

Memorandum Setting Forth Provisions Intended for Inclusion in Instruments

**MEMORANDUM - 2025/4371**

**Land Transfer Act 2017**

Class of instrument in which provisions intended to be included:

**Mortgage - All obligations**

Person executing Memorandum:

**WAIRARAPA BUILDING SOCIETY at Masterton**

The following provisions are intended for inclusion in instruments of the above class:

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## 1. MORTGAGE

- 1.1. The Mortgagee has provided or may from time to time provide the Secured Monies to the Mortgagor or other person(s) at the Mortgagor's request.
- 1.2. The Mortgagor mortgages its estates and interest in the Land and assigns absolutely all of its right, title and interest (present, future, legal and equitable) in the Land Proceeds to the Mortgagee to secure payment of the Secured Monies and performance of all past, present and future obligations owed by the Mortgagor to the Mortgagee.
- 1.3. The Mortgagor represents and warrants to the Mortgagee that:
  - a. the Mortgagor has the power and authority to:
    - i. own its assets;
    - ii. enter into and comply with the obligations under this Mortgage; and
    - iii. such entry will not breach any law or conflict with any other agreement which is binding on the Mortgagor's assets,and that all other matters necessary have been taken and performed so as to duly authorise and make the execution and delivery of this Mortgage and the performance of any obligation to the Mortgagee, including the payment of any Secured Monies, legal, valid and binding in all respects;
  - b. if an individual, is of full age and capacity;
  - c. if a company, is:
    - i. duly incorporated;
    - ii. solvent according to the meaning of the term in section 4 of the Companies Act 1993; and
    - iii. has taken all necessary action to authorise entry into this Mortgage and such entry is not in breach of the Companies Act 1993 or constitution;
  - d. all representations and warranties given by the Mortgagor under any secured agreement form representations and warranties of the Mortgage and the Mortgage must be read and construed to include such representations and warranties;
  - e. no event of default has occurred and the Mortgagor has no knowledge that an event of default is about to occur nor does it reasonably suspect that an event of default will occur;
  - f. the information provided by the Mortgagor in connection to the Mortgage is true and accurate and remains true to the date of the Mortgage and there are no facts or circumstances that have not been disclosed to the Mortgagee which would make any information untrue, inaccurate or misleading; and
  - g. each representation and warranty in the Mortgage is deemed to continue for as long as the Mortgage is in effect by reference to the facts and circumstances as they exist, except that each reference to financial statements must be construed as a reference to the latest available financial statements of the relevant person or company.

## 2. DEFINITIONS

- 2.1. **Agreement** includes every agreement, deed or document (apart from the Mortgage) made between the Mortgagor and the Mortgagee which relates to the Secured Monies and/or places an obligation on the Mortgagor to the Mortgagee irrespective of whether such agreement is made before or after execution of the Mortgage.
- 2.2. **Associated Person** has the meaning given to it in section subpart YB of the Income Tax Act 2007.
- 2.3. **Land Proceeds** means:
  - a. all moneys payable to the Mortgagee arising:
    - i. from the cultivating, harvesting, selling or otherwise utilising of trees, timber, logs or crops to be grown or growing on the land now or at any time in the future;

- ii. from any profit à prendre or forestry right; and
    - iii. out of the ownership, use or occupation of the Land or any agreement relating to its ownership, use or occupation including sale proceeds, any rents, any damages and any proceeds of any insurance including insurance in respect of loss of earnings or income; and
  - b. any resource consent issued in respect of the land pursuant to the Resource Management Act 1991.
- 2.4. **Limited Liability Trustee** means a trustee of a trust who does not have any interest in or right to the assets of the trust (including as a beneficiary) other than as a trustee of the trust.
- 2.5. **Mortgage** means this memorandum together with any document that contains a provision incorporating into that document any or all of the provisions set out in this memorandum as amended, added to or varied specifically by the terms of any annexure or schedule attached to that document.
- 2.6. **The Land** means the Land or Lands referred to in the Mortgage together with all improvements made to such Land or Lands.
- 2.7. **The Mortgagee**, except where the context requires otherwise, includes:
- a. the Wairarapa Building Society, a Society registered under the Building Societies Act 1965 and having its registered office at Masterton, its successors and assigns and any transferee from the Mortgagee; and
  - b. any Associated Person of the Mortgagee.
- 2.8. **The Mortgagor** except where expressed or where the context requires otherwise, includes all persons and corporations, jointly and severally who execute the Mortgage and includes their respective successors, personal representatives and assigns. The covenants contained and implied in the Mortgage shall bind all such persons jointly and severally.
- 2.9. **Secured Monies** includes all money which the Mortgagor is now or which the Mortgagor at any time becomes liable to pay, or to repay to, or to account to the Mortgagee (whether alone or with any other person or body) and includes all money paid to, or for, or at the request of the Mortgagor together with all loans, advances or accommodations now lent made or provided or which may be lent, made or provided in the future by the Mortgagee to or for or on account of the Mortgagor (together with all loans, advances or accommodations lent or made to or for the Mortgagor) whether the Mortgagor is liable to pay or repay such or any part thereof to the Mortgagee and whether directly or contingently, together with all monies due or owing or unpaid to the Mortgagee by the Mortgagor on any account and howsoever arising and whether or not as principal debtor or surety, and shall include all monies expressed in the Mortgage as being or forming part of the Secured Monies and, without limiting the generality of the foregoing, monies are to be regarded as "Secured Monies" whether or not:
- a. liability for such monies is:
    - i. matured or not matured;
    - ii. actual or contingent; or
    - iii. liquidated or not liquidated;
  - b. such monies are secured by any other security;
  - c. any other instrument or arrangement relating to such monies expressly refers to this Mortgage;
  - d. the liability for such monies arises by instrument (express or implied), operation of law or otherwise; and
  - e. monies are owing by any party giving this Mortgage jointly with or otherwise in combination with any person who is not a party to the Mortgage.
- 2.10. **Upon Demand** means upon demand being made by notice in writing signed by the Mortgagee, or any officer, agent or employee of the Mortgagee, served upon the Mortgagor as provided in clause 3 below.



### 3. NOTICES

- 3.1. Any notice or demand from the Mortgagee may be made in writing signed by any officer, solicitor, employee or agent of the Mortgagee.
- 3.2. Any demand or notice required to be served on the Mortgagor may be served:
  - a. by delivering it to the Mortgagor personally;
  - b. by posting it by registered letter addressed to the Mortgagor at the Mortgagor's place of residence or abode last known to the Mortgagee; or
  - c. in the case of a company by serving the notice in accordance with Section 388 of the Companies Act 1993.
- 3.3. Where a demand or notice is not served in accordance with any of the foregoing methods, it shall nevertheless be sufficiently served if actually received by the Mortgagor.
- 3.4. A demand or notice posted by registered letter pursuant to sub-clause 3.2 of this clause shall be deemed to have been served at the time when the registered letter would in the ordinary course of post be delivered.
- 3.5. Any service effected in accordance with this clause shall be valid and effective notwithstanding that at the date of service the Mortgagor, whether to the knowledge of the Mortgagee or not, is dead, mentally incapable, bankrupt, in liquidation or absent from New Zealand or does not receive the demand or notice and notwithstanding any other matter or event whatsoever.
- 3.6. The modes of service provided by this clause do not limit any other sufficient and lawful modes of service and are subject to any mandatory provisions in any statute.

