

COPY

DATED *2nd June* 2009

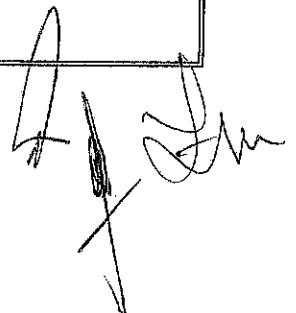
VILLAGE FIELDS DRAINAGE LIMITED

FRANCES MARY MAXWELL,
RALPH KERR MAXWELL
AND VERONICA HOUSE LIMITED

SHAREHOLDERS AGREEMENT

CORBAN REVELL
Barristers and Solicitors
133A Central Park Drive
Henderson
Waitakere City

Tel: (09) 837-0550 PO Box 21-180, Henderson
Fax: (09) 838-7187 DX DP92558

A handwritten signature in black ink, appearing to be 'R. Kerr Maxwell', is located in the bottom right corner of the page.

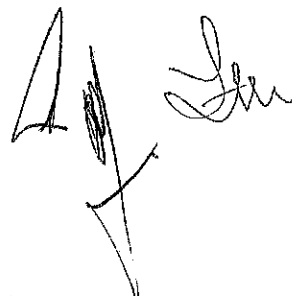
THIS AGREEMENT made this 2nd day of June 2009

BETWEEN VILLAGE FIELDS DRAINAGE LIMITED at Auckland ("the Company")

AND FRANCES MARY MAXWELL, RALPH KERR MAXWELL and VERONICA HOUSE LIMITED ("the Initial Shareholder")

BACKGROUND

- A. The Company is a duly incorporated company which has 4 fully paid ordinary shares.
- B. The Company has been established to implement administer and maintain a stormwater management system in accordance with a subdivision consent issued by Waitakere City Council under SPW21464 amended by order of the Environment Court under RMA074/03, RMA078/03 and RMA103/03 (Waitakere City Council References: RMA20020091; RMA20041339; RMA20050926) ("the Subdivision Consent") in respect of a subdivision of Lot 17 DP 364620 (such lots now being Lots 7,11,14 and 17 on Deposited Plan 406655) ("the Subdivision")
- C. It is intended that the registered proprietors of Lot 9, Lot 10, Lot 11 and Lot 12 in the most recent Stage of the Subdivision ("the Stormwater Management System Lots") shall each be the owner of one share in the Company so that the shares in the Company shall all be owned by the registered proprietors of the lots which carry out the stormwater management system, and all such owners may participate effectively in the operation of the Company.
- D. The Initial Shareholder will be the initial registered proprietor of the Stormwater Management System Lots in the Subdivision.
- E. The Initial Shareholder and the Company wish to record and agree certain objectives and principles and other arrangements in respect of the intended future operation and undertaking of the Company.



AGREEMENT

1. Interpretation

1.1 Definitions

In this agreement unless the context requires otherwise the following expressions have the following meanings:

“agreement” means this agreement including any schedules

“board” means the board of directors of the Company;

“business” means the business of the Company as set out in clause 2.1;

“business day” means a day upon which trading banks are open for retail business in Auckland;

“constitution” means the constitution of the Company;

“Deed of Accession” means a deed of accession in the form attached to this agreement as Schedule 2;

“development” means all stages of the residential property development situated at 39 Landing Road, Titirangi and includes any expansion or subsequent stages of that development;

“financial statements” means a statement of financial position and financial performance for the Company for a financial year or other period ending on 31st March each year during the term of this agreement prepared in accordance with generally accepted accounting principles and any notes, directors and auditors reports and other annexed documents;

“Initial Shareholder” means Francis Mary Maxwell, Ralph Kerr Maxwell and Veronica House Limited

“property” means all of Lots 9,10 and 12 to issue from Lot 17 DP 406655 and Lot 11 DP 406655 being the residential properties comprising the Stormwater Management System Lots;

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“parties” means the parties to this agreement and any parties who become a party to this agreement pursuant to a Deed of Accession; and “party” means any of them;

“shareholder” means a holder of a share in the Company;

“shares” means the voting shares in the Company;

“stormwater management system” means the separate stormwater management system and all its constituent parts including the detention tank located on Lot 11 DP 406655 at Landing Road which serves the property in respect of the management, collection and dispersal of stormwater in this part of the overall development.

