



New Zealand Legislation

Unit Titles Act 2010

Body corporate operational rules

105 Body corporate operational rules

- (1) Every body corporate must have, at all times, body corporate operational rules.
- (2) The first body corporate operational rules that apply to a particular body corporate are—
 - (a) the rules prescribed by regulations made under [section 217\(i\)](#); or
 - (b) if the original owner lodges altered rules for deposit with the unit plan under this Act, those altered rules.
- (3) The body corporate may amend, revoke, or make additions to the body corporate operational rules at any time after the date that the unit plan is deposited (*see* [section 106](#)).
- (4) The body corporate operational rules are binding on—
 - (a) the body corporate; and
 - (b) the owners of principal units; and
 - (c) any person who occupies a principal unit; and
 - (d) any mortgagee who is in possession of a principal unit.
- (5) For the purpose of subsection (4), **principal unit** includes a future development unit.

Section 105: replaced, on 30 May 2017, by [section 34](#) of the Regulatory Systems (Building and Housing) Amendment Act 2017 (2017 No 11).

SECOND SCHEDULE

Section 37

RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION

Duties of Proprietor

1. A proprietor shall—

- (a) Permit the body corporate (or its agents or servants) at all reasonable hours to enter into and upon his unit for any of the following purposes, that is to say,—
 - (i) Viewing the condition thereof;
 - (ii) Maintaining, repairing, or renewing any pipes, conduits, wires, cables, or ducts for the time being in, upon, or passing through his unit and capable of being used in connection with the enjoyment of any other unit or common property;
 - (iii) Maintaining, repairing, or renewing any common property; and
 - (iv) Ensuring that the rules are being observed:
- (b) Comply in all respects with all Acts, bylaws, and regulations for the time being in force in the area in which his unit is situated in so far as they relate to the use, occupation, or enjoyment of his unit;
- (c) Forthwith and at all times carry out all work that may be ordered by any competent local authority or public body in respect of his unit to the satisfaction of that authority or body;
- (d) Duly and punctually pay all rates, taxes, charges, and other outgoings from time to time payable in respect of his unit to any local authority or public body and all sums properly levied in respect of his unit by the body corporate;
- (e) Repair and maintain his unit, and keep it in sufficiently good order, repair, and condition to ensure that no damage or harm shall ensue to the common property or any other unit in the building of which his unit forms part;
- (f) Make no additions or structural alterations to the unit without the consent of the body corporate.

Powers and Duties of Body Corporate

2. The body corporate shall—

- (a) Repair and maintain all chattels, fixtures, and fittings (including stairs, lifts, elevators, and fire escapes) used, or intended, adapted, or designed for use, in connection with the common property or the enjoyment thereof;
- (b) Repair and maintain all pipes, wires, cables, ducts, and all other apparatus and equipment of whatsoever kind and wheresoever situate which may be reasonably necessary for the enjoyment of an incidental right which may from time to time exist by virtue of section 11 of the Unit Titles Act 1972;
- (c) On request, produce to any unit proprietor, or a registered mortgagee of any unit, or any person authorised in writing by any unit proprietor or registered mortgagee of any unit, all policies of insurance effected by the body corporate under the provisions of section 15 of the Unit Titles Act 1972 and the receipt for the last premiums paid in respect thereof.

3. The body corporate may—

- (a) Borrow any money necessary to enable it adequately to perform its duties or exercise its powers:

SECOND SCHEDULE—*continued*RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION—*continued*

- (b) Invest any money for the time being held by it (whether in a fund established under section 15 of the Unit Titles Act 1972 or otherwise) in any of the modes of investment for the time being authorised by law for the investment of trust funds;
- (c) Establish a current account at a bank, and nominate for the purposes of this paragraph 3 persons (including the secretary) of whom any 2 may operate the account;
- (d) Enter into any agreement with a proprietor or an occupier of any unit for the provision of amenities or services by it to the unit or to the proprietor or occupier;
- (e) Grant to a proprietor of a unit or to anyone claiming through him any special privilege (not being a lease) in respect of the enjoyment of part or parts of the common property:
Provided that any such grant shall be determinable by special resolution.

Committee of a Body Corporate

4. Where there are more than 3 proprietors, the powers and duties of the body corporate shall be exercised and performed by a committee, subject to any restriction imposed or direction given at a general meeting of the body corporate:

Provided that any expenditure of over \$100, not being expenditure which the body corporate is legally obliged or previously authorised to incur, shall be referred to a general meeting; and if the share of the proprietor or proprietors of any principal unit in any expenditure that is referred to a general meeting exceeds \$30, that expenditure shall not be incurred unless it is approved by at least a three-fourths majority of votes.

5. Until the first annual general meeting of the body corporate, the proprietors of all the units shall constitute the committee. Thereafter the committee shall consist of such number of proprietors, not being fewer than 3, as is fixed from time to time by the body corporate at an annual general meeting.

