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MANCHESTER UNITY  
~~KAIAPOI BUILDING AND~~  
~~LOAN SOCIETY~~  
(PERMANENT)

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# Rules

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*28/11/67*

Raven Street  
Kaiapoi

# **RULES**

OF

## **Kaiapoi**

### **Building and Loan Society**

(PERMANENT)

ESTABLISHED 1st JANUARY, 1883

Incorporated under "The Building Societies' Act, 1908."

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#### **DIRECTORS:**

C. JOSLEN, Chairman

T. M. AYERS

F. BRYDEN

J. W. BORRELL

A. E. CATTERMOLE

R. D. EVANS

W. C. TOURELL

#### **SECRETARY:**

D. R. HEGAN

#### **BANKERS:**

BANK OF NEW ZEALAND

#### **SOLICITORS:**

E. J. CORCORAN, SON THWAITES & BROWN

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# **RULES**

OF

## **Kaiapoi Building and Loan Society**

(PERMANENT)

### **Name.**

1. The name of the Society shall be the "Kaiapoi Building and Loan Society (Permanent)".

### **Office.**

2. The registered office or place of meeting for business shall be at Raven Street, Kaiapoi, or at such other place as the Board of Directors shall from time to time determine.

### **Objects.**

3. The objects of the Society shall be:—

- (1) To provide for its members the means of investment.
- (2) To enable its members to purchase freehold or leasehold properties by means of monthly, quarterly, or half-yearly contributions of principal and interest or otherwise.
- (3) To enable persons possessed of land to erect buildings thereon.
- (4) To grant loans on security of mortgage of freehold or leasehold property to be repaid by monthly, quarterly, or half-yearly instalments or otherwise and at such rates of interest as the Directors may determine.
- (5) To grant loans to members on security of their scrip.

### **Stock or Funds.**

4. The funds of the Society shall consist of:—

- (a) Capital or Stock subscribed by the members, consisting of 10,000 fully paid up investment shares of the value of \$20 each, called A shares; and the Directors shall have the power to issue the whole or any portion of that number at such periods and in such manner and for such premium as they shall from time to time think fit.
- (b) Subscription investment shares, called B shares, of the ultimate value of \$100 and the Directors shall have power to issue such number, at such times, and for such premium as they shall determine. No preferential shares shall be issued.
- (c) Borrowing shares of the ultimate value of \$50; and the Directors shall have power to issue such number, at such times and on such conditions as they shall determine.

### **Borrowing Powers.**

5. The Society may receive deposits or loans at interest from the Society's Bankers, members or other persons, or from Corporate Bodies, Joint Stock Companies, or from any Terminating Building Society, to be applied to the purposes of the Society, and may avail itself of the borrowing powers conferred by the Building Societies' Act, 1965, or of any amendment thereof to the fullest extent allowed thereby.

### **Members.**

6. Every investor subscribing for a share shall thereby become a member of the Society.

7. There shall be two classes of members, termed respectively Investing and Borrowing Members.

8. Persons under the age of twenty-one years may become investing members and may execute all necessary instruments, and give all necessary acquittances, provided always that during minority they shall not be competent to hold any office in the Society, but if of the age of eighteen years they shall be entitled to vote at any meeting.

Every member upon entrance shall give to the Secretary his Christian name in full, surname, place of abode, and profession, and upon any change taking place in his residence shall give notice thereof to the Secretary within fourteen days.

### **Seal.**

9. The Seal of the Society shall have the words "Kaiapoi Building and Loan Society (Permanent)" imprinted round the margin thereof, and shall remain in the custody of the Secretary and shall be used only with the sanction of the Chairman or of any two members of the Board. Three Directors shall attest the fixing of the Common Seal.

### **Shares.**

10. Shares shall be of three kinds:—

(A) Capital Shares of \$20 each, fully paid.

(B) Subscription investment shares which shall be of the ultimate value of \$100 each.

(C) Borrowing shares of the value of \$50 each.

Every member shall, on taking up A or B shares, receive scrip for the same, bearing the corporate seal of the Society and signed by two of the Directors and the Secretary. In case a scrip of share or shares shall be lost, the owner shall be entitled to a duplicate thereof upon payment of a fee of 25 cents, and upon producing to the Secretary a statutory declaration of the loss of the original, and of his not having pledged or parted with his interest therein, conditionally or otherwise, or transferred his title thereto.

### **Application of Society's Funds.**

11. The funds of the Society shall be applied in payment of the necessary expenses connected with the management of the Society, in making advances to members upon security of B shares to the extent allowed by law, of Borrowing Shares and of freehold or leasehold properties, and to such other purposes as are expressed or implied in these Rules or any of them.

### **Investment of Funds.**

12. It shall be lawful for the Board, from time to time, to invest any portion of the funds of the Society, not immediately required for its purposes, upon real or leasehold securities, or in stock, debentures, or treasury bills issued by or on behalf of the Government, or in any stock, funds, or debentures of any municipal or other corporations, authorised by special legislation to borrow upon the security of rates, or in the Post Office Savings Bank or in any trading bank.

13. The Society may purchase, build, hire, or take on lease any building for conducting its business, and may adapt and furnish the same, and may purchase or hold on lease any land for the purpose of erecting thereon a building for conducting the business of the Society, and may sell, exchange, or let such building or part thereof.

### **Investments to be Taken in Society's Name.**

14. All investments of the funds of the Society of what nature or kind soever shall be made and taken in its name, and all security deeds shall after completion be delivered by the Solicitor to the Secretary who shall forthwith deposit them with all other deeds and papers he may from time to time receive, in the strong room of the Society.

