

Secure Home Agreement

QLCHT Property Portfolio Limited

and

[insert]

Property at: [address]

Dated:

Parties

QLCHT Property Portfolio Limited (Company No. 3044794) (“us” or “we”)

[Full names] (“you”)

Background

- A. We own the Property, including the House and Landscaping which is on the Property.
- B. We have agreed to grant you a long term right to exclusively occupy the Property (including the House) in return for you making an upfront payment of \$[insert] and paying a monthly rental amount. The terms of your long term right to exclusively occupy the Property are as set out in this Agreement.

Terms

1. General Lease Terms

- 1.1. We agree to grant you a long term right to exclusively occupy the Property by way of a lease of the Property (including the House) to you for 100 years from the Start Date on the terms set out in this Agreement.
- 1.2. You and your family can live at the Property without interference from us provided you comply with this Agreement.
- 1.3. The Property can only be used as your family home for you and your immediate family.
- 1.4. You may not rent out nor part with any part of the Property (including on a night-by-night basis) for more than 28 days per annum, unless approved by us.
- 1.5. If both of you die then we may implement clause 9 below.
- 1.6. If you separate then we may implement clause 9 below.
- 1.7. We can inspect the Property at any time provided we give you 48 hours advance warning. In the case of an emergency we can inspect the Property without advance notice.
- 1.8. We may engage a Related Party (or its nominee) to manage the Property and our rights under this Agreement on our behalf.
- 1.9. If we have reason to believe or suspect that there may be illegal substances manufactured or used in the Property then we have the right to arrange for a

property inspection or testing with 24 hours' notice to you. If that inspection shows illegal substances then we may implement clause 9 below.

- 1.10. The Residential Tenancies Act 1986 does not apply to this Agreement or your occupancy of the Property by virtue of Section 5(1)(x) of that Act.
- 1.11. For clarity, we acknowledge that your rights under this Agreement constitute an "estate in land" for the purposes of the KiwiSaver scheme rules in Schedule 1 of the KiwiSaver Act 2006 as at the date of this Agreement.

2. Up Front Payment

- 2.1. In consideration of us granting you the long term right to exclusively occupy the Property as set out in this Agreement, you agree to pay us the Upfront Payment by way of cleared funds on the Start Date to purchase the long term right to exclusively occupy the Property from us.
- 2.2. At the same time as payment of the Upfront Payment, this Agreement shall be registered as a leasehold interest against the title to the Property and you shall be entitled to grant a mortgage over your registered Agreement to your Bank provided the provisions of clause 6 below have been complied with. We will arrange for any mortgagee of ours to consent to the registration of this Agreement as a leasehold interest against the title to the Property.

3. Rent

- 3.1. During the term of this Agreement you must pay us Rent at an initial rate of \$[insert] per annum, with such Rent to be paid by equal monthly instalments in advance of \$[insert] per month on the 1st day of each month. All Rent shall be paid without any deductions or set-off. If payment of Rent is late by one month then we can charge you a penalty of \$50 per month per missed payment until full payment is received. We may review the amount of this late payment penalty at any time.
- 3.2. On each anniversary of the Start Date, the Rent will be increased (but not decreased) based on inflation (All Indices) over the previous 12 months ending on the quarter immediately preceding the respective anniversary of the Start Date provided that any increase shall be capped at 2.0%.
- 3.3. The new Rent determined pursuant to clause 3.2 above shall be payable from the relevant review date. Once the inflation rate is known, we will notify you of the increase to the Rent. Pending determination of the new Rent, you will pay the Rent that applies prior to the relevant review date. On determination of the new Rent, you will immediately pay any shortfall to us and you must adjust your monthly payments of Rent to us accordingly.

4. Your Obligations in Respect of the Property

- 4.1. You must:
 - 4.1.1. pay all outgoings, amounts and costs relating to the Property including Local Authority rates, Government imposed property taxes or levies (if any),

insurance (where our title is freehold), utilities, water usage charges, body corporate levies (where our title is stratum) and any residents association levies (where our title is freehold). If any of these charges issue in our name then we will invoice you for same;