### 4. PAYMENT OF SECURED MONIES

- 4.1. The Mortgagor will:
  - a. pay or repay to the Mortgagee in whole or in part the Secured Monies at the interest rate agreed with the Mortgagee (if no interest rate is agreed or any agreed interest rate can no longer be calculated, at an interest rate determined by the Mortgagee as its cost of funding plus its required margin for profit and risk, calculated on a daily basis) and as directed by the Mortgagee Upon Demand unless otherwise provided for in any Agreement; and
  - b. pay default interest on any Secured Monies not paid when due (at the default rate required under any Agreement at the time), from the due date until and including the date on which payment is received by the Mortgagee (both before and after any judgement).
- 4.2. The Mortgagee may:
  - a. calculate default interest for successive periods of duration selected by the Mortgagee but if not selected, then each period will be one day;
  - b. capitalise default interest by adding it to principal:
    - i. without notice to the Mortgagor, despite the bankruptcy, receivership, administration or liquidation (or similar process in any jurisdiction) of the Mortgagor or if the Mortgagor ceases to be a customer of the Mortgagee; and
    - ii. without it being treated as a fresh advance to the Mortgagor; and/or
  - c. pursue any of its other rights.
- 4.3. The Mortgagor will observe and perform all the obligations set out in the Mortgage and any Agreement.
- 4.4. Pending demand the Mortgagor will duly and punctually pay the Secured Monies at the times and in the manner provided by any Agreement.
- 4.5. The Mortgagor shall make all payments to the Mortgagee free of any deduction, withholding, set-off or counterclaim (unless required by law) at any place in New Zealand from time to time nominated by the Mortgagee.



- 4.6. If any deduction or withholding for tax or otherwise is required by law the Mortgagor shall make any additional payment required to ensure the Mortgagee receives and retains the full amount which it would have received if the deduction or withholding was not required.
- 4.7. If required by the Mortgagee from time to time the Mortgagor will provide and keep in force with the Mortgagee or a bank or other institution approved by the Mortgagee an instruction providing for punctual payment of the Secured Monies in accordance with any Agreement.

## 5. EVENTS OF DEFAULT

- 5.1. In the event of the occurrence of any of the events listed in clause 5.2 below then the Mortgagee may determine that the Secured Monies, subject to any applicable notice period, shall be immediately due and payable and repayable in whole or in part by the Mortgagor to the Mortgagee in accordance with clause 4.1 without further notice or requirement. Such payment is subject to the provisions of section 119 of the Property Law Act 2007.
- 5.2. Default occurs if:
- a. there is any breach of or default in the due performance or observance of any obligation of any person (other than the Mortgagee) contained or implied in any Agreement, security or collateral security held by the Mortgagee in connection with the Mortgage or there is an event of default under any security;
  - b. in the opinion of the Mortgagee the Mortgagor is unable to pay or does not pay its debts as they become due;
  - c. execution is levied on or issued against any part of the Land;
  - d. a judgment of any Court against the Mortgagor shall remain unsatisfied for more than seven days;
  - e. any legal action is taken in relation to any asset of the Mortgagor (other than action which the Mortgagee is satisfied is without foundation or is immaterial) or any security over any of the Mortgagor's assets becomes enforceable;
  - f. a petition shall be presented or a resolution passed or an order made for the winding up of the Mortgagor being a company, or if any meeting shall be convened for the purpose of considering any such petition, resolution or order;
  - g. the Mortgagor requests the Mortgagee to appoint a Receiver over any of its Land;
  - h. a Receiver is appointed or an encumbrancer takes possession of or exercises its powers of enforcement in respect of any of the Land;
  - i. the Mortgagor calls a meeting of creditors or any class of creditors for the purpose of entering into any arrangement or composition with those creditors;
  - j. without the prior written consent of the Mortgagee, the Mortgagor sells, assigns or transfers all or any part or parts of the Land or shall attempt to do so;
  - k. without the prior written consent of the Mortgagee, the Mortgagor shall create or purport to create or permit or suffer to subsist any charge, lien, caveat, interest or encumbrance of any type over any part of the Land;
  - l. the Mortgagor stops or suspends payment to its creditors with or without the Mortgagee's consent in writing ceases or threatens to cease to carry on its business;
  - m. the Mortgagor, being a company, without the consent in writing of the Mortgagee, makes or attempts to make any alterations to its constitution which might, in the opinion of the Mortgagee, detrimentally affect the security of the Mortgagee under the Mortgage;
  - n. an inspector or inspectors (no matter how described) are lawfully appointed to investigate the affairs of the Mortgagor;
  - o. an order is lawfully made requiring the Mortgagor being a company to pay any debts of another company;
  - p. in the opinion of the Mortgagee, an unsatisfactory feature develops in the Mortgagor's affairs or if the Mortgagor does not continue to conduct its affairs to the Mortgagee's satisfaction;

- q. there is any material adverse change in the financial condition of the Mortgagor which, in the opinion of the Mortgagee, could result in the Mortgagor defaulting under any Agreement or not being able to meet its obligations Upon Demand;
- r. the Mortgagor, being a company, makes any distribution at a time when any of the Secured Monies are overdue or unpaid to the Mortgagee;
- s. the Mortgagor, being a company, ceases to satisfy the solvency test set out in section 4 Companies Act 1993 (whether or not the Companies Act 1993 then applies to the Mortgagor);
- t. the Mortgagor, being a company, without the prior written consent of the Mortgagee enters into a "major transaction" (as defined in section 129 Companies Act 1993, whether or not that Act applies to the company at that time).;
- u. the Mortgagor uses the Secured Monies for a purpose that has not been agreed with the Mortgagee;
- v. the Mortgagor has made a statement or provided information to the Mortgagee which is materially untrue or incorrect;
- w. the Land includes a stratum estate under the Unit Titles Act 2010; and
  - i. the principal unit is destroyed or damaged to such a degree that it is uninhabitable or its intended use is materially affected;
  - ii. any application is made to a Registrar-General of land or to a court for the cancellation of the unit scheme or of the settlement of any scheme which affects the Land; or
  - iii. any step is taken by a creditor for the appointment of an administrator of the body corporate under that Act;
- x. this Mortgage or any Agreement to which this Mortgage applies is invalid or unenforceable;
- y. any part of the Land suffers a material reduction in value, including if:
  - i. any resource consent or any permission deemed to be a resource consent granted in respect of the Land lapses, is cancelled or is changed;
  - ii. any right under the Resource Management Act 1991 to carry on any non-complying use of or activity on the Land lapses;
  - iii. any enforcement order is made under the Resource Management Act 1991;
  - iv. any authority exercises any compulsory power; and
  - v. any part of the Land is taken under any statute,
 and, in any such case, the value of the Land or the Mortgagee's security is, in the Mortgagee's reasonable opinion, thereby materially reduced or likely to be so reduced; and
- z. any part of the Land is sold under a power of sale contained in any other mortgage or charge affecting the land.

## 6. APPROPRIATION OF MONIES

- 6.1. Subject to section 152 Property Law Act 2007 the Mortgagee may apply any sum retained or received by it for or on behalf of the Mortgagor to reduce or to repay any Secured Monies as the Mortgagee thinks fit and with power to apply the amount wholly or partly to any account or accounts (whether in credit or debit) with the Mortgagee, and with power to carry a suspense account and to appropriate at the Mortgagee's sole discretion. The Mortgagee may apply money so held or received irrespective of any direction given to the Mortgagee. The rights given to the Mortgagee by this clause are additional to any rights contained in any rules of the Mortgagee.
- 6.2. Nothing in this clause shall restrict the right or power of the Mortgagee to avail of any other right or power including any right of set-off or combination or lien, whether or not pursuant to any rules of the Mortgagee.