### **Subscriptions on B Shares.**

15. Every person taking B investment shares in the Society shall pay on every second Wednesday of each month (or such other days as may be substituted for it by the Board) as subscription on each such share the sum of 50 cents in advance, such payment to be made at the office of the Society, subject to the fines hereinafter specified, until the subscription, interest, and share of profits, as further provided for in these Rules, have accumulated to \$100 for each share, when the payment shall cease, and the amount of \$100 shall be paid to the shareholder, and his connection with the Society, so far as such share is concerned, shall cease and determine.

16. The Directors may at any time receive payment in advance of all or any subscriptions payable to the Society in respect of any investment shares, and upon so doing may allow discount upon such advanced payments, at such rate as they shall from time to time determine: provided always, that in case of withdrawal of shares at any time during the period in respect of which discount shall have been allowed, such discount shall be refunded to the Society.

### **Working Expenses.**

17. All members of the Society holding B shares shall pay a fee of ten cents for each share held by such member for working expenses, to be called the "working expenses fee." Said fee to be paid at the first monthly meeting in each financial year, whether such share shall have been advanced upon or not.

### **Fines on B Shares.**

18. Any member omitting to pay the subscription on his investing shares on Class B, on or before the several times on which it shall become due shall, for such neglect, be fined for each share as follows:—2c. for the first month, 5c. for the second month, 10c. for the third month, 15c. for the fourth month, 20c. for the fifth month, 30c. for the sixth month, and thereafter a fixed rate of 30c. per month per share. Every member continuing to neglect the payment of his monthly subscriptions until the fines incurred thereby shall equal all the moneys invested by him, exclusive of other fees, shall thereupon cease to be a member of the Society, and shall forfeit his interest therein. If any member shall be in arrear in respect of his subscriptions or fines for more than one month, every payment that shall afterwards be made, if not sufficient to discharge the whole thereof, shall be applied first to the liquidation of fines, afterwards for the first monthly subscription due, and then in discharge of each subscription in arrear. The proceeds from Fines and Forfeitures shall be credited to a Fines and Forfeiture Account which shall be brought into the Profit and Loss Account.

### **Withdrawal of B Shares.**

19. Investing shareholders in class B shall be allowed to withdraw their share or shares on giving written notice to the Secretary at any monthly meeting, and shall be entitled to receive, at the end of one month from the receipt by the Secretary of such notice, the full amount of his subscription (exclusive of entrance fees, working expenses, and fines), or having held a share for over one year, shall receive also such interest as by the books of the Society may appear to be due upon such share at the time of the last preceding annual balance. Any member of at least three years' standing withdrawing, as aforesaid, shall in addition to the interest aforesaid, be entitled to receive such share of surplus profits as shall at the time of such withdrawal, be standing to his credit in the books of the Society; but in no case shall the Board be compelled to apply more than one-half of the monthly receipts in payments to withdrawing members. And it is further provided that in the event of two or more shareholders giving notice at or about the same time, they shall be paid in rotation according to priority of notice: all subscriptions and fines ceasing, however, after the first subscription night subsequent to the receipt of such notice. In all cases such member or members shall, before being entitled to receive the value of his or their shares, deliver up to the Secretary their scrip for cancellation. No withdrawal of shares in class B, made for the purpose of taking up shares in class A; to a like amount, shall be subject to the regulation as to notice. Shares in class A shall not be withdrawable.

20. Whenever the Society shall have cash in hand which cannot be advantageously disposed of, the Society may require such number of B shares upon which no advance has been made as the Board may decide upon to be compulsorily withdrawn. The Board shall determine by ballot, to be held at such time and place and in such manner as it shall appoint, what shares are to be so compulsorily withdrawn. Notice of the time and place so fixed shall be given by advertisement or to each investing member holding B shares through the post. The members holding shares so ordered to be compulsorily withdrawn shall be obliged to accept repayment of their subscriptions and interest thereon, with full profits as at last balance and interest thereon. In the event of any member whose shares shall be selected for withdrawal as aforesaid failing to withdraw the same from the Society, all interest on subscriptions and profits and interest thereon shall cease to be credited and payable thereon.

21. No member shall be compelled to withdraw more than one out of each five or less number than five shares held by him, nor more than three shares in the aggregate, until all the other holders of shares liable to be balloted shall have withdrawn shares in the same proportion to the numbers respectively held by them.

22. Should the lot fall upon any officer of the Society who, if his shares were withdrawn, would thereby become disqualified to hold his office in the Society, he shall not be compelled to withdraw shares; but a new ballot shall be taken for the purpose of determining some other shares to be withdrawn.

#### **Loans on B Shares.**

23. It shall be lawful for the Society to grant loans to any member upon the security of his B investing share or shares to the extent of three-fourths of the amount actually paid on such share or shares at the time of granting such loans, such loans to be on such terms as to repayment, interest and forfeiture as may be agreed upon. Any member borrowing upon the security of his shares shall sign a transfer of his scrip for such shares to the Society, for which he shall pay a transfer fee of 5 cents per share to the funds of the Society, provided that no advance be made upon A capital shares.

#### **Forfeiture of B Shares.**

24. Any investing shareholder not having received an advance of money as hereinbefore specified, continuing to neglect the payment of his subscriptions until the fines thereby incurred shall equal all the money actually paid by him (exclusive of fines previously paid, if any) shall thereupon cease to be a shareholder, and shall ipso facto, forfeit all interest therein. All investing shares on which the entry money only has been paid shall be held forfeited on the second monthly meeting night thereafter.

25. If any member who shall have borrowed upon his B investing shares shall make default in payment of his subscription and redemption money in respect thereof, until such subscription and redemption money and fines shall, together with the amount

allowed to such member on such shares, make up the amount per share which such member would be entitled to be paid for withdrawal from the Society, then such shares shall thereupon become absolutely forfeited to the Society.

#### **Members May Transfer Shares.**

26. Any member shall, upon application to the Secretary, be at liberty to transfer his share or shares in the Society upon payment of a transfer fee of ten cents a share to the funds of the Society, and of all fines and other payments that may be due upon the same.

