Management Committee in connection with the transfer and its approval; and
- (e) there are no unpaid Annual Levies or other amounts owing from the transferor to the Management Committee or the Nominee, it being acknowledged by Owners that all such unpaid amounts must be paid as part of the Management Committee's approval of any transfer.

Subject to clause 12.4 and subject to the transferor complying with all the obligations set out in subclauses (a) to (e) above, the Management Committee will register the transferee on the Register as the Owner of the relevant Interest. No transfer of an Interest will be effective unless and until the requirements of subclause 12.2(a) to (e) inclusive above are duly complied with.

12.3 Management Committee to provide documentation

The forms required pursuant to subclause 12.2(c) shall be prepared by the solicitors nominated from time to time by the Management Committee at the cost of the transferor for such fees as may be agreed between the Management Committee and its nominated solicitors from time to time.

12.4 No dissolution upon transfer

The Scheme will not be dissolved by any Owner exercising his or her rights pursuant to clause 12.1, and if such transfer was to cause dissolution of the Scheme the transfer will be invalid to the extent that it would have caused such dissolution. No dealing in relation to an Interest or Interests is to be registered if to do so would be contrary to any law or enactment.

12.5 Transmission of Interest(s) of Sole Owner

In the event of the death of an Owner who owns an Interest in his/her sole name;

- (a) that person's executor/s or administrator/s will be the only person/s regarded as having any title or interest in the Interest(s) held by such Owner upon producing such evidence as the Management Committee reasonably requires to establish such entitlement or interest, provided that such executor/s or administrator/s are not permitted to personally occupy the Site for that Interest(s);
- (b) as soon as practicable and within such period as the Management Committee may specify, the executor/s or administrator/s shall either assign the Interest(s) to a beneficiary/ies of the deceased Owner or alternatively sell or transfer the Interest to another person/s provided in both instances all the requirements of clause 12.2 have been complied with, failing which any such assignment or transfer will not be effective.
- (c) Pending any such assignment or transfer, the executor/s or administrator/s shall remain responsible for the deceased's Owner's obligations under the Scheme.

12.6 Entitlement on transfer or transmission

Upon the registration in the Register of any transfer or transmission of Interests from any person, the benefit of the Interests will be deemed to be transferred to the Owner into whose name the Interests are registered.

12.7 Change of name or address

Any change in the name, physical address, email address or other contact details required of any Owner by the Management Committee from time to time will be notified by the Owner in writing to the Management Committee who will alter the Owners Register accordingly.

12.8 No equities to be recognised

Neither the Management Committee nor the Nominee will be bound to see the performance of any trust (express, implied or constructive) or of any charge, pledge, or equity to which any of the Interests or any Interest therein are or may be subject, or to recognise any person as having any interest in any Interest except for the person recorded in the Register as the Owner, and accordingly no notice of any trust, charge, pledge or equity will be entered upon the Register.

12.9 Joint Owners

Where two or more persons are registered as the Owners of any Interest they will be deemed to hold the same as joint tenants with the benefit of survivorship subject to the following provisions:

- (a) *Maximum of two holders:* the Management Committee will not be bound to register more than two persons (unless they are trustees, executors, or administrators of a deceased Owner) as the Owner of any Interest;
- (b) *Joint and several liability:* the joint Owners will be liable severally as well as jointly in respect of all payments which ought to be made in respect of the Interest;
- (c) *Survivor of joint holders:* on the death of any one of such joint Owners, the survivor or survivors of them will be the only person or persons recognised by the Management Committee as having any title to such Interest, but the Management Committee may require such evidence of death as it thinks fit;
- (d) *Receipts:* any one of such joint Owners may give effectual receipts for any distribution payable to such joint Owners;
- (e) *First holder on Register:* only the person whose name stands first in the Register as one of the joint Owners will be entitled to receive notices from the Management Committee, and any notice given to such person will be deemed notice to all the joint Owners; and
- (f) *Voting rights:* at any meeting of Owners any one of such joint Owners may vote either personally or by duly appointed proxy in respect of such Interest as if he or she were solely entitled to it, but if more than one of the joint Owners is present personally or by duly authorised proxy then such one of those joint Owners so present whose name stands first in the Register in respect of the Interest will alone be entitled to vote as a Owner of the Interest.

12.10 Termination

- (a) The Management Committee may immediately terminate an Owner's entitlement to any one or more Interests by written notice to that Owner if that Owner:
 - (i) defaults in any payment due or breaches any other obligation under this Deed, and, where the breach is capable of being remedied, fails to remedy that breach within such reasonable period in the circumstances as is determined by the Management Committee (time being of the essence), but in any event not later than 1 calendar month from written notice of such default having been given (time being of the essence); or
 - (ii) defaults in complying with any obligation under that Owner's Occupation Licence resulting in termination of the Occupation Licence by the Management Committee.