6. The members of the committee shall be elected at each annual general meeting, to hold office until the next annual general meeting:

Provided that, unless the committee consists of all the proprietors, the body corporate may by resolution at an extraordinary general meeting remove any member of the committee before the expiration of his term of office and appoint another proprietor in his place to hold office until the next annual general meeting.

7. Any casual vacancy on the committee may be filled by the remaining members of the committee.

8. The quorum necessary for the transaction of the business of the committee may be fixed by the committee; and, unless so fixed, shall be 2 if there are not more than 6 members and 3 otherwise.

9. If the number of committee members is reduced below the number which would constitute a quorum, the remaining members may act for the purpose of increasing the number of members to that number or of summoning a general meeting of the body corporate, but for no other purpose.

10. At meetings of the committee all matters shall be determined by a simple majority of votes. In the case of equality of votes the chairman for

SECOND SCHEDULE—*continued*

RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION—*continued*
the time being of the meeting shall have a casting vote as well as a deliberative vote.

11. Subject to any restriction imposed or direction given at a general meeting, the committee may—

- (a) Meet for the conduct of business, adjourn, and otherwise regulate its meetings as it thinks fit:

Provided that it shall meet when any member of the committee gives to the other members not less than 7 days' notice of a meeting proposed by him, specifying the reason for calling the meeting:

- (b) Employ for and on behalf of the body corporate such agents and servants as it thinks fit in connection with the control, management, and administration of the common property, and the exercise and performance of the powers and duties of the body corporate:

- (c) From time to time elect one of its members to act as convener of the committee:

- (d) Delegate to one or more of its members such of its powers and duties as it thinks fit, and at any time revoke the delegation:

- (e) Whenever it thinks fit, convene an extraordinary general meeting of the body corporate.

12. The committee shall—

- (a) Keep minutes of its proceedings:

- (b) Cause minutes to be kept of general meetings of the body corporate, and include therein a record of all unanimous resolutions:

- (c) Cause proper books of account to be kept in respect of all sums of money received and expended by it, and the matters in respect of which all such income and expenditure is received or incurred:

- (d) Prepare proper accounts relating to all money of the body corporate, and the income and expenditure thereof, and arrange for the accounts of the body corporate for each year to be duly audited by an independent auditor, for a copy of the duly audited annual accounts to be sent to each proprietor before each annual general meeting of the body corporate, and for the duly audited annual accounts to be presented to each annual general meeting of the body corporate:

- (e) On application by a proprietor or a mortgagee of a unit, or any person authorised in writing by either of them, make the books of account and all minutes available for inspection at all reasonable times:

- (f) Upon a requisition in writing made by proprietors entitled to 25 percent of the total unit entitlement of the units, convene an extraordinary general meeting of the body corporate.

13. Except as provided in clause 9 of these rules, no act or proceeding of the committee or of any person acting as a member of the committee shall be invalidated in consequence of there being a vacancy in the number of the committee at the time of that act or proceeding, or of the subsequent discovery that there was some defect in the election or appointment of any person so acting, or that he was incapable of being or had ceased to be such a member.

SECOND SCHEDULE—*continued*RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION—*continued**General Meetings of a Body Corporate*

14. A general meeting of the body corporate, to be called the annual general meeting, shall, in addition to any other meeting, be held at least once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting. The first annual general meeting of the body corporate shall be held within 3 months after the date of the deposit of the unit plan or of the first sale of a unit, whichever is the later.

15. All general meetings of the body corporate other than annual general meetings shall be called extraordinary general meetings.

16. At least 7 days' notice of every general meeting of the body corporate specifying the place, the date, and the hour of the meeting, and the proposed agenda shall be given to all persons entitled to exercise a vote in accordance with the provisions of section 41 of the Unit Titles Act 1972 and of clause 23 of these rules:

Provided that accidental omission to give such notice to anyone so entitled shall not invalidate any proceedings at any such meeting.

17. Any notice required to be given under clause 16 of these rules shall be sufficiently given if delivered personally to the person concerned or if left, or sent by letter posted to the person concerned, at the last address of that person notified to the body corporate, or if no such address has been so notified at that person's last known place of residence:

Provided that, if a proprietor advises the body corporate in writing that he requires notices sent to him by post to be sent by registered post, a notice thereafter sent to him by post shall not be sufficiently given unless it is sent by registered post.

18. At a general meeting of the body corporate, the persons entitled, on an ordinary resolution, to exercise the voting power in respect of not less than one-third of the units shall constitute a quorum.

19. Save as otherwise provided in these rules, no business shall be transacted at any general meeting of the body corporate unless a quorum is present at the time.

20. If within half an hour from the time appointed for a general meeting of the body corporate a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same place and time, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the number of persons present and entitled to vote at the expiration of that half hour shall constitute a quorum.