#### **Interest on Investment Shares.**

27. Interest shall be allowed on A and B shares at such rate as the Board of Directors shall from time to time decide and shall be paid half-yearly to holders of A shares and credited to holders of B shares monthly, the amount so credited being one-twelfth of a year's interest on the value of a share at the beginning of the year.

#### **Death or Lunacy of Shareholders.**

28. If any member shall become lunatic, or of unsound mind, it shall be lawful for the Directors, upon being satisfied of such lunacy, or unsoundness of mind, to authorise payment to the guardian or committee of such member of the same amount as he or she would be entitled in case of withdrawal; and in the event of there being no guardian or committee of such member, then to such person and on such conditions as the Directors may think proper for the benefit of such member; and the Society shall not be in any manner answerable for the mis-application or non-application of the money so paid.

29. The guardian or committee of a lunatic member or the executors or administrators of a deceased member may vote and act in all cases whatsoever, as fully as the lunatic or deceased member whom they represent might have done; nevertheless one representative only shall vote, and if two or more claim to vote, preference shall be given to the one whose name has priority in the appointment of guardian or committee, or in the probate of the Will, or Letters of Administration.

30. If any member of, or depositor with this Society, having in the funds thereof a sum of money not exceeding \$200, shall die intestate then the amount due may be paid to the person who shall appear to the Directors to be entitled under the Statute of Distributions to receive the same, without taking out Letters of Administration; subject to the provisions of "The Building Societies' Act" for the time being in force.

#### **Borrowing Shares.**

31. The Society may grant advances to holders of Borrowing Shares upon the following terms:—

A person desiring to obtain an advance must take up Borrowing

Shares equivalent in nominal value to the amount thereof, and the taking up of such shares shall constitute him a borrowing member of the Society. He shall sign and send to the Secretary an application in writing in a form to be supplied to him, and shall also pay such survey fee as may be fixed by the Board, which application shall be reported to the Board at its next meeting. The applicant in his application shall state over what period of years he desires his advance to extend. He shall, for the elected period, pay at the business meetings of the Society or within three days thereafter, the amount advanced to him with the interest computed thereon by monthly contributions, according to such table as the advance may be granted upon.

32. The applicant shall set forth the particulars required in the form of application supplied to him, and furnish such other information as shall from time to time be required by the Board. Upon the Board becoming satisfied that the property is a sufficient security for the required advance, it shall signify to the applicant in writing or otherwise, its assent to the application, subject to the applicant taking up the necessary number of Borrowing Shares, as required by the last preceding Rule, and to the title to the property offered as security, being approved by the Society's Solicitor; and in case such a title as the Board, by the advice of the Solicitor shall think fit to accept shall be deduced, the Board shall authorise the required advance to be made upon the due execution of a proper Mortgage Security to the Society pursuant to these Rules. In the event of the title deduced being found imperfect, the applicant shall pay the Solicitor's expenses connected with the investigation thereof.

33. When an applicant shall require an advance for the purpose of building, the value of his land shall be ascertained and the title to it be investigated as aforesaid: and if the Board shall determine to make the required advance, such applicant shall be entitled upon a proper mortgage security being executed, to receive the amount of such advance in such sums and at such times as the Board may think fit, and when the buildings are finished to the satisfaction of the Board, the balance of such advance shall be paid upon all monthly contributions, moneys, fines, and other charges then due to the Society, in respect of such advance being discharged.

34. Should any borrower after receiving any portion of his advance not proceed forthwith to properly complete and finish in a workmanlike manner, any buildings in course of erection on the mortgaged premises to the satisfaction of the Board the Society shall have power either to sell such premises in the manner provided in Rules, or to employ some persons to finish and complete such buildings at the costs and charges of such borrower, and the mortgaged premises shall stand charged with the amount paid for such purpose with interest thereon after the rate of \$10 per centum per annum as if the same had formed part of the original advance to such borrower.

35. Monthly contributions shall commence at the first business meeting after any portion of the advance has been paid to the borrower. The Board may at any time receive payment in advance

of all or any such monthly contributions, and may allow discount thereupon at such rate as it shall from time to time determine.

36. The Board also from time to time may permit a borrower to adopt and accept another scale and table of monthly contributions in lieu of that originally chosen by him, and may give such permission upon such terms and conditions as it in its discretion shall think reasonable and proper.

37. If any borrower shall be desirous of repaying his share or shares borrowed in the Society, and shall give notice to the Secretary in writing of such his desire, the Directors may, in their discretion, allow such member to redeem his future payments due to the Society by the payment of a single sum, according to a scale to be from time to time fixed by the Board, and in such case the Board is hereby authorised and empowered to receive the balance of each or any share in one such payment, and on such payment of each or any share together with all fines and expenses due in respect of such share or shares, all payments to the Society on such share or shares shall cease.

38. In case an applicant shall fail to complete his security to the Society, within three months after the assent of the Board to the advance shall have been signified to him as aforesaid, or within such further time (if any) as it shall appoint, he shall lose his right to the loan, and repay such costs and charges as the Society may have incurred in the matter.

39. The Board, in addition to other methods of investment by these Rules prescribed, may, from time to time in its discretion, make advances from the funds of the Society to any persons or bodies (not being holders of Borrowing Shares) upon security of freehold or leasehold properties for fixed periods, and upon such terms and conditions as to the rate, time, and manner of payment of interest and repayment of principal, and otherwise, howsoever, as it shall from time to time think fit. Such parts of these Rules as are applicable shall be deemed to be incorporated in and to form part of this Rule.

40. Every borrower shall execute a legal mortgage of the property proposed as security for the amount advanced to him, which mortgage shall be prepared, executed, completed, and registered at his expense. The mortgage security shall contain such covenants, conditions, powers, and authorities as the Solicitor to the Society shall think advisable, and whether or not the same shall be found consistent or inconsistent with these Rules.