- 4.1.2. pay all amounts owing to your Bank;
- 4.1.3. maintain the Property (at your cost) to a satisfactory standard as determined by us in the following ways:
 - 4.1.3.1 undertake Responsive Maintenance (at your cost) as required in a timely manner;
 - 4.1.3.2 undertake scheduled maintenance (at your cost) in accordance with the Maintenance Schedule attached as Annexure C, noting that the costs contained in the Maintenance Schedule will be adjusted annually to align with building and labour costs and that an adjusted Maintenance Schedule will be issued on each anniversary of the Start Date;
- 4.1.4. not do anything with your interest in this Agreement unless you receive our written consent first or unless in compliance with the terms of this Agreement;
- 4.1.5. comply with all laws relating to the Property;
- 4.1.6. if requested by us, insure the Property in your name in accordance with the Insurance Rules attached as Annexure B if the Property is a fee simple title;
- 4.1.7. if required by us, take out life and disability insurance;
- 4.1.8. not do anything that might negate the insurance for the Property;
- 4.1.9. cover our loss if you do anything that allows the insurer to avoid paying out on any claim;
- 4.1.10. comply with the Landscaping and Fencing Improvement Rules set out in clause 7.3 below;
- 4.1.11. if demanded, pay interest on any amount owing to us under this Agreement at the rate of 15% per annum from the due date for payment until the actual date of payment. This clause shall not apply to late payment of Rent as per clause 3.1 above; and
- 4.1.12. comply with any occupation and use rules applying to the Property;
- 4.1.13. Upon the exercise of either of the options in clause 9.1 or 9.2 below, you agree to allow us access to the Property on 48 hours' notice for the purposes of us inspecting the Property and/or showing the Property to prospective new occupants.

4.2 We will advise the respective Councils to send rates notices for the Property directly to you. You agree that we may check with Council at any time to ensure that the rates are up to date.

5. Failures by You

5.1. If you fail to do anything required to be done under this Agreement within 10 Working Days of us telling you then we can fix the breach and recover the costs from you.

5.2. If you constantly and seriously breach this Agreement or your breach of this Agreement cannot be fixed then we may implement clause 9 below.

6. The Bank

6.1. You may borrow money from a Bank for the Upfront Payment and grant a mortgage over your rights under this Agreement to the Bank as security for that loan.

6.2. Prior to entering into this Agreement, we have entered into an agreement with your Bank under which:

6.2.1. We agree to notify the Bank of any circumstances that might give rise to us being able to exercise our rights under clause 9 of this Agreement and give the Bank an opportunity to remedy the issue (if it is able to be remedied);

6.2.2. The Bank has agreed with us:

6.2.2.1. To notify us of any material breach or default under the loan or mortgage;

6.2.2.2. To provide us with a copy of any Property Law Act Notice served to you;

6.2.2.3. To allow us 15 Working Days to remedy any default specified in the Property Law Act Notice on your behalf to avoid a mortgagee sale of your interest under this Agreement;

6.2.2.4. That in the event that any such default is not remedied then the Bank's first remedy is to issue a put option notice on your behalf in accordance with clause 9.2 below and the provisions of clause 9.4 and 9.5 shall then apply; and

6.2.2.5. That in the event that a call or put option notice is issued in accordance with clause 9 then the Bank agrees to take all necessary steps to discharge its mortgage over your rights under this Agreement upon payment of the Reversion Price in accordance with clause 9.6.

- 6.2.3. In the event that a call or put option notice is issued in accordance with clause 9, then on settlement we will make payment in accordance with clause 9.6 below.
- 6.3. You:
 - 6.3.1. must pay all amounts owing to the Bank on a principal and interest repayments basis;
 - 6.3.2. must ensure that the Bank has no recourse to us personally for your borrowing;
 - 6.3.3. cannot borrow more than the Maximum Bank Loan unless you have our consent first;
 - 6.3.4. agree that the Bank can disclose all information about your affairs (including your loan and mortgage documents together with your payment history) to us;
 - 6.3.5. cannot agree to grant any further mortgages or charges against your rights under this Agreement;
 - 6.3.6. agree that we can allow the Bank to enforce any provision of this Agreement; and
 - 6.3.7. agree that we may disclose information about you to the Bank.
- 6.4. If you get served with a Property Law Act Notice stating that you are in default to your Bank then you must remedy the default within 10 Working Days of being served.
- 6.5. If you fail to remedy the default within 10 Working Days of being served then we may remedy the default on your behalf and then implement clause 9 below.