## 7. SET-OFF

- 7.1. The Mortgagor authorises the Mortgagee to retain and apply any credit or deposit balance of the Mortgagor in any account with the Mortgagee in or towards satisfaction of any Secured Monies but if any amount payable or repayable to the Mortgagee by the Mortgagor is not quantified or not capable of being quantified or if contingently due, then the Mortgagee is entitled to retain and withhold payment of any credit balance or other amount pending the quantum payable by the Mortgagor to the Mortgagee becoming quantified or due.
- 7.2. The powers contained in this clause may be exercised by the Mortgagee even though that may occasion the breaking of any deposit arrangement between the Mortgagor and the Mortgagee and even if the rights of the Mortgagee are in respect of only some of the money in any deposit or credit account.
- 7.3. The Mortgagee's rights and remedies pursuant to this clause are contractual only and only affect the terms (express or implied) upon which any credit balance or deposit is received by the Mortgagee or held. The creation of the rights in this clause do not give rise to the creation of any security interest or other proprietary interest in any deposit or credit balance in the Mortgagee.

## 8. RIGHTS OF MORTGAGEE ON DEFAULT

- 8.1. Upon the Mortgagee becoming entitled to exercise any of its rights under the Mortgage the Mortgagee may, subject to the expiry of any applicable notice period required by section 119 of the Property Law Act 2007, at any time do anything and exercise any right which the Mortgagor could do or exercise in relation to the Land including:
  - a. call up the balance of the Secured Monies in accordance with clause 5.1;
  - b. enter onto and/or take possession of the Land;
  - c. appoint a receiver in accordance with clause 22;
  - d. obtain judgment and enforce such judgment against the Mortgagor (and if more than one or all or any one of them) for all the Secured Monies or if the amount realised from the exercise of any of the Mortgagee's rights and powers is not sufficient to pay the Secured Monies in full, the amount of such deficiency;
  - e. insure, repair, improve, maintain, replace, or operate the Land;
  - f. dispose of the Land (subject to the statutory provisions) for such consideration (whether the whole or part) and upon such terms as it thinks fit and reasonable, and without limiting the generality of the foregoing, the Mortgagee;
    - i. may buy the Land in accordance with section 196, or an order of court under section 200, of the Property Law Act 2007;
    - ii. may cancel any contract for sale and resell the Land without being responsible for loss or diminution in price and may allow or refund the purchaser any sum the purchaser may be entitled to upon cancellation and to that extent may reverse any application of sale proceeds previously made;
    - iii. may recover expenses for the exercise or attempted exercise by the Mortgagee of any rights and powers against the purchaser, with interest;
    - iv. will not be obliged to account for or apply any sale proceeds unless and until they are actually received by the Mortgagee so that the Mortgagor will remain liable for all moneys owing under this Mortgage beyond those actually received;
    - v. will not be responsible for any acts done or omitted by any purchaser nor is the Mortgagee bound to enforce any remedy under any contract of sale;
    - vi. may execute assurances, give effectual receipts for the purchase money and do all other things for completing the sale as the Mortgagee may think fit and proper; and
    - vii. may exercise any such other incidental powers in relation to the sale as are conferred upon mortgagees by law;
  - g. lease the Land to any person; and
  - h. sever any fixtures and dispose of the same and the Land separately.



- 8.2. If there are collateral securities as described in clause 26 then each secures all amounts owing by the Mortgagor to the Mortgagee and a default under one will be a default under the other and the remedies and rights of the Mortgagee may be exercised under one or both and at the same or different times.
- 8.3. All sums expended by the Mortgagee in the exercise of its rights and powers (or attempting to exercise them) following default will be payable by the Mortgagor and are secured by this Mortgage.
- 8.4. The Mortgagee may at its sole discretion:
  - a. exercise its rights under the Mortgage or any Agreement in any order it chooses, either together or individually;
  - b. exercise some or all of its rights under the Mortgage or any Agreement; or
  - c. choose not to exercise its rights under the Mortgage or any Agreement.
- 8.5. Except as required by law or the terms of this Mortgage, the Mortgagee need not give further notice to exercise its rights and powers following a default.
- 8.6. No person dealing with the Mortgagee (or any appointed receiver) exercising these rights and powers will be:
  - a. answerable for the loss, misapplication or non-application of any money paid to the Mortgagee, or be obliged or concerned to see its application; or
  - b. obliged or concerned to enquire whether any default has been made, whether any notice has been given, whether the right or power has been exercised or has become exercisable or otherwise as to the necessity, expediency, regularity or propriety for or of the action taken by the Mortgagee or the receiver or be affected by notice that no such default has been made, that no notice has been given, that the right or power has not become exercisable or that the exercise of that right or power is otherwise unnecessary, inexpedient, irregular or improper.

## 9. MORTGAGE TO BE A CONTINUING SECURITY

- 9.1. The security afforded to the Mortgagee by the Mortgagor shall operate as a running and continuing security between the Mortgagee and the Mortgagor, irrespective of any sums which may be paid to the credit of any account or accounts of the Mortgagor with the Mortgagee. Notwithstanding any settlement of account or any other matter or thing whatsoever, such security shall remain in full force and extend to cover any sum of money which may hereafter become owing by the Mortgagor to the Mortgagee until a final release of the Mortgage is executed by the Mortgagee.

## 10. PROPERTY LAW ACT PRIORITY

- 10.1. For the purpose of Section 92 of the Property Law Act 2007 the Secured Monies which shall for the purpose of that section rank in priority to any subsequent Mortgage, charge, lien or other encumbrance given by the Mortgagors or otherwise imposed on the said Land ("the priority sum") shall be specified to be the sum mentioned in the Mortgage plus a sum not exceeding 24 months interest thereon together with the expenses incurred by the Mortgagee in realising or attempting to realise or enforcing the Mortgage. If no priority sum is stated in the Mortgage then the priority sum is \$10,000,000.00 plus interest.
- 10.2. This clause is subject to the overriding provisions of any deed of priorities executed by the Mortgagee after the date of the Mortgage.
- 10.3. This clause shall not be construed as being an agreement between the Mortgagee and the Mortgagor for the Mortgagee to make loans, advances, credits or accommodation up to the sum mentioned in the Mortgage as the priority sum.

## 11. COVENANTS CONCERNING THE LAND

- 11.1. The Mortgagor will punctually pay all rates, taxes and charges (in respect of the Land) as and when the same become due.
- 11.2. The Mortgagor will well and substantially repair, and keep in good and substantial repair and condition all buildings or other improvements erected and made upon the Land. This

obligation extends to keeping the buildings weatherproof. The Mortgagor will not without the Mortgagee's prior written consent cause or permit any buildings or improvements to be removed dismantled or structurally altered.