1.2 Interpretation

1.2.1 The following provisions apply in the construction and interpretation of this agreement except to the extent that the context requires modification:

- (a) References to the background clauses and schedules are to the background clauses and schedules of this agreement;
- (b) The headings are for convenience only and will not affect the interpretation of this agreement;
- (c) Words importing the singular number include the plural and vice versa and the masculine includes the feminine and neuter genders and vice versa;
- (d) The word “person” includes any individual, company, corporation, trust, partnership, joint venture, syndicate, the crown, any central or local government entity or agency and any other entity or other association of persons either corporate or unincorporate;
- (e) References to any statute or regulation are to New Zealand statutes and regulations;

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- (f) References to written and in writing includes any means of visible representation;
- (g) Reference to any document includes all modifications in replacement documents from time to time.

2. Scope

2.1 Purpose of the Company

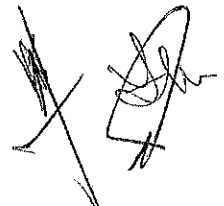
2.1.1 The parties acknowledge that the Company may only carry on or undertake the following businesses or activities:

- (a) The ownership, implementation, operation, maintenance or management of the property's Stormwater Management System and any addition or amendment to the Stormwater Management System.

2.2 Conduct of Shareholders

2.2.1 The shareholders must:

- (a) Exercise all voting rights and other powers of control available to them in relation to the Company in their capacity as shareholders of the Company and will procure that the directors of the Company appointed by them in accordance with clause 3.1 exercise the powers of control available to them to ensure, as far as they are able by the exercise of such rights and powers, that:
 - (i) The Company complies with the provisions of its constitution (except to the extent that they are inconsistent with this agreement); and
 - (ii) The Company and the parties comply with and achieve the objectives set out in this agreement;
- (b) Manage the stormwater management system in accordance with any manufacturers or Council's requirements, and in compliance with the resource consent, and any notices as to use issued by the Company or body authorised by the Company for the purpose;



- (c) Provide the Company, its representatives and any contractors appointed by it reasonable access to their property for the purpose of:
 - (i) Implementing and/or operating the stormwater management system;
 - (ii) Completing any review, maintenance or extension to the stormwater management system that has been resolved as being necessary by the board; and
 - (iii) Investigating, assessing or completing any other matter resolved by the board as being necessary for it to comply with its obligations under this agreement.

2.2.2 The Company must:

- (a) Give reasonable notice to a shareholder of its desire to gain access to the shareholder's property in order to comply with its obligations under this agreement; and
- (b) Make good any damage to the shareholder's property occasioned as a result of the Company, its representatives or contractors appointed by it in attending to the Company's obligations under this agreement.

2.2.3 To the extent that the terms of any easement registered over any or all of the properties is inconsistent with clauses 2.2 and 2.3 of this agreement, the terms of the easement will prevail.

2.3 **Term of Agreement**

2.3.1 This agreement will continue in full force and effect until such time as:

- (a) In respect of a shareholder, that shareholder ceases to beneficially own any shares in the Company; or
- (b) An order is made, or a resolution is passed with the prior written approval of the Waitakere City Council to appoint a liquidator of the Company.



3. **Board**

3.1 **Board Representation**

The Company will have a Board of Directors with a minimum number of two and no maximum number provided however that for as long as the initial shareholder is the registered proprietor of two properties the board may consist of two directors who shall be nominees of the initial shareholder. The initial shareholder may at any time and from time to time in its sole discretion remove any director appointed by it.

3.2 **Corporate governance**

The board will meet at least twice a year. Minutes of each meeting shall be kept and circulated to all shareholders of the Company with 21 days of the date of the meeting.

3.3 **Shareholder approval**

3.3.1 The following matters must be approved by a majority of at least 75 per cent of the shareholders:

- (a) The acquisition of disposition of assets (or a series of related acquisitions or disposals) which have a value in excess of \$1,000.00;
- (b) The borrowing of money or incurring of obligations (or a series of related borrowings or obligations) which have a value in excess of \$1,000.00);
- (c) The creation of any mortgage or charge over any of the assets or undertaking of the Company;
- (d) The adoption or variation of any operating budget, capital budget, cash budget or financial plan for the Company.