21. At a general meeting of the body corporate, the chairman shall normally be the convener of the committee if he is present. If there is no convener or if the convener is not present or is unwilling to act, a chairman shall be elected at the commencement of the meeting.

22. Save as otherwise provided by the Unit Titles Act 1972 or these rules, all matters at a general meeting of the body corporate shall be determined by a simple majority of votes. In the case of equality of votes the chairman for the time being of the meeting shall have a casting vote as well as a deliberative vote.

23. Subject to the provisions of section 41 of the Unit Titles Act 1972, at any general meeting of the body corporate—

SECOND SCHEDULE—*continued*RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION—*continued*

- (a) Where a unanimous resolution is required each person who is a proprietor shall be entitled to exercise one vote;
- (b) In all other cases one vote only shall be exercised in respect of each principal unit, and no separate vote may be exercised in respect of any accessory unit.

24. At any meeting of the body corporate any person present and entitled to vote on the matter that is under consideration may demand a poll thereon, which shall be taken in such manner as the chairman thinks fit.

25. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded. Where a poll is not demanded, a declaration by the chairman that a resolution has been carried shall be conclusive evidence of that fact without proof of the number or proportion of votes recorded for or against the resolution.

26. Any vote to be cast at a general meeting of the body corporate may be exercised personally or by proxy. Where 2 or more persons are jointly entitled to exercise one vote and wish to do so by proxy, that proxy shall be jointly appointed by them and may be one of them. A proxy shall be appointed in writing. If only one of those persons is present at a general meeting and they have not appointed a proxy as aforesaid, he or she may exercise the vote.

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

28. Except where a unanimous resolution is required, a power of voting in respect of a unit shall not be exercised unless all amounts accrued due and payable under the Unit Titles Act 1972 to the body corporate in respect of the unit in respect of which the vote is exercisable have been duly paid.

29. If there is no committee, the responsibility for the matters set out in clause 12 of these rules except paragraph (a), and the powers given to the committee by clause 11 of these rules except paragraph (a), shall be those of the body corporate; and, unless the context otherwise requires, every reference in these rules to the committee shall be read as a reference to the body corporate.

30. A secretary [(who may or may not be a proprietor)] shall be appointed by the body corporate at its first annual general meeting for such term, at such remuneration, and upon such conditions as it may approve; and any secretary so appointed may be removed by the body corporate, either at a subsequent annual general meeting or at an extraordinary general meeting called for that purpose. At any such meeting the secretary shall have the right to attend and be heard.

The words in square brackets were substituted for the former words by s. 27 (1) of the Unit Titles Amendment Act 1979.

31. The function of the secretary shall be to keep proper books of account in which shall be kept full, true, and complete accounts of the affairs and transactions of the body corporate and to carry out such other functions as may from time to time be delegated to him by the body corporate.

SECOND SCHEDULE—*continued*RULES THAT MAY BE AMENDED BY UNANIMOUS RESOLUTION—*continued*

[31A. The secretary shall in each year prepare a balance sheet showing the body corporate's financial dealings during that year, and shall, within 6 months after each annual general meeting, send a copy of the latest balance sheet to every proprietor.]

This rule was inserted by s. 27 (2) of the Unit Titles Amendment Act 1979.

Miscellaneous

32. The common seal of the body corporate shall not be used without the authority of the committee of the body corporate previously given. Whenever the seal is affixed to any instrument, that instrument shall be attested by at least 2 members of the committee or, where an administrator has been appointed or there is only one proprietor, by the administrator or that proprietor.

33. For the purposes of these rules a special resolution means a resolution proposed at a general meeting of the body corporate of which at least 14 days' notice specifying the intention to propose the resolution as a special resolution has been given.

34. Where a resolution is proposed as a special resolution, the vote of the meeting shall be taken in the same way as if it had been proposed as an ordinary resolution and a poll had been demanded:

Provided that a special resolution shall be deemed not to be carried unless persons entitled to exercise not less than three-fourths of the value of the votes and not less than three-fourths of the number of votes exercisable in respect of all the units vote in favour of it.

Section 37

THIRD SCHEDULE

RULES THAT MAY BE AMENDED BY RESOLUTION OF BODY CORPORATE

A proprietor or occupier of any unit shall not—

- (a) Use or permit his unit to be used for any purpose which is illegal or may be injurious to the reputation of the building;
- (b) Make undue noise in or about any unit or common property;
- (c) Keep any animal on his unit or the common property without the prior consent of the committee of the body corporate, or, if there is no committee, of the body corporate;
- (d) Use the common property in such a manner as unreasonably to interfere with the use and enjoyment thereof by other proprietors and their families and visitors;
- (e) Use his unit or permit it to be used in such manner or for such purpose as to cause a nuisance or disturbance to any occupier of any unit (whether a proprietor or not) or the family of any such proprietor.