- 11.3. The Mortgagor will not without the Mortgagee's prior written consent further mortgage, charge, encumber or create or allow an easement over the Land.
- 11.4. The Mortgagor will, in respect of the Land and any improvements erected thereon:
  - a. comply with all obligations binding on the owner or occupier of the Land under the Resource Management Act 1991, the rules of any relevant regional or district plan, the conditions of any resource consent and of any permission deemed to be a resource consent and any consent notice, bond, enforcement order, abatement notice or other requirement made or given under the Resource Management Act 1991;
  - b. not, without the Mortgagee's prior written consent, transfer, grant a security interest in, or surrender any resource consent relating to the land;
  - c. not, without the Mortgagee's prior written consent, by any act or omission cause or allow the lapse of any right under the Resource Management Act 1991 to carry on any non-complying use of or activity on the land;
  - d. immediately notify the Mortgagee in writing of the occurrence of any of the following events or circumstances:
    - i. obtaining, requesting, initiating, announcing, applying, granting, issuing, reviewing, changing or cancelling any resource consent or any permission considered to be a resource consent by the Mortgagee;
    - ii. changes in any district or regional plan, enforcement order or abatement notice;
    - iii. any resource management activity taken by any person or by any Court or tribunal that affects or is likely to affect the Land;
    - iv. any act or omission which is likely to cause the lapse or cancellation of any resource consent or any permission deemed to be a resource consent or of any right under the Resource Management Act 1991 in respect of the Land or the lapse of any such right; and
    - v. the receipt by the Mortgagor of notice of any proposal by any authority to exercise any compulsory statutory power in respect of the Land.
- 11.5. The Mortgagor will not surrender, transfer, grant security over, apply for the change or cancellation of any condition of, or deal or dispose in any other way with any consent or authorisation in respect of the Land without the prior written consent of the Mortgagee.
- 11.6. The Mortgagor will, after receiving notice of or otherwise becoming aware of the same, notify the Mortgagee of the lapse or cancellation of any building consent or the issue of any notice to rectify in relation to the Land and buildings of the Mortgagor pursuant to the Building Act 2004, and will promptly comply with any notice to rectify. The Mortgagor will forthwith after the same are issued or supplied pursuant to the Building Act 2004, provide to the Mortgagee copies of all Code Compliance Certificates, Compliance Schedules, Annual Building Warrants of Fitness and advices of proposals for change of use or extension of life of the building (beyond its specified intended life) in relation to Land or buildings erected thereon.
- 11.7. The Mortgagor will not, without the Mortgagee's prior written consent:
  - a. let, lease, licence, grant an easement or covenant or part with possession of the Land or, if it is a residential or farm property, allow it to be occupied by any persons other than members of the Mortgagor's own family household; and
  - b. accept the surrender of, or take steps to terminate any lease, sub-lease, licence, easement, covenant, resource consent or other right or obligation relating the Land.
- 11.8. In respect of insurance of the Land:
  - a. the Mortgagor will insure and keep insured all buildings and erections on the Land and will punctually pay all premiums and sums of money necessary for that purpose;
  - b. the risks insured against shall be those which are normally covered by a comprehensive policy, including, but not limited to loss or damage by fire, fire resulting from earthquake, earthquake, flood, and storm, or any other risks which the Mortgagee



- may reasonably consider necessary or desirable and shall be for full replacement value or, at the Mortgagee's option, full indemnity value;
- c. the insurer shall be approved by the Mortgagee;
  - d. the Mortgagee will be named on the insurance policy as the secured party for all claims whose receipt shall be a full discharge to the insurer;
  - e. the Mortgagee is entitled to custody of all policy documents;
  - f. the insurance policy must:
    - i. require the insurer to provide the Mortgagee with copies of all policies and notices which materially amend the policy or affect the insurance cover in any way; and
    - ii. provide that no cancellation, change or reduction in insurance is effective until at the earliest 15 days after the Mortgagee receives notice of the cancellation;
  - g. money received may be applied at the option of the Mortgagee either towards rebuilding or repairing any damaged improvements on the Land or in reduction of the Secured Monies (even if there has been no demand for repayment);
  - h. the Mortgagor must:
    - i. hold any money it receives under any payment under the insurance policy on trust for the Mortgagee in a separate bank account with the Mortgagee;
    - ii. if it makes a claim under the insurance policy, advise the Mortgagee that it has made a claim and provide the Mortgagee with any details the Mortgagee requires in relation to any claim;
    - iii. not cancel or amend the insurance policy without the Mortgagee's written consent; and
    - iv. not do anything that could result in the insurer not paying out under the insurance policy;
  - i. if the Mortgage is of a stratum estate under the Unit Titles Act 2010 and the Mortgagee requests, the Mortgagor must, at its expense take out mortgagee redemption insurance in a form and with an insured value approved by the Mortgagee and in accordance with all other provisions of this clause 11.8;
  - j. if the Mortgagor fails to comply with any of its obligations under this clause 11.8 the Mortgagee may, at the Mortgagor's cost obtain and keep insurance for all buildings and erections on the Land;
  - k. the Mortgagee may make, enforce, settle or compromise any claim with an insurance company in relation to the buildings and erections on the Land on the Mortgagor's behalf and on any terms the Mortgagee wishes; and
  - l. clauses 3(2) and 8(2) of Part 1 of Schedule 2 of the Property Law Act 2007 are expressly excluded from the Mortgage.
- 11.9. Where the Land is used for farming, forestry, horticulture or other agricultural purposes, the Mortgagor will:
- a. farm and manage the Land in proper and husbandlike manner,
  - b. keep in good repair, order and condition all fences, drains and other improvements erected or made on the Land;
  - c. not without the prior written consent of the Mortgagee materially change the activity carried out on the Land; and
  - d. take all reasonable steps to control disease in crops, pastures, plants and stock on the Land.
- 11.10. Clause 16(2) of Part 1 of Schedule 2 of the Property Law Act 2007 is expressly excluded from the Mortgage.
- 11.11. The Mortgagor will comply with every law relating to the Land and any business or activity that it conducts on or from the Land, including without limitation laws relating to the use and



standards of the Land, sale of liquor, resource management, environment or hazardous substances.

- 11.12. The Mortgagor will pay all revenue from the Land and any business or activity conducted on or from the Land without set-off or deduction into an account with the Mortgagee.
- 11.13. The Mortgagor will immediately inform the Mortgagee if it receives any notice relating to the matters that could have an adverse effect on the value of the Land and the Mortgagor will comply with the Mortgagee's requirements in respect of those matters.

## 12. IMPLIED TERMS

- 12.1. The covenants, powers and conditions implied in Mortgages by virtue of the Property Law Act 2007 shall be implied in the Mortgage except to the extent that they are hereby varied or negated.

## 13. COSTS

- 13.1. The Mortgagor will pay all costs and expenses of and incidental to the negotiation, arranging, preparation, execution and registration of the Mortgage, and any variation, partial release or discharge hereof or any transfer in lieu of discharge. Further, if and as often as the Mortgagor shall be in default under the Mortgage, the Mortgagor will pay the costs of the Mortgagee being the actual legal costs incurred by the Mortgagee of and incidental to the enforcement or attempted enforcement of the Mortgage by its rights, remedies and powers under the Mortgage, and including the giving or attempted giving of any notice pursuant to the provisions of the Property Law Act 2007 and including any costs of inspection of the Land.

## 14. DEFAULT

- 14.1. This clause shall apply in the event that default shall be made in the immediate payment of the Secured Monies or any part of them Upon Demand being made by the Mortgagee, or if breach or default shall be made by the Mortgagor in the performance or observance of any covenant or condition or implied in the Mortgage or any Agreement or in any other security for the time being held from the Mortgagor by the Mortgagee. In any or either of such cases it shall be lawful for the Mortgagee at that time or at any time later (but subject and without prejudice to the relevant limitations contained in the Land Act 1948 or any modification or re-enactment thereof) to exercise such power of sale and incidental powers as are vested in Mortgagees by the Property Law Act 2007 and the Land Transfer Act 2017 or any statutory modification or re-enactment of them for the time being in force in as full and ample manner as if the default and notice thereby required had been made and given and the periods of time therein mentioned had only elapsed. This clause shall be read subject to the provisions of Sections 118 and 119 of the Property Law Act 2007.