4. **Management of the Company**

4.1 The board will be responsible for the management of the Company;



- 4.2 No directors fees will be payable to any of the Company's directors unless resolved by the board and approved by a resolution of not less than 60 per cent of the shareholders.
- 4.3 The Board shall be responsible for the maintenance of the company's records and for compliance with the provisions of the Companies Act 1993 and all other statutes and regulations affecting the company.
- 4.4 The board shall ensure that the obligations and requirements relating to the in the stormwater management system are met and reports are provided to Waitakere City Council as and when required.

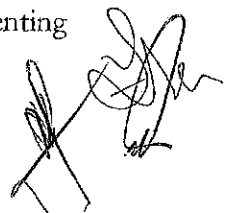
5. **Planning and Budgets**

The directors will ensure that the board prepares operational and strategic plans as well as budget proposals for the Company at least 30 days before the end of each financial year of the Company. The budget proposals must contain all information as would be usually contained in a Company's operating budget as well as details of planned expenditure and the proposed financing of that expenditure. The board must submit those budget proposals to the annual general meeting of the Company for shareholder approval by special resolution. The budget may later be amended only by special resolution.

6. **Funding**

Finance and Working Capital

- 6.1 The shareholders agree to fund the Company in the proportions of 25% by the registered proprietor of each of the Stormwater Management System Lots.
- 6.2 It is intended that the Company will invoice the shareholders up to twice a year and payment shall fall due 10 working days after the date of the invoice. If a shareholder fails to pay the invoice by the due date then that shareholder must pay interest at the rate specified from time to time by the board (and notified on that invoice) from the due date until the date of actual payment;
- 6.3 The invoice shall be for the shareholder's share of the costs of operation of the Company. The costs of operation of the Company shall be as determined in the annual budget, and include the administrative costs of operation of the Company, the meeting of all of the Company's financial obligations, the cost of implementing



and operating the stormwater management system, and a contingency provision for any capital works or reinstatement of the development due to the stormwater management system in the future.

7. **Dividend Policy**

Unless approved by special resolution the Company will not declare any dividends. If the Company makes any surplus in any financial year, unless otherwise approved by special resolution, that surplus will be held in a contingency fund to meet the cost of future expenditure by the Company.

8. **Transfer of Shares**

8.1 A person may only hold shares if he or she is a registered proprietor of a property. When a property is transferred to a third party, the registered proprietor of that property must ensure that:

8.1.1 Contemporaneously with the transfer of the property to the purchaser, any shares held by the registered proprietor of the property in respect of that property are transferred to the purchaser and an appropriately executed form of share transfer is delivered to the Company; and

8.1.2 Prior to the transfer of the property to the purchaser, the purchaser executes a Deed of Accession to become a party to this agreement and such Deed of Accession is delivered to the Company;

8.2 If a shareholder transfers his or her property and does not transfer the shares he or she holds in the Company in respect of that property then that shareholder irrevocably and unconditionally appoints each member of the board (jointly and severally) to be his or her attorney to give effect to such a transfer. If the board, or any member of the board exercises this power of sale the consideration for the shares it sells as attorney shall be \$1.00 per share.

8.3 In order to give effect to any sale of a share in the exercise of the powers given to it under clause 8.2 the board may authorise any person to execute a transfer of share to the purchaser. The purchaser will be registered as a shareholder of the shares which are transferred and will not be bound to see the application of the purchase money. The purchase title to the shares will not be affected by any irregularity or invalidity in the proceedings in reference to the sale. The damages

of any person aggrieved by the sale will be in damages only and against the Company exclusively. If the certificate for the shares, if any, is not delivered up to the Company the board may issue a new certificate distinguishing it as the board thinks fit from the certificate not delivered up and may cancel the certificate not delivered up.

9. **Good Faith**

The parties agree to use their best endeavours to observe, maintain and carry out the provisions of this agreement and will use their best endeavours to ensure that their respective appointees will exercise their rights in such manner that the provisions of this agreement are observed, maintained and carried out in good faith.

Each shareholder shall give to the company and its agents and servants the right to free and unimpeded access onto and over the shareholder's land to enable the company to fulfil its obligations to implement, operate, manage and maintain the stormwater management system.