41. Every such mortgage security shall be deemed to confer a power in the Society to consolidate the security created thereby with any other security given by the borrower either directly or indirectly to the Society, or acquired by it by way of transfer assignment or otherwise, howsoever, and whether under seal or not.

42. During the continuance of a Mortgage Security the borrower if in possession of the mortgaged premises shall become actually tenant to the Society in respect thereof, and the monthly contributions and other moneys secured thereby shall be payable

as ordinary rent to the Society without any further notice than these Rules of its intention to create a tenancy being given to the borrower.

43. All expenses incurred by the Society, or by any of its officers in respect of the conveyance to members of property purchased by them, and also in respect of any property offered as security or mortgaged by any member which shall be paid out of the Society's funds in the first instance shall be charged to and be repaid by the member at the first subsequent business meeting, or the Board in its discretion may allow the amount to be re-paid at such times and in such manner and with or without interest as the Board may direct.

44. If any borrower shall neglect, or refuse for the space of three business meetings, to observe or perform all or any of his covenants for payment of the monthly contributions, according to the terms and conditions of these Rules, as well as any fines incurred for neglect or omission of payment, or shall fail to perform all or any of the covenants or conditions contained or implied in his mortgage security, or in case the mortgaged premises being leasehold, or liable to rent charges, to pay the rents or to perform the covenants, conditions, and agreements reserved, contained, and implied in the deeds or writings under which the same may be held, and on his part to be paid, observed, or performed, or to keep the mortgaged premises in good tenantable condition and repair, or to complete and finish in a workmanlike manner any building in the course of erection on the mortgaged premises, or to insure or keep insured against loss or damage by fire in the name of the Society in their full insurable value the buildings on the mortgaged premises, or to deposit with the Society the policy evidencing such insurance, and the receipts for the premiums from time to time payable thereupon, the whole of the money secured by such mortgage shall become due and payable, and the Society shall have power in either event to take absolute possession of the mortgaged premises either with or without the consent of such borrower, and without notice to him, and shall have power to let the same, and to collect the rents and profits thereof, or to appoint an agent for the purposes named, and to charge the borrower and the mortgaged premises for such collection a commission after the rate of \$5 per centum if the rent be paid quarterly or, at longer periods, or at \$7.50 per centum if payable monthly, or \$10 per centum if payable weekly. The Board shall have power to order the advance and expenditure of any sums of money it may deem advisable and necessary for the repair or improvements of the mortgaged premises or the completion of any building in course of erection thereon, and to charge the borrower and the mortgaged premises therewith, together with interest thereon, after the rate of \$10 per centum per annum until payment. The Society shall also have power in either of the events mentioned, in addition to its remedies at common law, absolutely to dispose of, or sell all or any part of the mortgaged premises, either by public auction or private contract, with or without the concurrence of the borrower, and without notice to him, as and when the Board shall deem advisable.

45. The money which shall be produced from such rents or profits, or such sale or sales as aforesaid, shall in the first place be applied in the payment of all costs, charges, and expenses which may have been incurred on account of such letting, collection of rents, or sale or sales as aforesaid. In the second place, to pay and discharge all costs, charges, and expenses which the Society may have incurred, and all payments it may have made in performing and fulfilling the several covenants and conditions contained or implied in such mortgage security, or in completing any building left unfinished by the borrower, as provided by Rule 44, or in repairing and maintaining the mortgaged premises. In the third place, to retain for the use of the Society a sum which shall be equal to all monthly contributions and fines then due in respect of the advance made upon such mortgaged premises, together with an amount equal to the sum which would have been payable under these Rules if the borrower were then about to redeem the mortgaged premises in accordance with these Rules. And, in the fourth place, to pay the surplus (if any) to the borrower, or as he may legally direct, or unto the persons legally entitled to receive the same. In case the net rents and profits of the mortgaged premises, and the net proceeds of the sale thereof be insufficient to discharge all moneys for which the borrower so in default shall be liable upon any account whatsoever, he shall forthwith upon demand pay the balance to the Society with interest after the rate of \$10 per centum per annum, and in default of payment the Society shall have power to recover the same by an action at law.

46. The Society shall have full power to accept a transfer of or to buy in premises offered for sale by public auction or otherwise, or rescind any contract for sale, and again proceed to a sale of the mortgaged premises by any of the methods aforesaid, without being answerable for any loss occasioned by such buying in, rescission or resale, and it may bid at any sale by auction and purchase, on behalf of the Society, the property offered for sale.

47. Upon any sale under these Rules it shall be unnecessary to prove the default of the borrower, or that anything has happened to render the sale authorised by these Rules necessary, and the purchaser or purchasers shall not be bound to inquire into the circumstances of such sale, and the receipt of the Society shall be a valid and effectual discharge for the purchase money, and the person paying the same shall not be bound to see to the application thereof.

48. In case of the buildings in course of erection on land mortgaged to the Society be left incomplete for one calendar month, the Board shall have power to complete the same forthwith, and the money expended and laid out in so doing, shall be considered and taken as part of the original loan, and the Board shall have the option of selling and disposing of the premises mortgaged either in their incomplete state or upon the same being completed as aforesaid.

49. Should a mortgagor in arrears be desirous of selling to the Society the equity of redemption in the property mortgaged, the

Directors shall have power to purchase the same, and take a conveyance or transfer thereof for the absolute benefit of the Society, and release the mortgagor from his arrears and future payments in respect of such property, provided that the price to be paid therefor shall not exceed the amount of arrears due to the Society by the member. Upon any such purchase being effected, the Society shall take possession of the property, or receive the rents and profits thereof for the benefit of the Society, and the Directors shall, as soon as they think fit, sell and dispose of the same by public auction or by private contract, and generally for such price subject to such terms and conditions, and in such manner as they shall think fit.