## 15. MORTGAGEE MAY REMEDY

- 15.1. If the Mortgagor does not observe or perform any of its obligations under the Mortgage or any Agreement then the Mortgagee, in addition to any of its other rights, power or remedies, may in its discretion pay all moneys and do all things which the Mortgagee thinks necessary or appropriate to remedy any default or to protect its charge under the Mortgage.
- 15.2. The Mortgagor will repay to the Mortgagee Upon Demand all money outlaid by the Mortgagee pursuant to clause 15.1 above, together with interest at the highest penalty rate specified in any Agreement from the date upon which the monies are paid by the Mortgagee until repayment to the Mortgagee (and, until repaid, the monies outlaid and interest form part of the Secured Monies).

## 16. UNIT TITLE

- 16.1. If this is a Mortgage of a stratum estate:
  - a. "The Act" means the Unit Titles Act 2010.
  - b. The Mortgagor will duly and punctually pay the Body Corporate all monies payable to it by the Mortgagee, comply with all rules of the Body Corporate and take all

reasonable steps to ensure that the Body Corporate observes and performs all of its obligations under the Act.

- c. The Mortgagor will ensure that the Body Corporate at all times maintains and keeps in force replacement insurance in terms of Section 135 of the Act and that the Mortgagee's interest is noted on the relevant policy.
- d. The Mortgagor's voting rights under Section 96 of the Act (whether exercised at a meeting or by an entry in the Body Corporate minute book or otherwise) may be exercised by the Mortgagee. Where they are not exercised by the Mortgagee, they shall be exercised by the Mortgagor in accordance with any written directions given by the Mortgagee. The Mortgagor will not in any event vote on any resolution requiring a unanimous vote for its passing or any resolution altering the rules of the Body Corporate without the Mortgagee's prior written consent. The Mortgagor will give to the Mortgagee not less than 14 days prior notice of any meeting of the Body Corporate at which it is proposed to move any change to such rules.
- e. The Mortgagor for the consideration expressed in the Mortgage hereby irrevocably appoints the General Manager, Loan Manager, the Secretary and the Directors of the Mortgagee for the time being and any one or more of them the Mortgagor's attorney(s) on the Mortgagor's behalf and at the Mortgagor's cost to attend vote at or otherwise take part in all meetings of the Body Corporate, to sign proxies for voting thereat and to do any other thing in relation to the affairs of the Body Corporate which the Mortgagee may think fit in as full and ample a manner as if such attorney(s) were the absolute owner(s) of the estate hereby Mortgaged. The Mortgagor indemnifies any person acting in good faith in reliance on this Power of Attorney.
- f. The Mortgagor shall give to the Mortgagee such information relating to the affairs of the Body Corporate as the Mortgagee shall reasonably require from time to time. Production of the Mortgage by the Mortgagee to the Secretary of the Body Corporate shall be sufficient authority for the Secretary to give the Mortgagee any information which the Mortgagor would be entitled to be given.
- g. If the units subject to the Mortgage or any of them shall be destroyed or so damaged as to be uninhabitable such destruction or damage shall constitute an event of default under clause 5.2 and clause 5.1 shall apply. If the units or any of them shall be damaged but not so as to become uninhabitable the Mortgagee may make demand for payment of the Secured Monies to the extent of an amount equal to the difference between the value of the unit(s) immediately prior to such damage occurring and the value after the occurrence of such damage, such values to be as determined by a registered valuer appointed by the Mortgagee. The Mortgagor will permit the valuer to have access to the property for the purpose of the valuation.

## 17. CROSS LEASE

- 17.1. If this is a Mortgage of a unit held under cross-lease title (i.e. a title which comprises an undivided share as tenant in common in the fee simple estate in the Land on which the unit is erected together with a lease of that unit):
  - a. the Mortgagor will ensure that all covenants, conditions and agreements contained or implied in each of the leases registered against the fee simple estate are observed and performed by the respective lessees and the lessors; and
  - b. the Mortgagor will forthwith supply to the Mortgagee a copy of any notice given by or to the Mortgagor (whether or not together with other persons) pursuant to any of the leases and will not become a party to any arbitration without obtaining the Mortgagee's prior written approval of the terms of reference of such arbitration.
- 17.2. The Mortgagor for the consideration expressed in the Mortgage hereby irrevocably appoints the General Manager, Loan Manager, the Secretary and the Directors for the time being of the Mortgagee and any one or more of them the Mortgagor's attorney(s) on the Mortgagor's behalf and at the Mortgagor's cost to execute any document or do anything (including the conduct of arbitration) which the Mortgagor may be entitled or be required to execute or do whether as lessee or lessor or one of the lessors under any of the leases or for the better securing to the Mortgagee of the Secured Monies.



## 18. LEASEHOLD

18.1. If the Mortgagor holds the Land under a lease (hereinafter called "the Lease"):

- a. The Mortgagor will pay the rent payable under the Lease and will perform and observe all covenants and conditions expressed or implied in the Lease and to be performed and observed by the lessee and will keep the Mortgagee indemnified against all actions, expenses and claims on account of any breach of this clause.
- b. The Mortgagor will execute all documents and do all acts and things as shall be necessary or expedient to exercise any right of renewal contained in the Lease and to secure the grant and registration of a renewal or a renewed Lease. The Mortgagor will either deliver to the Mortgagee a valid and registrable Mortgage of any renewed Lease securing the monies hereby secured and being in such form and containing such covenants powers and provisions as the Mortgagee may reasonably require having regard to those contained in the Mortgage, or will request the District Land Registrar pursuant to Section 95 of the Land Transfer Act 2017 to register the renewal or renewed Lease as a replacement Lease.
- c. The Mortgagor for the consideration expressed in the Mortgage hereby irrevocably appoints the Chief Executive, Head of Lending, the Secretary and the Directors for the time being of the Mortgagee and any one or more of them the Mortgagor's attorney(s) on the Mortgagor's behalf and at the Mortgagor's cost:
  - i. to make any enquiry of the Lessor concerning the payment of the rent the performance and observance of the covenants and conditions contained in and any other matter relating to the Lease;
  - ii. to execute all documents and do all things necessary to apply for and obtain relief against forfeiture of the Lease or against any refusal of the Lessor to grant any renewal or renewed lease;
  - iii. to execute all documents and do all things necessary to exercise any right of renewal or otherwise obtain a renewal or a renewed lease (whether or not at the same rent or for any similar term or upon the same or any other covenants conditions and provisions as the Lease);
  - iv. to demand recover receive and give good receipts for any compensation damages or other monies which shall or may be payable if any person other than the Mortgagor becomes the purchaser at auction of any right to a lease of the Land or otherwise; and
  - v. to execute and do any of the documents and things mentioned in clauses 18.1(a) and (b).
- d. If the Mortgagor is Lessor of the Land the Mortgagor must:
  - i. enforce the Lessee's obligations and the Mortgagor's rights under the Lease on time;
  - ii. give the Mortgagee a copy of the Lease and all notices the Mortgagor receives under the Property Law Act 2007, or for any arbitration proceedings, or expert determinations relating to the Lease. The Mortgagor will comply with the Mortgagee's written directions as to the conduct of any such arbitration proceedings or expert determinations;
  - iii. if the Lease is registrable but not registered, promptly register the Lease under the Land Transfer Act 2017;
  - iv. in the case of a registered Lease, ensure that any re-registration of the Lease is noted as being in renewal or substitution of the previous Lease and that the Mortgagee's interest is retained in accordance with the Land Transfer Act 2017; and
  - v. if the Mortgagor acquires a freehold interest in the Land the Mortgagor must ensure that it gives the Mortgagee a valid first ranking registrable mortgage of the freehold interest.