10. **Dispute Resolution**

10.1 Except as otherwise agreed herein, if any dispute whatsoever arises as to any matter arising out of or relating to this agreement (including its formation or termination or any claim in tort equity or pursuant to any statute) a party may not commence any Court proceeding relating to the dispute (other than for urgent interlocutory relief) until:

10.1.1 Firstly the parties have referred the dispute to a mediator in accordance with the following procedure:

- (a) The party raising the dispute ("the first party") must give written notice to the other party specifying the nature of the dispute and the name of a mediator accredited by LEADR proposed to conduct the mediation.
- (b) Within seven (7) days of receipt of such notice, the other party ("the second party") may propose by notice in writing an alternative mediator accredited by LEADR. In such case, the parties shall within the said period of seven (7) days agree on the mediator and failing agreement within the said period the dispute

shall be referred to a mediator appointed by the President from time to time of the Auckland District Law Society.

- (c) If after seven (7) days have elapsed no such alternative has been proposed, the second party shall be deemed to have agreed to the first party's proposed mediator.
- (d) The mediation shall be carried out in terms of such mediation agreement as the mediator shall require.

10.1.2 Secondly the dispute has been referred to arbitration in terms of the Arbitration Act 1996.

11. Notices

Any notices must be given in accordance with the constitution.

12. Assignment

A party must assign that party's rights, obligations and interests under this agreement to the person to whom he or she transfers his or her shares and the other parties agree to such assignment on such transfer.

13. No Partnership

Nothing contained in this agreement is deemed to constitute the parties as partners nor except as otherwise expressly provided in this agreement to constitute any party as the agent or legal representative of another party. Except as expressly provided herein, no party has authority to act, or to assume any obligation or liability on behalf of any other party.

14. Entire Agreement

14.1 This agreement:

14.1.1 Constitutes the entire understanding and agreement of the parties relating to the matters dealt with in this agreement; and

14.1.2 Prevails over any terms contained in the constitution which are inconsistent with the terms of this agreement.

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15. **Amendments**

No amendment to this agreement will be effective unless it is in writing and signed by all parties.

16. **No Waiver**

No party will be deemed to have waived any right under this agreement unless the waiver is in writing and signed by that party. Failure to exercise or delay in exercising any right under this agreement will not operate as a waiver of that right. Any such waiver will not constitute a waiver of any subsequent or continuing right or other provision in this agreement.

17. **Severability**

Any unlawful or voidable provision in this agreement will be read down so as to be valid or enforceable or, if it cannot be read down, will be severed from this agreement without affecting the validity, legality or enforceability of the remaining provisions providing that the reading down or severing does not materially affect the purpose, or frustrate this agreement.

18. **Further Assurance**

At all times (either before or after the date of this agreement) each party, at the cost and expense of that party, must use all reasonable endeavours to make, do and execute or cause to be made, done or executed all such acts, instruments, assurances and writings as may be necessary or desirable to perfect or give effect to the provisions of this agreement and the transactions contemplated by it.

19. **No Merger**

None of the provisions of this agreement will merge in or upon the execution of this or any other instrument, document, act, matter or thing and will continue to remain in full force and effect for so long as is necessary to give effect to the provisions of this agreement.

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EXECUTED by VILLAGE FIELDS
DRAINAGE LIMITED by its director/s
in the presence of:

)
)
R.K. Maxwell
Director
Thaswell
Director

Witness signature
Witness name
Witness occupation
Witness address

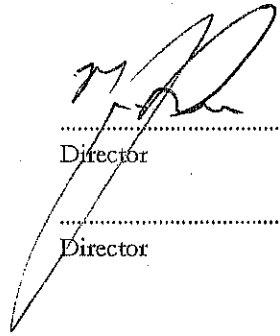
EXECUTED by FRANCES MARY
MAXWELL and RALPH KERR
MAXWELL in the presence of:

)
)
)
R.K. Maxwell
Thaswell

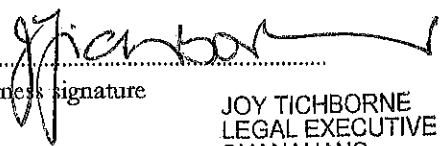
J. Vincent
Witness signature
Jody Vincent
Witness name
Bar Attendant
Witness occupation
3/155 Levers Rd Motua
Witness address Tauranga