7. Improvements

- 7.1. Minor Improvements: In carrying out any Minor Improvements to the Property or undertaking ongoing maintenance in accordance with clause 4.1.3 then:
 - 7.1.1. they are at your cost;
 - 7.1.2. you must complete them in a reasonable time to a professional and tradesman-like standard;
 - 7.1.3. you must comply with all laws and obtain all Code Compliance Certificates (if required);
 - 7.1.4. you must comply with any rules affecting the Property such as any restrictive covenants, the provisions of the District Plan of the Queenstown Lakes District Council, or Body Corporate Rules;

- 7.1.5. you must give us copies of all related paperwork;
 - 7.1.6. you must cover us for any losses if carrying out the improvements causes us any losses; and
 - 7.1.7. you must abide by any policies developed by us relating to carrying out improvements or maintenance.
- 7.2. Major Improvements: If you wish to make Major Improvements then:
- 7.2.1 the rules set out in clause 7.1 above shall apply plus you must get our written consent first, which we may withhold in our absolute discretion;
 - 7.2.2 we will update the Maintenance Schedule to include these Major Improvements once the Major Improvements are completed;
 - 7.2.3 if agreed by us (which we may withhold in our absolute discretion), we will add the certified costs of the Major Improvements to the Reversion Price and the date of completion of the Major Works to our satisfaction shall be the Improvements Date for the purposes of "E" in clause 9.5 below.
- 7.3. Landscaping and Fencing Improvements Rules include:
- 7.3.1. you must not make any alterations to the fences on the Property (including extending the length, increasing the height, or changing the materials) without our consent;
 - 7.3.2. you must not make any practical changes or additions to the landscaping (for example, adding a garden shed or altering or adding to any existing fencing) without our consent;
 - 7.3.3. you must ensure the irrigation system is monitored, maintained and periodically adjusted as required, including draining the irrigation system in winter and reprogramming it for spring;
 - 7.3.4. you must undertake regular pruning of trees, hedges, shrubs and groundcovers as required, in particular:
 - 7.3.4.1. hedges on shared boundaries must be maintained to a maximum height of 1.8 metres; and
 - 7.3.4.2. hedges on road/reserve boundaries must be maintained to a maximum height of 1.2 metres;
 - 7.3.5. you must undertake all other work necessary to maintain a healthy, clean, neat and tidy garden landscape; and
 - 7.3.6. if you do not keep your garden tidy:
 - 7.3.6.1. we may require you to tidy it up to our reasonable standard; and

7.3.6.2. if you do not adhere to our request we may employ contractors to undertake whatever work is required at your cost.

7.4 Removal of Improvements in breach: Should you install or carry out any Improvements in breach of the above clauses then we may give notice to you to remove such Improvements at your cost within a reasonable time and make good any damage caused by such removal. Should you fail to comply with such notice then we may enter onto and remove the offending Improvements and recover the costs of doing so from you.

8. No Second Property

8.1. You may not acquire or own a financial interest in another property during the term of this Agreement. If you breach this prohibition then we may implement clause 9 below.

9. Put and Call Option

9.1. We may require you to transfer your rights in this Agreement to us (or our nominee) by us giving you an Exercise Notice if:

9.1.1. any moneys owing to us are more than 20 Working Days in arrears;

9.1.2. any of clauses 1.5, 1.6, 1.9, 5.2, 6.5 or 8.1 above or either of clauses 12.3 or 12.5 below apply;

9.1.3. you refuse to perform your obligations under this Agreement; or

9.1.4. the Property is compulsory acquired by a Government Authority.

9.2. Subject to clause 9.3 below, you (or your Bank in accordance with clause 6.2.2 above) may require us (or our nominee) to acquire your rights in this Agreement from you at any time by giving us an Exercise Notice.

9.3. During the first 3 years of your occupation of the Property, you may only serve an Exercise Notice on us under clause 9.2 above if clause 1.5 above applies or if we agree to allow you to serve an Exercise Notice on us during this initial term due to you suffering undue financial hardship (the Bank may still serve notice at any time if it is enforcing its rights). If we allow you to serve an Exercise Notice on us under this clause 9.3 then the Reversion Price shall be equal to the Upfront Price plus the cost of any Improvements in accordance with clause 7.2.3 above (i.e. neither amount shall be adjusted for inflation).

9.4. On the Transfer Date we must complete settlement with you (or your executors) by making payment of the Reversion Price in accordance with either clause 9.3 above or clause 9.6 below. You must provide a registerable transfer of your interest in this Agreement to us or our nominee together with a registerable discharge of any mortgage registered against your interest in this Agreement to us contemporaneously with us making payment in accordance with clause 9.6.