- (b) Upon termination of an Owner's Interest pursuant to subclause 12.10(a), the Management Committee shall:
 - (i) obtain a valuation of the Interest from a registered valuer; and
 - (ii) promptly notify all other Owners of the availability of the Interest for purchase and the amount of the value determined by the registered valuer ("the assessed value"); and
 - (iii) take all reasonable steps to achieve a resale of the Interest in such manner as the Management Committee may determine to any person/s approved by the Management Committee at a price not less than the assessed value within 6 calendar months of the date of the valuation, and failing any such sale being achieved within that time frame on terms acceptable to the Management Committee, the Management Committee may sell the Interest at any time thereafter at the best price offered on terms acceptable to the Management Committee, provided that if the price offered is less than the assessed value, the Management Committee may not accept any such offer unless the Interest has been listed and marketed by a registered real estate agent for not less than 1 calendar month.
- (c) Upon settlement of a sale entered into pursuant to subclause (b)(iii) above, the Management Committee will account to the Owner for the net proceeds of sale, after deduction of any outstanding Annual Levies, any other costs owing by the Owner in respect of the Scheme and the Occupation Licence and all costs incurred by the Management Committee in respect of the termination of the Owner's Interest, the resale of the Interest and the issue of a new Occupation Licence to the new Owner.

12.11 Power of attorney

Each Owner hereby authorises the Nominee to execute all necessary documents to effect a transfer of its Interest under clause 12.10.

13 AMENDMENT OF DEED

13.1 Amendments

The Management Committee on behalf of the Owners may alter, modify or vary (each of these being an "amendment") this Deed at any time (by execution of a deed of modification), in any of the following cases, namely:

- (a) If, in the opinion of the Management Committee, the amendment is:
 - (i) made to correct a manifest error or is of a formal or technical nature; and
 - (ii) not likely in the Management Committee's reasonable opinion to be or become prejudicial to the general interests of Owners; or
- (b) if, In the opinion of the Management Committee, the amendment is:
 - (i) necessary or desirable for the more convenient, economical or advantageous working, management or administration of the Scheme's business or for safeguarding the interests of the Owners; and
 - (ii) not likely in the Management Committee's reasonable opinion, to be or become prejudicial to the general interest of Owners; or
- (c) if the amendment is authorised by an Extraordinary Resolution; or
- (d) if, in the reasonable opinion of the. Management Committee, the amendment is not and is not likely to be or become, prejudicial to the general interests of the Owners; or

- (e) if the amendment is required to comply with the provisions of any legislation.

13.2 Power of attorney for Deed of Modification

Each Owner hereby authorises the Management Committee to execute any such deed of modification on behalf of that Owner.

14 NOTICES

14.1 Addresses

- (a) Any notice or any other document given or required to be given in connection with this Deed shall be in writing and may be delivered:

by hand to the addressee personally or delivered by hand to the last known physical address of the addressee, or

by posting (with postage prepaid) to the last known address of the addressee, or

by facsimile, or

by email

to any of the following addresses:

- (i) in the case of an Owner, any such last known physical or postal address, facsimile number or email of that Owner;

- (ii) in the case of the Management Committee:

Care of:- Sherryl Louise Richards

Physical Address: 58 Perry Street, Masterton 5810

Email: tararua25@xtra.co.nz

Facsimile:

or such other address as may have been last notified in writing to the other parties.

- (iii) in the case of the Nominee, to its registered office at the time of the notice or such other physical or other address as the Nominee may have last notified in writing to the other parties.

- (b) Notices under this Deed shall be deemed to be delivered when:

- (1) if handed over in person to the addressee or delivered by hand to the physical address specified, then on the day of such delivery;
- (2) if posted (with postage prepaid) on the fifth Business Day following posting;
- (3) if sent by facsimile, when transmitted from the sender's machine to the facsimile number specified; or
- (4) if sent by email, to the email address specified when acknowledged by the recipient by return email (except return emails generated automatically) or otherwise in writing.

15 **GOVERNING LAW**

This Agreement is to be governed by and construed in accordance with New Zealand law. The parties agree to submit to the exclusive jurisdiction of the courts in New Zealand.

EXECUTION

Signed for and on behalf of **Riversdale Beach Holiday Park Limited** by its directors:

Signed for and on behalf of the **Secretary**
on behalf of the persons named in Schedule 1
in the presence of

.....

.....
Witness signature

.....
Full name (please print)

.....
Occupation (please print)

.....
Address (please print)

SCHEDULE 1

REGISTER OF OWNERS

This schedule is currently being updated.

SCHEDULE 2

RULES FOR CONVENING AND CONDUCTING MEETINGS OF THE SCHEME

SCHEDULE 2 – RULES FOR CONVENING AND CONDUCTING MEETINGS OF THE SCHEME**1 PLACE**

All meetings of the Scheme must be held at the Property or at another place as the Management Committee may approve.

2 MEETINGS

Meetings may be called, in respect of the Scheme, in accordance with clause 11 of this Deed.

3 NOTICE OF GENERAL MEETINGS**3.1 Period of notice**

At least 14 days notice must be given for calling a general meeting of the Scheme. If an Extraordinary Resolution is to be considered at a general meeting, at least 21 days notice must be given. The calculation of the period of the notice is to be exclusive of the day on which it is deemed to be served and on the day for which it is given.