## 19. COMPLETION OF IMPROVEMENTS

- 19.1. If the Mortgagor shall at any time build or carry out work on any buildings, erections or other structures and works on the Land ("the Improvements") the following provisions shall apply:
- a. The Mortgagor will immediately commence and promptly complete the Improvements to the satisfaction of the Mortgagee, in accordance with plans and specifications approved by the Mortgagee for that purpose and will not make any deviation from the plans and specifications supplied to the Mortgagee without the prior consent of the Mortgagee.
  - b. The Mortgagee shall not be obliged to advance any portion of the Secured Monies except in its sole discretion.
  - c. The Mortgagee may call for any certificates, valuations or other documents or reports which the Mortgagee considers necessary or prudent for the purposes of this clause; any such certificate, valuation, other document or report shall be obtained or arranged at the cost of the Mortgagor.
  - d. If the Mortgagor shall fail to complete the Improvements, the Mortgagee may enter upon the Land and at the cost of the Mortgagor complete the Improvements. All and any such moneys expended by the Mortgagee shall bear interest at the highest penalty rate of interest for the time being chargeable to the Mortgagor on the Secured Monies, pursuant to any Agreement, and shall be deemed to form part of the Secured Monies and shall be payable Upon Demand. The Mortgagee assumes no liability to the Mortgagor for any matter relating to the Improvements and is not holding itself or its agents out as skilled and the Mortgagor is not relieved from any of its obligations under clause 19.1(a).
  - e. The Mortgagor shall:
    - i. before commencing work obtain all building permits and/or building consents and any other planning approvals necessary for the carrying out of the work;
    - ii. upon completion of the Improvements obtain all code compliance certificate(s) in relation to any building permit(s) and/or building consent(s);
    - iii. in undertaking the Improvements comply with all laws including without limitation the Resource Management Act 1991 and the Building Act 2004;
    - iv. if called upon by the Mortgagee to do so, produce a survey certificate that the proposed building be constructed entirely within the boundaries of the Land; and
    - v. ensure that builder's risk insurance is in place for the Improvements during the carrying out of the work.

## 20. RIGHT OF INSPECTION

- 20.1. The Mortgagee by its agents and servants shall be entitled at any time to enter onto the Land for the purposes of inspection of same.

## 21. RECEIPT OF SECURED MONIES

- 21.1. Pursuant to Section 44 of the Property Law Act 2007 this clause is deemed to be a receipt by the Mortgagor of the Secured Monies, and the Mortgagee shall be entitled, without enquiring further, to pay the Secured Monies to the solicitor for the Mortgagor upon production of the Mortgage by the solicitor to the Mortgagee.

## 22. APPOINTMENT OF RECEIVER OF INCOME

- 22.1. In addition to any other right, power or remedy of the Mortgagee herein expressed or implied, it shall be lawful for the Mortgagee, if any default is made by the Mortgagor of any of the covenants set forth herein or in any other agreement made between the Mortgagor and the Mortgagee, to appoint any person (including any employee of the Mortgagee if so permitted by law) to be a Receiver of the Land and of any income payable in relation to the Land or any part thereof. This power of appointment is subject always to Section 119 of the

Property Law Act 2007 and the rights (if any) of any prior charge holder and to the provisions of any prior Mortgage or encumbrance.

- 22.2. The Receiver shall be deemed to be the agent of the Mortgagor who shall be solely responsible for the Receiver's acts or defaults whether such acts or defaults shall be done or made in relation to the purposes herein mentioned or otherwise. Neither the Mortgagee nor any Receiver shall be liable to account as Mortgagee in possession or for anything other than actual receipts (notwithstanding that the Land or any part of it may have been disposed of pursuant to the provisions of the Mortgage) or be liable for any loss or realisation or for any accidents occurring in the operations carried on or for any negligence, default or omission for which a Mortgagee in possession might be liable.
- 22.3. No person paying money to or otherwise dealing with the Mortgagee or the Receiver shall be concerned to enquire whether any cause has happened to authorise the Mortgagee or the Receiver to act, or to enquire as to the proprietary or regularity of acts purporting or intended to be done in the exercise of the powers, rights, remedies or authorities, of the Mortgagee or the Receiver under the Mortgage or any collateral securities or otherwise.
- 22.4. The Receiver shall have the powers conferred on Receivers by statute or rule of law and all the powers conferred on the Mortgagee under the Mortgage.
- 22.5. The Receiver shall have power to demand and recover all the income of the property of which the Receiver is appointed Receiver by action, or otherwise in the name either of the Mortgagor or the Mortgagee to the full extent of the estate or interest which the Mortgagor could dispose of and to give effectual receipts accordingly for the same and to exercise any powers which may have been delegated to the Receiver by the Mortgagee contained or implied in the Mortgage.
- 22.6. The Receiver may be removed and a new Receiver may be appointed from time to time by the Mortgagee with power for the Mortgagee and not the Mortgagor at any time to withdraw the appointment of a Receiver without prejudice to the power to appoint a further Receiver at any time.
- 22.7. Where more than one person is appointed as Receiver, then those persons may be appointed as Receiver jointly or severally and the persons appointed shall have the power of authority to act as Receiver according to the terms of their appointment.
- 22.8. The Receiver, if so directed in writing by the Mortgagee, shall insure and keep insured against loss or damage by fire or other causes as may be directed by the Mortgagee out of the money received by them any buildings, effects or property comprised in or situated on the Land (whether affixed to the Land or not) and shall, if so directed, out of such moneys effect any necessary repairs and maintenance to such buildings, effects or property or to the Land.
- 22.9. The Receiver shall be entitled to retain out of any moneys received by the Receiver actual expenses and such remuneration as may be approved by the Mortgagee.
- 22.10. In relation to the exercise of any of the Receiver's powers the Mortgagee may at the request of the Receiver advance and pay to the Receiver such moneys as it thinks fit and all moneys so advanced shall be deemed moneys advanced on account of the Mortgagor and form part of the Secured Monies.
- 22.11. The Receiver shall be empowered to borrow and secure any money which may be required in order to more effectively carry on the business of the Mortgagor or otherwise realise any income accruing from the Land in the Mortgagee's interest.
- 22.12. The Receiver shall apply all money received by them in accordance with section 152 of the Property Law Act 2007:
  - a. first, in payment of amounts reasonably paid or advanced by the Mortgagee for the costs of preserving the Land, including rates and outgoings, taking possession, realising security and conducting business as a mortgagee in possession;
  - b. second, in payment of amounts due to creditors with prior ranking securities or other rights ranking ahead of this Mortgage;
  - c. third, in payment of all costs, charges and expenses (including tax and legal costs and the remuneration of the receiver) of and relating to the exercise of the Mortgagee's powers or the receiver's powers;
  - d. fourth, in or towards payment to the Mortgagee of the moneys hereby secured if so directed in writing by the Mortgagee;



- e. fifth, in payment of all amounts due to creditors with securities ranking subsequent to the mortgage; and
- f. sixth, in payment of any surplus or residue to the Mortgagor or any other person who, but for the appointment of the Receiver, would otherwise have been entitled thereto.