9.5. The "Reversion Price" shall be calculated as follows:

$$A=(BxC)+(DxE)$$

Where:

A = Reversion Price

B = Upfront Payment

C = the rate of inflation (all indices) expressed as a decimal calculated on a yearly basis, with the first year being from the CPI Quarter immediately preceding the Start Date to the CPI Quarter in the following year provided that the yearly inflation for the purposes of this clause shall be capped at 2%. C shall never be less than one.

D = the cost of any improvements allowed by us in accordance with clause 7.2.3 above

E = the rate of inflation (all indices) expressed as a decimal calculated on a yearly basis, with the first year being from the CPI Quarter immediately preceding the Improvements Date to the CPI Quarter in the following year provided that the yearly inflation for the purposes of this clause shall be capped at 2%. E shall never be less than one

9.6. We will apply the Reversion Price as follows:

9.6.1 Firstly, to your Bank towards amounts secured by your mortgage;

9.6.2 Secondly, to us towards any amounts you owe us under this Agreement;

9.6.3 Lastly, any remaining balance to you.

9.7 To the extent funds are not available to meet the amounts you owe us under this Agreement in accordance with clause 9.6.2 above then such additional amounts shall remain owing as a debt owed by you to us, with such debt to be repayable upon us making demand.

9.8 For the avoidance of doubt, if the amount owed to your Bank exceeds the Reversion Price then you shall remain liable to the Bank for such shortfall.

9.9 If for whatever reason we did not complete settlement with you in accordance with clauses 9.4 to 9.6 above within 10 Working Days of the Transfer Date then the following provisions shall apply:

9.9.1 You, your Bank or a receiver appointed by the Bank shall be free to transfer your rights set out in this Agreement (as amended below) to a third party;

9.9.2 From the date of transfer to a third party ("**Transfer Date**"), this Agreement shall be amended as follows:

9.9.2.1 clauses 1.3 to 1.6, 7.2, 8, 9.1 to 9.7 and 10.4 shall be deleted;

9.9.2.2 clause 6 is deleted and replaced with "You may borrow money from a Bank and grant a mortgage over your rights under this Agreement to the Bank as security for that loan."

9.9.2.3 clause 7.1 shall be amended by deleting the words "(being any improvements having a cost of less than \$5,000 (with such sum to increase in line with inflation))"

9.9.2.4 a new clause shall be deemed inserted as follows:

"We may (in addition to our rights to apply to the Court for an order for possession), subject to section 245(2) of the Property Law Act 2007, cancel this Agreement by re-entering the Property at any time after the following events:

(a) if the Rent shall be in arrears 20 working days after any Rent payment date and you have failed to remedy that breach within 20 working days after service on you of a notice in accordance with section 245 of the Property Law Act 2007;

(b) in case of breach by you of any covenant or agreement on your part expressed or implied in this Agreement (other than the requirement to pay Rent) after you have failed to remedy that breach within the period specified in the notice served on you in accordance with section 246 of the Property Law Act 2007;

(c) if you are bankrupted."

9.9.2 The above amendments will be recorded in a Deed and registered against the title for the Property.

10 Your obligations at the end of your interest in this Agreement

10.1 At the end of your interest in this Agreement and no later than one Working Day prior to the Transfer Date, you must:

10.1.1 vacate and return the Property to us in a condition consistent with you having complied with your obligations under this Agreement (in particular, the obligations at clauses 4.1.3 and 4.1.4);

10.1.2 remove all your fittings and furnishings and all rubbish and make good any damage caused by the installation and/or removal of such fittings and furnishings;

10.1.3 give us all keys and other security devices for the purpose of obtaining access to the Property.

- 10.2 Any fittings or furnishings left in the property 5 days after the end of this Agreement will be deemed to be abandoned by you and will become our property and may be removed by us at your cost.
- 10.3 At the end of your interest in this Agreement, any improvements to the Property become our property without any further compensation payable to you.
- 10.4 If you fail to comply with the provisions of clauses 10.1.1 and 10.1.2 above then an amount equal to our cost to remedy such non-compliance will be owing as a debt owed by you to us, with such debt to be repayable upon us making demand or retained from the Reversion Price under clause 9.6.2. Further, there shall also be a pro-rata amount owed to us for any maintenance items which have not been completed as at the Transfer Date but which are due to be completed following the Transfer Date in accordance with the Maintenance Schedule. Such costs/amounts owed to us shall be determined by us (acting reasonably) in accordance with the costs set out in the Maintenance Schedule and the scheduled timeframe for such works.