50. The Directors shall have power at any time, on the application of a borrowing member, to allow him to suspend the payment of his redemption money for such time and on such terms as the Directors shall think advisable, and upon and during such suspension the member shall pay to the Society interest upon the balance of redemption money at such rate and at such periods as the Directors shall determine, and on the expiration of the period of suspension the member shall resume the payment of the redemption money as though no suspension thereof had taken place. The Directors shall also have power on the application of a borrowing member who is in arrears with his payments to allow such arrears to stand in abeyance and to suspend the fines in respect of the same, and in lieu thereof to charge interest thereon at such rate as they shall determine during the time that such arrears remain unpaid.

51. If any member having borrowed from the Society, and having duly secured the payment of his contributions, and conformed to the Rules in every particular, shall sell the premises included in his mortgage, it shall be lawful for the purchaser on payment of a transfer fee in respect of each share to take the same subject to such mortgage to the Society, and the purchaser shall thenceforth become a member of the Society, and shall be answerable to the Society for the payment of the contributions and other charges, as the same become payable, but without prejudice to the liability of the original mortgagor for such payments.

52. The Board of Directors may release any portion of the property mortgaged to the Society, on being satisfied that the remaining portion of the property so mortgaged is sufficient security to the Society.

53. When a borrower has made payment of all moneys secured by the mortgage deed so executed by him, he shall be entitled to a release of such mortgage, and the Society, with the advice of its Solicitor, shall deliver up the title deeds deposited with the Society as security, and shall at his expense endorse upon his mortgage deed, a receipt for all moneys intended to be secured thereby.

#### **Fines on Borrowing Shares.**

54. All borrowing members omitting to pay their redemption money, or other payments, respectively due by them, shall in addition to such redemption money, or other payments, pay a fine calculated at the rate of ten dollars per centum per annum, upon

the amount that shall each month be due and unpaid. All fines due from defaulting shareholders shall be paid out of the first moneys received by the Society from such shareholders, whether tendered in payment of fines or not, and all fines shall be credited to a Fines and Forfeitures Account which shall be brought into the Profit and Loss Account.

#### **Fire Insurance.**

55. All buildings erected on land mortgaged to the Society shall be insured at the expense of borrowers in the name of the Society in such office and for such amount as the Board may determine and approve, and the receipts for the premiums payable on such insurances shall be handed to the Society; if, however, such receipts be not handed over, or if satisfactory proof be not given of the payment of such premiums, borrowers shall pay a fine of 25 cents for every business meeting during which they are so in default, in addition to such money as the Society may have expended in effecting all necessary insurances with interest thereon after the rate of \$10 per centum per annum.

#### **Ground Rent.**

56. The Society shall be at liberty at the cost of borrowers to defray the ground rent from time to time payable in respect of mortgaged premises and pending the repayment thereof to the Society with interest thereon after the rate of \$10 per centum per annum, borrowers shall pay a fine of 25 cents for every business meeting.

#### **Management.**

57. For the purpose of conducting the business of the Society there shall be a Board of seven Directors, each of whom shall hold at least 10 A capital shares or 3 B investment shares of not less than one year standing. Four Directors shall form a quorum and have power to act.

58. The persons who at the time of the passing of these Rules are Directors, are hereby declared to be Directors of the Society subject to retirement as hereinafter provided.

59. Two Directors shall retire each year in rotation.

60. The vacancies shall be filled at each Annual Meeting, by ballot, from amongst the duly qualified members of the Society, and the retiring Directors shall be eligible for re-election. Any member intending to offer himself as a Director, shall give written notice to the Secretary of his intention to become a candidate at least seven days before the date of the election. No member is eligible for election as a Director of the Society unless all liabilities due from him to the Society have been satisfied.

61. In the case of any extraordinary vacancy arising in the Directorship, the Board shall have power to appoint someone from amongst the duly qualified members, to hold office for the period during which the Director causing the vacancy would have held office.

62. If any Director shall die, resign, become bankrupt, compound with his creditors, be incapable of acting, shall be absent from four consecutive meetings without consent of the Board, shall have borrowed or shall borrow from the Society on the security of his qualifying A or B shares, shall have ceased or shall cease to hold the requisite number of shares, or shall be removed from his office by resolution duly passed at a special general meeting of the Society, or hold or shall hold office as a Director or Secretary of, or other office of emolument in any institution established under the Building Societies' Act 1965, he shall thereupon ipso facto cease to be a Director.

### **Powers and Duties of Directors**

63. The Board of Directors shall at their first meeting after each annual meeting elect a Chairman and Deputy-Chairman from their own body, and the Chairman or in his absence the Deputy-Chairman shall preside at all meetings of the Board, and at all general and special meetings of the Society. In the event of the absence of the Chairman and Deputy-Chairman from any meeting of the Board or of the Society, the members of the Board or of the Society present shall appoint a chairman for such meeting. At every meeting of the Board or of the Society the Chairman shall in addition to his vote as a Director have a casting vote in case there shall be an equal number of votes on any question.

64. The Directors may from time to time inspect the books, papers, and securities in the possession of the Secretary.

65. They may purchase, build, or lease premises for any term they shall think desirable for use of the Society in the conduct of its business, and may pay such sum for purchase money or for building, or engage to pay such rent as they shall consider reasonable.

66. They may divide themselves into or appoint an executive or sub-committee or executives or sub-committees consisting of two or more Directors, for the more convenient transaction of the business of the Society, provided always that the Chairman for the time being shall be ex officio a member of such committee or committees.

67. They may institute, conduct, defend, abandon, or accept non-suit in any legal proceedings in which the Society, its officers, or its affairs are concerned or interested. They may confess judgment in any such proceedings and they may compound and allow time for payment or satisfaction of any debts due to, and of any claims or demands against the Society.