EXECUTED by
VERONICA HOUSE LIMITED
by its director,~~s~~
in the presence of:

)
)
)
)



.....
Director
.....
Director

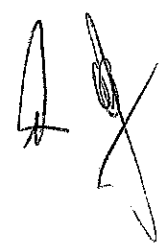


.....
Witness signature
.....
Witness name

JOY TICHBORNE
LEGAL EXECUTIVE
SHANAHAN'S
NEW LYNN, AUCKLAND

.....
Witness occupation

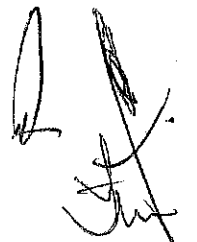
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Witness address



SCHEDULE 1

**STORMWATER MANAGEMENT SYSTEM - INSTALLATION, MAINTENANCE,
REPAIR AND/OR REPLACEMENT REQUIREMENTS**

See Stormwater and Ground Water Management Plan
dated 3 December 2008 ex Jackson Clapperton & Partners
Ltd, attached.

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Jackson Clapperton & Partners Ltd

Consulting Engineers

Geomechanics Laboratory

16a Saunders Place, Avondale, Auckland
PO Box 71065 Rosebank Road, Auckland 1348
e-mail: jcp.ltd@xtra.co.nz

Registered Surveyors

Ph: (09) 820 0131

(09) 820 0132

Fax: (09) 820 0133

Ref: 2001/014

3 December 2008

**STORMWATER AND GROUND WATER MANAGEMENT PLAN
LOT 11 DP 406655 – LANDING ROAD, TITIRANGI
WCC REF: RMA20020091; RMA 20041339; RMA 20050926;
SPW: 21464 AMENDED**

INTRODUCTION:

The Landing Road Subdivisional Development, Stage 2B shown on Jackson Clapperton & Partners Ltd plan ref: 2001/014, 'as built' Drainage Plans, Sheet 1, dated 26 June 2007, is served by private ground water relief drains and stormwater drains which require regular inspection and maintenance. This requirement shall be the responsibility of the "Body Corporate", or administrative company, which will also maintain the shared driveway access to Lot 11 and the future Lots 9, 10 & 12.

SYSTEM ELEMENTS:

1. Ground Water Relief Drainage:-
 - (a) 150 diam class B uPVC perforated pipe in AP 20 scoria bedding and surround, discharging into the stormwater system.
 - (b) Access and inspection "Lamp Hole" 600 mm diam concrete chambers.
 - (c) Individual outlets to the natural watercourse.
2. Stormwater Drains:-
 - (a) 150 diam SN16 uPVC pipes
 - (b) 450 diam RCRRJ Class 4 pipes.
 - (c) Standard 1050 diam concrete manhole.
 - (d) Inlet and outlet structures to the natural watercourse.
 - (e) Accessway stormwater catchpit.
3. Treatment Elements:-
 - (a) Detention Tank for driveway runoff.



Partners: A.W. (Tony) Smith BE, MIPENZ, CPEng, IntPE
M.S. Dittmer BSc, BE

T.W. Stanbury Dip LSSc, RICS, NZCE

Members of the Association of Consulting Engineers (ACENZ) and the New Zealand Institute of Surveyors

MAINTENANCE REQUIREMENTS:

A Ground Water Relief Drains:-

These drains shall be inspected every six months in April and September by observation of a light lowered to the drain inverts, from the lamp hole and observed from the collection manholes, or outlet discharge. Should any obstruction appear, the line is to be flushed and re-observed to verify clearance or video inspected and then reamed as appropriate to restore effective drainage. A note of the flow at the time of the inspection shall also be made on the attached Report Sheets Appendix C.

B Stormwater System:-

The driveway catchpits shall be inspected every six months with the pits suction cleared at 12 month intervals, or on inspection if required.

Stormwater lines shall be lamp inspected to verify a clear bore. Manholes and outlet points shall be inspected to verify a clear bore.

A record of the inspection shall be recorded on the attached sheet Appendix C.

C Driveway Detention System:-

The detention manhole shall be inspected at six month intervals, any collected debris cleared, the outlet orifice checked and cleared as necessary, and the inspection recorded on Report Sheets Appendix B.