11 Power of Attorney

- 11.1 You must, contemporaneously with entering this Agreement, give us the power of attorney in the form attached as Annexure A. The power of attorney shall be irrevocable.
- 11.2 We can only use the Power of Attorney to exercise our rights under Clauses 9 and 10 above.

12 Insurance

- 12.1 At our option but subject to us obtaining the approval of your Bank, we may arrange insurance on the Property in our name on a sum insured basis, with your interest under this Agreement noted on the policy and your Bank also noted as an interested party. The costs of such insurance policy shall be payable by you. We will ensure that the sum insured under the policy always exceeds the Reversion Price.
- 12.2 If any loss occurs which is covered by any insurance provided for in this Agreement, then the owner of the policy must:
- 12.2.1 apply for the insurance proceeds immediately;
 - 12.2.2 without prejudice to clauses 12.3 and 13.2 below, use the insurance proceeds towards restoring, replacing, repairing or reinstating the loss.
- 12.3 If insurance proceeds (together with any additional funds you contribute) are insufficient to meet the costs to restore, replace, repair or reinstate the loss then we may implement clause 9 above.
- 12.4 If the Property forms part of a unit title development, insurance shall be arranged by the Body Corporate and you will pay the costs of insurance as part of the Body Corporate levies.

12.5 If insurance proceeds in respect of the Property are applied towards any amount owed by you to your Bank rather than applied in accordance with clause 12.2.2 then we may implement clause 9 above and the Reversion Price shall be reduced by an amount equal to the insurance proceeds paid to your Bank.

13 Destruction or Damage of Premises

13.1 If the Property or any improvements are damaged or destroyed, you must:

13.1.1 make the property safe and secure;

13.1.2 if required by us, give us a report from a structural engineer as to the structural stability of the Property; and

13.1.3 clear all debris from the Property.

13.2 In the event of damage or destruction of the Property or any improvement then you must either:

13.2.1 reinstate the Property or the improvements substantially in accordance with their original design; or

13.2.2 rebuild to a different design with our prior written consent.

13.3 You must comply with clause 7 with respect to any reinstatement or rebuild under this clause 13.

13.4 Despite clause 13.2, we may at our election manage the reinstatement of the Property or the improvements substantially in accordance with their original design and deal directly with the insurer in respect of those reinstatement works (whether that insurance is in your name or in our name). If reasonably required, you will vacate the Property during the period of such reinstatement. Your obligation to pay rent will cease while you vacate the Property for this purpose, but your obligation to pay outgoings (rates, insurance etc) will continue.

14 Dispute Resolution

14.1 Unless otherwise provided in this Agreement, if either of us considers that there is a dispute in respect of any matters arising out of, or in connection with this Agreement or your occupancy of the Property, then that party shall immediately give notice to the other setting out details of the dispute. We will both endeavour in good faith to resolve the dispute within 5 Working Days of the receipt of the notice, failing which we will both endeavour in good faith within a further 10 Working Days to appoint a mediator and resolve the dispute, time being of the essence. If the dispute cannot be resolved by mediation then either party may require the dispute to be arbitrated in accordance with the Arbitration Act 1996.

15 Costs

15.1 Each of us will pay our own legal costs in relation to this Agreement and any variation. You shall pay our legal costs (as between lawyer and client) relating to

any enforcement by us of our rights and remedies under this Agreement, including our exercise of our call option under clause 9.1.

16 General

- 16.1 This Agreement constitutes the entire understanding and agreement between us.
- 16.2 Time is of the essence in the performance of obligations under this Agreement.
- 16.3 You must not register a caveat against our title to the Property.
- 16.4 You may not assign this Agreement.
- 16.5 The provisions of this Agreement shall continue for the benefit of and shall bind the permitted assigns and nominees of each of us.
- 16.6 You and us acknowledge that the Bank is not a party to nor bound by this Agreement, has no liability or obligation pursuant to it to either you or us and nothing in it will restrict, affect or impair any rights of the Bank (or any other mortgagee from time to time) whether arising pursuant to its mortgage or otherwise.
- 16.7 Where this Agreement confers any rights in favour of the Bank then we agree that they are for the benefit of the Bank and it may rely on and enforce those rights, including for the purposes of Part 2, Subpart 1, of the Contract and Commercial Law Act 2017.