68. They may appoint bankers, solicitors, manager, secretary, or other officer or servant with such salaries, fees or remuneration for their respective services as they shall think fit, and may from time to time suspend or revoke such appointments and appoint others, and may from time to time at their discretion alter such salaries, fees or remuneration.

69. They may determine to what purposes and in what manner

any premiums which may be received from the sale of investment shares shall be applied.

70. They may from time to time appoint Survey and Finance Committees, and pay them such fees out of the funds of the Society as they shall consider reasonable.

71. They shall from time to time make regulations for the guidance of their own proceedings, and for the conduct of the officers and agents of the Society in carrying these Rules into execution, and for the performance of their respective duties, but so that the same be not repugnant to nor inconsistent with these Rules.

72. They shall, in addition to the powers by any of these Rules specifically given, have and exercise all the powers of the Building Societies' Act in force for the time being, or by these Rules given to or vested in the Society, except those which are expressly stated to be exercisable by the Society in general meeting only.

73. They may in their discretion remit any fees or fines payable by any of the members, and shall have power to do all acts and things which they may consider proper or advantageous for accomplishing the objects and carrying on the business of the Society.

74. A sum determined by the members at the Annual General Meeting shall be annually allowed to the Directors for their services, which sum shall be divided amongst them in such manner as the Directors shall decide.

75. They shall meet at least once every month, at such time and place as may be agreed upon, to transact the general business of the Society. At every meeting of the Board of Directors the minutes of the previous meeting shall first be read and confirmed; the bank-book shall then be produced and the balance entered as the first minute.

76. No Director shall be allowed to vote on any question in which he is personally interested, nor be present when a loan to him is under discussion, or any question which relates to his individual interest or conduct.

77. All salaries, fees, rent, and other general expenses of management shall be a first charge upon and shall be paid by the Directors out of the earnings of each year.

78. They may at any time, without assigning any reason, refuse to admit any person as a member, and may also close the books of the Society against the issue of new shares to any one person or generally.

#### **Secretary and Solicitor.**

79. There shall be a Secretary and Solicitor whose duties are hereinafter defined. They shall be appointed and in turn be removable by the Board.

### **Duties of Secretary.**

80. The Secretary shall attend at the office of the Society at such times as the Board of Directors shall from time to time fix, to receive subscriptions and other moneys which shall be lodged by him with the Bankers, to the Society's credit, within twenty-four hours of receipt of same; and for the purpose of conducting the general business of the Society and shall attend every meeting of the Society, and of the Directors, and enter minutes of all resolutions, transactions and business of the Society, and the accounts thereof in proper books to be provided for the purpose. He shall send all the circulars and conduct the correspondence of the Society under the direction of the Board, and shall generally guard and promote the interests of the Society. He shall prepare a general statement of the funds and effects of the Society, to be presented at the annual general meeting, specifying in whose custody or possession the said funds or effects shall then be remaining, together with an account of all sums of money received and expended on account of the Society, since the publication of the last annual statement. He shall have the custody (at the offices of the Society or with the Bankers to the Society) of all the securities, deeds, seal, books, papers and accounts of the Society. He shall receive as a remuneration for his services such annual salary as shall from time to time be fixed by the Board of Directors.

### **Duties and Charges of Solicitor.**

81. The Solicitor for and on behalf of the Society, shall peruse and examine the titles of all property from time to time offered as security to the Society, and by order of the Board, or at the request of any person purchasing property, shall supervise the preparation of the transfer, conveyance, or other assurance thereof, and shall peruse and certify the mortgages for securing the moneys and funds before the same shall be advanced; but should the Solicitor be of opinion that the title to any property is not such as can safely be accepted by the Society, he shall signify the nature of his objection to the Board, under his hand; and the cost of investigating such insufficient title shall be borne and paid by the member proposing such property as security out of the subscriptions (if any) paid by the member proposing such security; or the Board shall have power to require such member to make a deposit in part payment of such costs before his application shall be entertained. The Solicitor shall transact all other professional business of the Society, for which he shall receive a fair and reasonable remuneration, but no charge shall be made for his attendance at any meeting or for general advice. The Solicitor shall when requested so to do, attend all meetings of the Board of Directors, and all meetings of the members of the Society. The Solicitor shall at any time upon the request and at the expense of any mortgagor furnish him with an abstract of the title or a copy of the security given by him.

### **Duties and Remuneration of Surveyors.**

82. The Board of Directors shall from time to time appoint two from their number who shall form a Survey Committee. The

duties of the Survey Committee shall be to survey properties offered as security for an advance out of the funds of the Society, and where necessary to render its report in writing to the Board or to a majority of the Directors, who shall respectively decide thereon. The surveyors shall receive such sum for their services out of the funds of the Society as the Board of Directors think reasonable, or the Board may require the cost of any survey or any part of such cost to be paid by the applicant for the loan. The Board shall be empowered to employ a professional valuer when it considers necessary, whose duties shall be to examine all the lands and buildings offered and given as security in the case in which he is so employed, and make a true and correct report in writing of the value and eligibility thereof or of the state and progress of any building or buildings on which any advance may have been or is intended to be made; such report to be left with the Secretary, who shall lay the same before the Board at the next meeting. He shall give the Board, whenever required, the fullest and most correct information relating to the property and the progress or state of any building or buildings so surveyed or examined by him. The fee for such professional survey and any expenses in connection therewith shall be paid by the member applying for the loan.

#### **Auditors.**

83. At each Annual General Meeting of the Society the members present shall elect one or more Auditors, who shall make an annual audit of the accounts, and make an annual inspection of the mortgages and other securities of the Society, and the assets and liabilities, and shall prepare and deliver their report thereon to the Board of Directors. The Auditors shall receive for the services to be rendered by them such sum as the Board may determine. Any casual vacancy occurring in the office of Auditor may be filled by the Board of Directors until the Annual Meeting following such vacancy.