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Appendix A

OPERATION, MAINTENANCE & MANAGEMENT OF STORMWATER SYSTEM

Notes:

Date of Inspection.....

Ground Water Drains
Main stormwater System
Driveway Detention System

Overall Condition

Action required (if any): _____

Time frame for correction or repair (if necessary): _____

Correct noted facility deficiencies by: _____

Site re-inspection is needed in order to verify corrections or repairs Yes / No

Site re-inspection accomplished on _____

Site re-inspection was satisfactory

Next routine service

Signature of technician



Appendix B

LANDING ROAD SUBDIVISION STAGE 2B,
LOT 11 DP 406655
GROUND WATER AND STORMWATER MAINTENANCE REPORT

Date of Inspection.....

A Ground Water Relief Drains

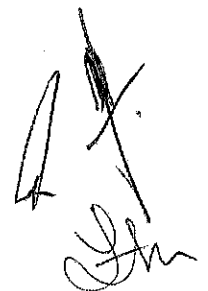
Element	Lamp Inspection Obstruction/ Clear	Flushing Yes/No	Video Tape Inspection Yes/No	Reaming Yes/No	Observed Flow	Notes
LH1 – Outlet 3						
LH2 – Outlet 4						
LH3 – Outlet 1						
LH4 – SWMH 1						



B Stormwater System

(a) Stormwater Lines

Element	Lamp Inspection Obstruction/ Clear	Flushing Yes/No	Flow	Notes
Outlet 1 – SWMH 1				
SWMH 1 – SWMH 2				
SWMH 2 – Inlet 1				
Outlet 1 – Det. MH				
Det. MH – CP				



B Stormwater System

(b) Catchpit, Manholes, Inlets & Outlets

Element	Debris Yes/No	Cleared Yes/No	Notes
Catchpit (Lot 14)			
SWMH 1			
SWMH 2			
Detention MH			
Inlet 1			
Outlet 1			
Outlet 3			
Outlet 4			



C Detention Manhole

Accumulate Silt Estimate Volume	Cleared Yes/No	Orifice Plate Free Or blocked Yes/No	Notes

Next Service

.....
Technician - Name & Signature



DATED

2009

(Insert name)

The parties named in Schedule 1

VILLAGE FIELDS DRAINAGE LIMITED

DEED OF ACCESSION

**CORBAN REVELL
Barristers and Solicitors
133a Central Park Drive
Henderson
Waitakere City**

Tel: (09) 837-0550 PO Box 21-180, Henderson

Fax: (09) 838-7187 DX DP92558



SCHEDULE 2

Deed of Accession

THIS DEED is made this day of 20_

BY

(Insert name) ("New Shareholder")

IN FAVOUR OF

The parties named in Schedule 1 ("the Existing Shareholders"); and

VILLAGE FIELDS DRAINAGE LIMITED at Auckland ("the Company")

BACKGROUND

- A. The Existing Shareholders and the Company are parties to a Shareholders Agreement dated the day of 2009 ("the Shareholders Agreement").
- B. Under the Shareholders Agreement a new shareholder in the Company is required to execute this deed.
- C. The New Shareholder is acquiring one share in the Company.

THIS DEED RECORDS

1. With effect from the date of any transfer of the share making the New Shareholder a shareholder in the Company ("the effective date") the New Shareholder agrees that the New Shareholder will become a party to the Shareholders Agreement as if it, he or she had been named as a party in the Shareholders Agreement and had personally executed it. The New Shareholder agrees from the effective date that it, he or she will observe and perform all of the obligations of a shareholder of the Company under the Shareholders Agreement and will be bound by the terms of the Shareholders Agreement.



SIGNED by the said)
(Insert name))
in the presence of:)

.....
Signature of (Insert name)

.....
Witness signature

.....
Witness name

.....
Witness occupation

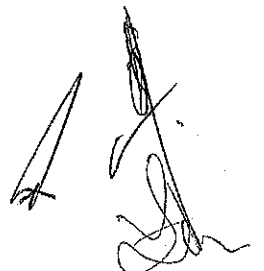
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Witness address

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SCHEDULE 1

Existing Shareholders

- 1.
- 2.
- 3.
- 4.
- 5.

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