17 Independent Legal Advice

- 17.1 You acknowledge in favour of us and the Bank that you have obtained independent legal advice in respect of this Agreement and that a Barrister and Solicitor of the High Court of New Zealand has explained the nature and effect of this Agreement to you and you understand the nature and effect of this Agreement.

18 Definitions

- 18.1 In this Agreement unless the context requires otherwise:
 - 18.1.1 "**Bank**" is [Bank] which is to take a mortgage over your rights under this Agreement to secure its lending to you;
 - 18.1.2 "**Exercise Date**" means the date of issue of an Exercise Notice given under either clause 9.1 or clause 9.2 or clause 9.3 above.
 - 18.1.3 "**Exercise Notice**" means a notice given under either clause 9.1 or clause 9.2 or clause 9.3 above requiring a transfer of the occupant's rights under this Agreement;
 - 18.1.4 "**GST**" is goods and services tax within the meaning of the Goods and Services Tax Act 1985;
 - 18.1.5 "**House**" means the residential house constructed on the Property;

- 18.1.6 "**Improvements Date**" means the date set out in clause 7.2.3 above;
- 18.1.7 "**Maximum Bank Loan**" is \$xxx,xxx or such amount as agreed by us;
- 18.1.8 "**Major Improvements**" means any improvements to the Property which are not Minor Improvements;
- 18.1.9 "**Minor Improvements**" means any general improvements to the Property which do not involve any structural alteration to the Property nor involve any addition to, or removal of, any part of the Property;
- 18.1.10 "**Property**" is the land and building situated at [address], RT [insert RT];
- 18.1.11 "**Related Party**" means the Queenstown Lakes Community Housing Trust or such other party nominated by the Queenstown Lakes Community Housing Trust;
- 18.1.12 "**Rent**" means the rent payable by you under this Agreement as referred to in clause 3 above;
- 18.1.13 "**Responsive Maintenance**" means unplanned maintenance in response to any damage (accidental or intentional), or wear and tear, or workmanship or product failure.
- 18.1.14 "**Start Date**" means [insert];
- 18.1.15 "**Transfer Date**" means the date being 45 Working Days after the Exercise Date or such other date as mutually agreed;
- 18.1.16 "**Upfront Payment**" means the sum of [insert];
- 18.1.17 "**Working Day**" has the same meaning as set out in the General Terms of the ADLS Agreement for Sale and Purchase of Real Estate.

Executed by the Parties

Signed by QLCHT Property Portfolio Limited by its Authorised Signatory under delegated authority in the presence of

Authorised Signatory's signature

Signature of witness

Full name of witness

Occupation of witness

City/Town of residence of witness

Signed by [full name]
in the presence of

[Full name]

Signature of witness

Full name of witness

[Full name]

Occupation of witness

City/Town of residence of witness

Annexure A – Power of Attorney

I/WE [Full names] of [Town]

Dated:

APPOINT any two directors of QLCHT Property Portfolio Limited

TO BE OUR ATTORNEY

1. in relation to our interest in the property at [Address] [CT]; and/or
2. to sign and use our names in any manner in any deed, document or writing in respect of the property at [Address] [CT];

PROVIDED THAT the above powers may only be used for a purpose allowed by the Secure Home Agreement between us and QLCHT Property Portfolio Limited.

WE DECLARE AND AGREE

1. that no person or corporation dealing with our Attorney shall be concerned to see or enquire as to the propriety or expediency of anything which my Attorney may do or purport or agree to do in my name by virtue of this deed; and
2. to allow, ratify and confirm everything that our Attorney shall lawfully do or cause to be done under this Deed.

Signed by [Full names] in the presence of:

[Full name]

[Full name]

Signature of witness

Name of witness

Occupation

Address

Annexure B – Insurance Rules (where our title is freehold)

Cover: Comprehensive 'all-risk' full replacement cover up to the floor area stated in valuation.

Insurer: IBANZ Member, Registered insurer in NZ and with an AM Best claims paying rating of A++, A+ (Superior) or A or A- (Excellent), or a Standard & Poor's rating of AAA (Extremely Strong), AA (Very Strong), or A (Strong).

Policy Details: Policy to be in your name with the Bank noted as an interested party due to its mortgage and us noted as an interested party due to this Agreement.

Policy to provide us with a 30 day notice to pay any past due premiums to ensure the policy can continue without interruption.

Annexure C – Maintenance Schedule