## 23. POWER OF ATTORNEY

- 23.1. The Mortgagor for the consideration expressed in the Mortgage hereby irrevocably appoints the Mortgagee, every Attorney of the Mortgagee, the General Manager, the Loans Manager, the Secretary and the Directors for the time being of the Mortgagee severally to be the Attorney of the Mortgagor to do and execute anything which the Mortgagor covenants or agrees to do or execute under the Mortgage and generally to do all such things as may be in the sole discretion of the Mortgagee or the Attorney appointed under this clause necessary or desirable in order to protect fully the interests of the Mortgagee under the Mortgage.
- 23.2. Nothing contained in this clause 23 shall make it obligatory on the part of the Mortgagee or any Attorney of the Mortgagee to exercise any of the powers hereby given or make the Mortgagee or any Attorney of the Mortgagee responsible for any loss arising from any omission or neglect to do so.
- 23.3. In the event that this clause 23 is deemed unlawful and severed from the Mortgage, the specific powers of attorney in other clauses of the Mortgage shall survive and remain enforceable.

## 24. CHANGE IN SHAREHOLDERS

- 24.1. Where the Mortgagor is a company, if after the date of the Mortgage:
  - a. any shares are issued to any person who is not currently a shareholder;
  - b. any of the rights attaching to any of the shares in the capital of the Mortgagor are altered, varied or modified;
  - c. there occurs any change in the effective management or control of the Mortgagor; or
  - d. where shares are transferred (whether in one transaction or a number of transactions or otherwise howsoever) so that more than ten per cent of the total shares change hands,

such transfer or changes shall require the prior written consent of the Mortgagee and the Mortgagee may at the cost of the Mortgagor require the new shareholder or shareholders to enter into a Deed guaranteeing and indemnifying the Mortgagee. If such written consent is not obtained to the transfer or changes as set out above then the Mortgagor shall be deemed to be in default under clause 5.2 and clause 5.1 shall apply.

## 25. PRODUCE BOOKS OF ACCOUNTS

- 25.1. The Mortgagor will, Upon Demand by the Mortgagee, produce to the Mortgagee or to any person named for that purpose by the Mortgagee, all accounts, financial statements, books of account and such other financial information relating to the affairs of the Mortgagor (or any of them) as the Mortgagee may require.
- 25.2. If the Mortgagor is in business in any capacity as a sole trader, partnership, private or public company or if the Mortgagor is providing security for any advances for such purposes, the Mortgagor will within four months after its usual balance date deliver to the Mortgagee a copy of the profit and loss account and balance sheet of the business and where applicable, a copy of the consolidated profit and loss account and balance sheet of the business and its subsidiaries prepared by an accountant approved by the Mortgagee, together with every document required to be annexed thereto in the case of a company by the Companies Act 1993.
- 25.3. If required by the Mortgagee (if the Mortgagor is a business, company or trading entity) the Mortgagor shall have its accounts and its subsidiary accounts audited at the times required above or at any other time reasonably required by the Mortgagee and references in this clause 25 to the profit and loss account and balance sheet of the company or business and subsidiary shall then be construed as references to audited accounts and balance sheets.



- 25.4. It shall be a default under clause 5.2 and clause 5.1 shall apply if the Mortgagor does not provide the above information as requested by the Mortgagee within 10 working days of the date of the request.

## 26. COLLATERAL SECURITIES

- 26.1. Any monies expressed to be secured by some other security given by the Mortgagor in favour of the Mortgagee, whether dated the same day as the Mortgage or at some other date, shall be deemed to be included in the Secured Monies and shall be deemed secured to the Mortgagee by the Mortgage.
- 26.2. The Mortgage shall be collateral with any other security given by any person to secure the Secured Monies or any part of the same, and with all documents which evidence the terms of any loans, credits, advances and other banking accommodation, and shall also be collateral with all documents expressed to be collateral with the Mortgage whether in the Mortgage or in those other documents. All such securities shall be read and construed together, so that a default under any one such security shall constitute a default under all. The Mortgagee may at its option exercise its rights, powers and remedies under the Mortgage or under those other documents in the event of any default, either together or separately and in such order as it deems fit.
- 26.3. Any policy of life insurance held by or assigned to the Mortgagee in connection with any Agreement secured by the Mortgage shall be a security collateral to the Mortgage for all Secured Monies. The Mortgagor will make all payments and do all things required to keep any such policy in full force. All monies received by the Mortgagee under the policy shall be applied in reduction to the Secured Monies.

## 27. NO RIGHT TO MARSHAL

- 27.1. The Mortgagor shall not be entitled to select which of several securities the Mortgagee may realise on default.

## 28. PRIOR MORTGAGES

- 28.1. The Mortgagor shall duly and punctually pay all principal, interest and other moneys secured by, and shall perform and observe all the covenants and agreements contained or implied in any mortgage having priority to the Mortgage.

## 29. CERTIFICATE AS TO AMOUNT OR FACT

- 29.1. A Certificate of the Mortgagee as to any amount or fact which might reasonably be expected to be within the Mortgagee's knowledge shall be prima facie evidence of that amount or fact.

## 30. INDEMNITY

- 30.1. The Mortgagee shall subject to sections 176 and 177 of the Property Law Act 2007 be indemnified by the Mortgagor against any cost, expense, loss, liability, claim or demand sustained or incurred directly or indirectly by the Mortgagee in respect of any matter relating to the exercise or purported exercise of rights, powers or remedies relating to the Land or its use, and in any such case including any cost, loss, expense or liability consequent upon any mistake or error of judgment imposed by law.

## 31. CONSUMER GUARANTEES ACT

- 31.1. No provision of the Mortgage or any Loan Agreement is intended to, or will have the effect of contracting out of the provisions of the Consumer Guarantees Act 1993, except to the extent as is permitted by that Act, and all provisions of the Mortgage and each Agreement shall be modified to the extent necessary to give effect to that intention.
- 31.2. For the purposes of Section 43 of that Act, if:
- the provision of Secured Monies is deemed to be a supply of goods or services within the meaning of that Act; and
  - the Mortgagor is acquiring the Secured Monies for business purposes,

then the Consumer Guarantees Act shall not apply.