#### **Appointment or Removal of Officers.**

84. It shall at all times be competent for the Society, at any special meeting, to be held as hereinafter mentioned, to remove from his office any Director, Arbitrator, or any Auditor appointed by the shareholders for any negligence or misconduct, or for any other cause which shall seem reasonable to the said members, and also, at any such special meeting, to fill up any vacancies that may have occurred by death, resignation, or otherwise.

#### **Indemnity of Officers.**

85. The Board and all other officers of the Society shall be and are hereby indemnified and held harmless out of its funds and property from and against all manner of losses, costs, charges, damages, and expenses which they may incur or be put to in or about the execution of their respective offices, trusts and services, and none of them shall be answerable for any act or default of any other of them, or for the inefficiency or deficiency in the title or otherwise of any security whatsoever which shall be taken for the

repayment of any advance, unless the loss arising by such means shall happen through their own negligence, default, breach of duty or breach of trust, nor shall they or either of them be answerable for any banker, broker, or other person with whom the trust moneys or title deeds shall from time to time be deposited for safe custody, investment, or otherwise, nor for any involuntary loss, misfortune or damage whatsoever, which may happen in the execution and performance of their respective offices, services or trusts, or in any-wise relating thereto.

#### **Financial Year.**

86. The financial year shall close on the 31st day of March.

#### **Annual Accounts.**

87. Annual accounts shall be prepared in accordance with provisions of the "Building Societies Act 1965" and in Regulations thereunder.

#### **Apportionment of Profits.**

88. At the close of every financial year of the Society, after making provision and reservation for losses and anticipated losses (if any), and also for payment of all expenses, interest on A and B shares as provided for in Rule 27, and setting aside for and carrying to the Reserve of the Society so much of the net profits of the Society as the Board of Directors shall decide upon, the balance of the net profits (if any) and including any Fines and Forfeitures, less such sum as the Directors may decide to carry forward to the following year, shall be divided rateably among A and B shares of not less than twelve months standing, and shall be paid to holders of A shares and be added to the value of B shares.

#### **Reserve Fund.**

89. The Reserve Fund of the Society shall consist of all moneys now standing to the credit of that account in the books of the Society. The Board of Directors shall have power to set aside the present or any future or additional surplus profits to the Reserve Fund, and to retain the same as such or if they think expedient, to pay thereout any losses made by the Society or distribute amongst the A and B shareholders, such portion of the Reserve Funds as shall be decided upon by the members in general meeting.

#### **Board Meetings.**

90. Ordinary meetings of the Board at which the Secretary shall be present shall be held at the Society's office on the second Wednesday in every month at 7.30 p.m. or on such other days and at such hours or at such other time or places as the Board may from time to time determine, and may be convened by telephone or if by circular at least one clear day before the day appointed and all such notices shall be deemed duly served by being delivered or sent by post to the Directors.

91. The Secretary is empowered to receive moneys daily, but all such payments shall only be considered as received for the ensuing monthly Board meeting.

92. The Chairman may call a special meeting of the Board at any time, stating its objects. Any three of the Directors may also call a special meeting of the Board upon giving to the other Directors at least three clear days notice thereof through the Secretary, stating its object, and no other business than that stated in the notice shall be transacted at any such meetings.

#### **Annual Meetings.**

93. A general meeting of the members shall be held annually as soon as conveniently may be, after the close of the financial year, but not later than the last day of July of which at least 14 days notice by circular shall be given, to receive the balance sheet and report of the Board for the previous year; to elect Directors and fix their remuneration, to elect Auditors, to consider any proposed special resolutions the nature of which shall be specified in the circular, and for general purposes.

#### **Special General Meetings.**

94. A special general meeting of the Society may be held at any time which the Board shall appoint. It shall also be competent for any ten shareholders holding at least five A or B shares each, to sign a requisition to the Chairman to convene such meeting, and on the requisitionists depositing with the Secretary a sum of money sufficient to pay the expenses thereof, the Chairman shall instruct the Secretary to call such meeting. All special meetings shall be called by circular addressed to the members, at least fourteen days previous to such meetings; provided that the object and place of the meeting shall be distinctly stated both in the requisition and circular, and no other business shall be entered upon excepting that for which the meeting has been convened. A majority of the shareholders present shall decide whether the expenses of the meeting shall be borne by the requisitionists or by the Society.

#### **Notices.**

95. All notices to members of the Society shall be deemed duly served by being sent through the post, addressed to the member or delivered at his place of abode or business stated in the books of the Society.

The non-receipt of any notice shall not invalidate or prejudice any act, resolution, or proceedings of any Board meeting or meeting of the Society.

#### **When Notice May Be Given By Advertisement or Circular.**

96. Any notice required to be given by the Society to the members or any of them, the form and manner of which is not expressly provided for by these Rules, may be by advertisement inserted twice consecutively in two newspapers published in the City of Christchurch or by circular signed by the Secretary and posted to their respective addresses.

### **Quorum.**

97. Eight investing members present personally shall form a quorum at any annual, general, or special meeting of the Society, and all decisions arrived at any meeting held in conformity with these rules, shall be binding upon all members of the Society.