3.2 Notice to Owners

Notice of every general meeting of the Scheme must be given to all Owners. The accidental or inadvertent failure to give notice of a general meeting to any Owner does not invalidate the meeting or anything done at the meeting.

3.3 Content

A notice must specify the place and appointed time of the meeting and the general nature of the business to be transacted. It is not necessary to specify the terms of the resolution to be proposed in the notice unless it is proposed that the resolution be passed as an Extraordinary Resolution.

3.4 Other copies

A copy of each notice must also be sent to the Nominee and the Auditor.

3.5 Proxies

Each notice must also state that an Owner may appoint a proxy to attend the meeting and to vote in the place of the Owner.

4 PROXIES**4.1 Appointment of proxy**

Any Owner may appoint a proxy to:

- (a) attend and vote for the Owner at any meeting or at any meeting held during any period if the meeting or the period are specified in the instrument of appointment; and
- (b) consent to any resolution which may be signed by the Owners without holding a meeting during any period specified in the instrument or relating to any matter specified in the instrument.

A proxy need not be an Owner, and may be the Secretary. Every proxy must be appointed in writing under the hand of the appointor. The instrument appointing the proxy must be deposited at the office of the Management Committee (or such other place as may be specified for that purpose in the notice convening the meeting) at least 48 hours before the time for convening the meeting.

4.2 Rights of proxy

Every proxy is to have the same rights as the Owner by whom he or she is appointed:

- (a) to attend and speak at the meeting; and
- (b) to vote, whether on a show of hands or on a poll.

4.3 Form of proxy

An instrument appointing a proxy must be in substantially the following form:

I of being an Owner of an Interest (relating to Site(s) numbered) in the Riversdale Beach Park Proportional Ownership Scheme relating to the Riversdale Beach Park hereby appoint of as my proxy to vote for me on my behalf at the meeting of the Scheme to be held on the day of 20.. and at any adjournment of that meeting.

Signed this day of 20

[.....]

4.4 Exercise of proxy

A vote given in accordance with the terms of an instrument of proxy is valid despite the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Interest in respect of which the proxy is given.

5 QUORUM

5.1 Number constituting quorum

No business is to be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum is at least the number of Owners (present in person or by proxy) holding between them at least 50% of all of the Interests.

5.2 Adjournment

If, within 20 minutes from the time appointed for the meeting, a quorum is not present, the meeting must stand adjourned to the same day of the following week, at the same time and place. If, at the adjourned meeting, a quorum is not present within 20 minutes from the time appointed for the meeting, then the Owners present in person or by proxy will form a quorum.

6 CORPORATIONS ACTING BY REPRESENTATIVE

Any corporation which is an Owner may authorise any person as it thinks fit to act as its representative at any meeting of the Scheme by resolution of its directors or other governing body. Any representative authorised is to be entitled to exercise the same powers on behalf of that corporation which the representative represents as that corporation could exercise if it were an individual Owner. References in these rules to an Owner being present in person is to mean and include a representative appointed by a corporation according to this clause.

7 CHAIRPERSON

The meeting will be held under the chairmanship of a person nominated by the Management Committee or such other person as may be appointed in that behalf by the Owners.

8 RIGHT TO ATTEND AND SPEAK

The Nominee and the Owners, and the Auditor (or any representative of any of them) may attend and speak at any meeting of the Scheme on any part of the business of the meeting which concerns them.

9 VOTES**9.1 Rights on voting**

On a vote taken at any meeting, each Owner present in person or by proxy is to have one vote for every Interest it holds.

9.2 No casting vote

In the case of an equality of votes on any question, the question must be deemed not to have been carried and the chairperson is not to have a second or casting vote.

9.3 Joint Owner

Where any Interest is jointly owned, the person whose name is entered first in the Register is to be entitled to exercise the vote in respect of that Interest.

9.4 Ordinary Resolution

Any reference to an Ordinary Resolution means a resolution passed at a meeting of the Scheme convened and held in accordance with the provisions of this Schedule:

- (a) by at least 50.01% of the votes; or
- (b) as provided for in clause 11.4 of the Deed.

9.5 Extraordinary Resolution

Any reference to an Extraordinary Resolution means a resolution passed at a meeting of the Scheme convened and held in accordance with the provisions of this Schedule:

- (a) by at least 75% of the votes; or
- (b) as provided for in clause 11.4 of the Deed.

10 MINUTES

The Management Committee will cause minutes of all proceedings of general meetings of the Scheme to be entered into books kept for that purpose at the office of the Management Committee. The books must be open at all reasonable times for inspection by any Owner. The minutes of any meeting must be confirmed either at the meeting to which they relate or at a subsequent meeting and must be signed by the chairperson of the meeting at which the minutes are confirmed. On production, the signed

minute book is to be conclusive evidence of the proceedings recorded in it and of their regularity in the absence of manifest error.