## 32. MISCELLANEOUS PROVISIONS

- 32.1. Nothing herein contained shall be held to merge, discharge, abate or prejudice any other security or securities now held or which may hereafter be held or taken by the Mortgagee for payment of any of the Secured Monies nor shall the Mortgage or any such other security affect any claim or demand which the Mortgagee has or may have or be entitled to make against any other person or persons whomsoever as surety or sureties for the Secured Monies or any part hereof or operate as a payment of such moneys until the same shall have been actually paid in cash.
- 32.2. Any delay by the Mortgagee in exercising all or any of its rights, remedies and powers hereunder upon the breach of any covenant, condition or agreement contained or implied herein or in any Agreement hereunder shall not operate as a waiver of any such breach or prevent the Mortgagee from at any time exercising all or any such rights, remedies or powers unless expressly stated in writing. The Mortgagee's rights will not be prejudiced in relation to any other default, event, or circumstance due to any waiver or acquiescence in any default by the Mortgagor, regardless of whether they are of a similar nature or not.
- 32.3. The Mortgagee need not produce any documents of title to any Land Registry Office or elsewhere without payment of all reasonable charges for so doing or whilst the Mortgagor is in default.
- 32.4. The Mortgagee will deliver up all securities and security documents (including policies of life insurance) held on account of the Secured Monies and a discharge of the Mortgage if:
- a. the Secured Monies have been paid to the Mortgagee and all obligations in the Mortgage and any Agreement have been complied with;
  - b. the Mortgagee is not obliged to advance any money under any Agreement; and
  - c. the Mortgagee is satisfied that any of the Secured Monies received by the Mortgagee do not have to be repaid under any law.
- 32.5. In the event that all or any part of the Secured Monies must be repaid under law by the Mortgagor to the Mortgagee or so that the Mortgagee can comply with any obligations imposed on it by law the Mortgagor will make such repayment Upon Demand and in accordance with clause 4.
- 32.6. In the event that any provision in this Mortgage and/or any Agreement is or becomes inconsistent with any mandatory provision in law then this Mortgage and that Agreement will be modified to the extent necessary to comply with that law. The remaining provisions will continue to be enforceable.
- 32.7. The Mortgagee may assign or transfer any of the rights and obligations in respect of the Mortgage or the Mortgagor to any person(s) at any time. The Mortgagee shall not be required to seek the consent of or to provide notice to the Mortgagor if it wishes to exercise its rights of assignment under this clause 32.7.
- 32.8. The Mortgagee may at any time arrange, or require the Mortgagor to arrange, for a reputable registered property valuer acceptable to the Mortgagee to value the Land (or any part of it) and to provide a written valuation report to the Mortgagee:
- a. at the Mortgagor's cost if:
    - i. the Land, or relevant part of the Land, has not been valued at the Mortgagee's instigation or request in the previous three years;
    - ii. the Mortgagor is in default under the Mortgage; and/or
    - iii. any information contained in any valuation report causes the Mortgagor to breach any condition or covenant contained in any Agreement; or
  - b. otherwise at the Mortgagee's cost.
- 32.9. If any valuation of the Land is a level where the Secured Monies exceed the Mortgagee's then current debt to valuation ratio, the Mortgagor must, on receipt of notice to that effect by the Mortgagee, make repayment to the Mortgagee of an amount such that the Secured Monies following that repayment are within the Mortgagee's then current debt to valuation ratio.

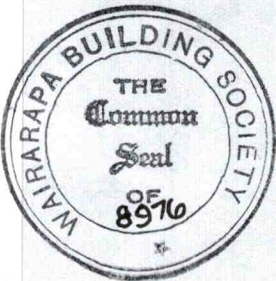
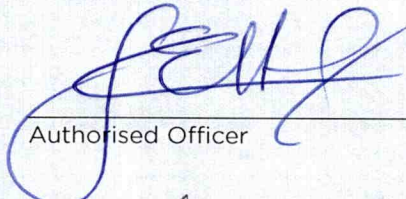
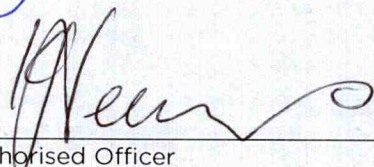


32.10. In the event that any provision in the Mortgage is deemed unlawful, that provision will be severed and the remaining provisions will remain enforceable.

### 33. TRUSTEE LIABILITY

- 33.1. This clause 33 will apply to each Mortgagor who is or includes a trustee of a trust.
- 33.2. The liability of any trustee who is not a Limited Liability Trustee is unlimited, except as expressly agreed otherwise in writing by the Mortgagee.
- 33.3. If a Mortgagor is or includes a Limited Liability Trustee of a trust, then that Limited Liability Trustee's liability to the Mortgagee under the Mortgage is limited to the extent set out in any Agreement.
- 33.4. If no limitation for Limited Liability Trustees is set out in any Agreement, the Limited Liability Trustee's liability to the Mortgagee under the Mortgage is limited to the extent set out in this section 33.
- 33.5. During the term of the Mortgage each Mortgagor warrants that:
- a. the Mortgagor is the sole trustee/are all the trustees of the relevant trust, and that each trustee (so far as it is aware in respect of any trustees other than itself) has been validly appointed and has the power and authority to hold on trust the assets of that trust and to carry on the business of that trust;
  - b. the Mortgagor has the power under the relevant trust deed, and is authorised, to enter into the Mortgage and any Agreement;
  - c. the Mortgagor has the right to be fully indemnified out of the trust assets in priority to the interests of the beneficiaries in respect of all obligations incurred by the Mortgagor under this Mortgage and any Agreement and the Mortgagee is entitled to be subrogated to that right (in each case without restriction, limitation, set-off counterclaim) in respect of the Mortgagor's obligations under the Mortgage and any Agreement;
  - d. at the date the obligations are incurred, the trust assets are sufficient to fully satisfy all obligations in respect of which the Mortgagor has a right of indemnity including the Mortgagor's obligations under this Mortgage and any Agreement;
  - e. no distributions or event for vesting of trust assets have been made or occurred without the Mortgagee's prior written approval;
  - f. no action has been taken or proposed to terminate, wind-up or liquidate the trust, that the Mortgagor has not notified to the Mortgagee immediately upon becoming aware of it;
  - g. the Mortgagor is not in default under or in breach of the trust deed; and
  - h. so far as the Mortgagor is aware, none of the trust assets have been mixed with other property.
- 33.6. The Mortgagor must, without limiting any of the Mortgagee's other rights under the Mortgage and any Agreement at the Mortgagee's request exercise the Mortgagor's right of indemnity against the trust assets or any beneficiary of the trust for the Mortgagee's benefit.
- 33.7. The Mortgagor must not, without the Mortgagee's prior written consent:
- a. permit any restriction, limitation, set-off, counterclaim or other defence to or against:
    - i. the Mortgagor's rights of indemnity out of the trust assets;
    - ii. any right of indemnity that may arise in the Mortgagor's favour from a beneficiary of the trust; or
    - iii. the Mortgagee's right of subrogation to either indemnity; or
  - b. repay any debt owing to any settlor or beneficiary of the trust.
- 33.8. In respect of the Mortgage and any Agreement, the liability to the Mortgagee of each Mortgagor that is a Limited Liability Trustee is limited only to the assets of the relevant trust unless the Mortgagee is not able to recover all amounts owing from those trust assets because of any:

- a. Trustee warranty set out above in this section 33 being incorrect; or
  - b. breach of any trustee undertaking set out above in this section 33; or
  - c. dishonesty, or wilful default or misconduct by that Limited Liability Trustee in respect of the Mortgagor's obligations under the Mortgage or any Agreement.
- 33.9. In any circumstances referred to in clause 33.8(a) – (c) occurring ("Exceptional Circumstances"), this limitation of liability will not apply to that Limited Liability Trustee and that Limited Liability Trustee will be liable to the Mortgagee from that Limited Liability Trustee's personal assets for the amount that the Mortgagee would have been able to recover from the trust assets if such Exceptional Circumstances were not applicable.
- 33.10. The Mortgagor will remain liable under the Mortgage and any Agreement after the Mortgagor ceases to be a trustee until released in writing by the Mortgagee. The Mortgagee will release the Mortgagor from the Mortgagor's liabilities under the Mortgage and any Agreement when the Mortgagee is satisfied that all new and remaining trustees are liable under the Mortgage and any Agreement.

Execution	The Common Seal of Wairarapa Building Society was affixed hereto in the presence of:
	 _____ Authorised Officer
	 _____ Authorised Officer
Dated	<u>16 April 2025</u>



MEMORANDUM NO. 2025/4371

Land Transfer Act 2017

All Obligations Mortgage

Registered Pursuant to Section 209  
Land Transfer Act 2017



"Particulars Entered in Register  
Southland, Otago, Canterbury, Westland,  
Marlborough, Nelson, Wellington, Hawkes  
Bay, Gisborne, Taranaki, South Auckland and  
North Auckland Land Registries.

  
For Registrar-General of Land"

Registrar-General of Land  
Land Registry

(Abstract number/date

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05/05/2025