### **Voting.**

98. All questions arising at the annual, general, or special meeting shall be decided by a majority of the votes of the investing members holding A or B shares there and then present, either personally or by proxy, and no member or proxy shall be allowed to exercise a right to vote in respect of more than five votes in regard to the proxies of any other member or members which he may hold: the decision to be taken by ballot if demanded by three members, and if such ballot be demanded, two scrutineers shall be elected by those present. The number of votes to which such members or proxies shall be entitled shall be according to the following scale, viz.--

Members or the proxies of members holding

4 shares and under	.....	1 vote
5 " " "	10	2 "
10 " " "	20	3 "
20 " " "	30	4 "
30 " and upwards	.....	5 "

And in case of equality of votes, the Chairman of the meeting shall have a casting vote. In all cases where more than one person is named in the share scrip, the member present shall be entitled to vote, and if more than one of the persons named in such scrip shall be present, the person first named therein shall be entitled to vote.

### **Proxies.**

99. All notices of meetings shall specify that proxies need not be members. The instrument appointing the proxy shall be deposited at the Society's Office not less than twenty-four hours before the time fixed for the meeting at which such proxy is to vote. The authority of a proxy shall extend to any adjournment of such meeting.

### **Payments.**

100. All payments shall be made by cheques upon the Society's Bank, signed by two Directors, or signed by one Director and and counter-signed by the Secretary.

### **Arbitration.**

101. In case of any dispute arising between the Society and any member thereof, or any person claiming by or through any member or under these rules, and in case such dispute shall remain unsettled for twenty-eight days after it shall have arisen, such dispute shall be referred to arbitration, pursuant to the "Building Societies Act," at the time in force.

102. Upon any dispute arising and being referred to arbitration, the Board of Directors shall by resolution appoint five arbitrators, none of whom shall be beneficially interested in the funds of the Society, and whose consent to act shall have been first obtained, and shall thereafter place the names of the arbitrators, written on separate pieces of paper, in a box; the Chairman shall draw three therefrom, and the persons whose names are so drawn shall be the persons to conduct such arbitration, and the decision of such three arbitrators, or any two of them, shall be final and conclusive upon all the parties in dispute. The arbitrators may call for production of any books, documents, or evidence, and examine any persons they may think proper, upon oath or otherwise, and the cost of and incidental to, and consequent upon such reference, shall be borne and paid in such manner as the said arbitrators, or any two of them, shall direct. The Board shall have the power of determining the remuneration to be paid to the arbitrators.

#### **Arrears May Be Compounded For.**

103. The Board may, at their discretion, allow any member to compound for arrears of subscriptions, fines, or other payments due to the Society by equal monthly payments, extending over any period not exceeding that for which the loan was made, and according to a fixed scale to be approved by the Board.

#### **Dissolution or Winding-up of the Society.**

104. The Society may be dissolved with the consent of three-fourths of the investing members, holding not less than two-thirds of the number of investment shares in the Society, in the manner provided by sub-section (1) (c) of Section 33 of "The Building Societies Act, 1908," or the Society may be wound up in either of the manners provided by sub-section I of said section 33 or in the manner provided by any Building Societies Act that shall be at the time in force.

#### **Each Member to have a Copy of Rules.**

105. Upon application each member shall be furnished with a copy of these Rules, and of the Certificate of Incorporation appended thereto, for which he shall pay the sum of ten cents.

#### **New Rules and Alterations of Rules.**

106. The Society may alter or rescind any rules or make any additional rule by the vote of three-fourths of the members, personally or by proxy, exercisable by members only, present at a special meeting called for the purpose of which notice shall have been given as required by these Rules.

#### **Construction of Rules.**

107. In construing these Rules, every word importing the singular number shall, when necessary, mean several persons or things as well as one person or thing, and the converse; and every word importing the masculine gender shall, when necessary, mean a

female as well as a male; when the words "month" and "monthly" are used they shall refer to a "calendar" month; the word "Board" shall mean the Board of Directors of the said Society, and the word "member" shall mean any person holding or entitled to one or more shares of whatever class. The word "officers" shall mean any person for the time being holding any office in the Society.

**When Rules Come Into Force.**

108. These Rules shall come into force as and from the **22 November 1967**, but nothing herein contained shall affect the validity or invalidity of anything done or any security given or any right, title, obligation, or liability created or accrued, or proceedings taken under the Rules in force prior to that date.

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**CERTIFICATE OF INCORPORATION.**

I, GEORGE PALAIRET, Registrar of Building Societies in the District of Canterbury, New Zealand, hereby certify that the NORTHERN BUILDING AND LOAN SOCIETY (PERMANENT), established at Kaiapoi, is incorporated under "The Building Societies' Act, 1880."

Given under my hand this 4th day of January, 1883.

(Signed) G. PALAIRET,

Registrar of Building Societies.

**CERTIFICATE OF REGISTRATION OF CHANGE  
OF NAME.**

I, WILLIAM McBRIDE, Registrar of Building Societies in the District of Canterbury, New Zealand, hereby certify that the registered name of the Northern Building and Loan Society (Permanent), established at Kaiapoi, is changed from the date hereof to the name following:—

**KAIAPOI BUILDING AND LOAN SOCIETY (PERMANENT).**

Given under my hand this 15th day of November, 1950.

(Signed) W. McBRIDE,

Registrar of Building Societies.

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**BUILDING SOCIETIES' ACT, 1965**

**CERTIFICATE OF REGISTRATION  
OF RULES**

The following rules of the Kaiapoi Building and Loan Society to which this certificate is attached are hereby registered under the Building Societies Act, 1965:

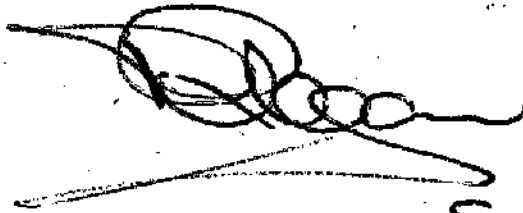
New rules Nos. 1 to 108.

Certified this *22<sup>nd</sup>* day of *November* 19*50*

*W. McBride*  
Registrar of Building Societies.



KAIAPOI BUILDING AND  
LOAN SOCIETY



Secretary



A. E. Cattermole

Members