



New Zealand Builders Finance Ltd

Unit 14 Carlton Mews
21 Bealey Ave (cnr Papanui Rd)
PO Box 13020 Christchurch
Ph 03-377 9375 Fax 03-374 6034
Email admin@nzhb.co.nz

Builders Finance - an Outline

New Zealand Builders Finance Ltd (“NZBF”) provide a package of 100% finance house construction for builders; Fundamental of the package include;

1. NZBF will advance the funds for the builder to settle the Property purchase. *(If the builder requires a deposit to be paid on the Property prior to settlement, NZBF can provide a separate facility for that purpose.)*
2. A building permit is needed, but land title is not needed, prior to the commencement of construction.
3. Presales are not required.
4. Multiple houses will be funded for a builder with limitations based upon individual circumstances, presales and sales history.
5. NZBF will meet all pre-agreed progress payments including GST if necessary.
6. NZBF will have the first and only mortgage over the land including the house to be built.
7. Once the house is completed, NZBF relies solely upon that mortgage to recover all amounts owed to NZBF up to 75% of the GST inclusive value of the land and house.
8. NZBF’s recourse to the builder, once the house is completed, is limited to any amounts owed to NZBF in excess of 75% of the GST inclusive value of the land and house.
9. NZBF will require that the builder has equity in other real estate of not less than 3 times the amount by which the total owed to NZBF will exceed 75% of the GST inclusive value of the land and house. NZBF will normally caveat that property until that excess is repaid.
10. NZBF charges a non refundable 5% fee based on the full amount anticipated to be owed to NZBF. After 6 months a fee of 0.8% per month (or part thereof) is charged.
11. NZBF charges interest at 12% pa calculated on a daily basis.
12. The builder’s solicitor or agent holds any deposit for sale of the house until settlement of the sale.
13. If the builder cannot sell or refinance the land and house within 6 months of completion the builder must sell the house as instructed by NZBF. Any excess on sale above all amounts owed to NZBF shall be returned to the builder.
14. The builder and all indemnifiers are advised to seek independent legal advice in respect to this facility.

Builders Finance - Calculation Sheet

Date _____ Prepared By _____

Property purchase \$ _____

Construction Costs \$ _____

Landscaping, Fencing, Driveway and other costs` \$ _____

Solicitor, quantity surveyor and valuer costs \$ _____

TOTAL A \$ _____

Facility Fee = 5% of total A \$ _____

TOTAL including NZBF fees = total B \$ _____

Estimated Interest at 12% pa to NZBF for 6 months
calculated on total B \$ _____

Estimated additional Facility Fee at 0.8% interest per month to allow 4 months
following completion when House is not pre-sold \$ _____

Estimated additional interest beyond 6 months at 12% pa to allow
4 months following completion when House is not pre-sold \$ _____

TOTAL C \$ _____

Valuation (GST inclusive) of completed Land & House \$ _____

75% of Valuation of completed Land & House =
Maximum available without recourse on Completion \$ _____

Excess of total C above 75% Valuation = TOTAL D \$ _____

Equity in Other Property Valuation \$ _____

Less Secured Debt \$ _____

Equity available TOTAL E \$ _____

TOTAL E must exceed TOTAL D by 3 or more times

Estimated Land Settlement date _____

Estimated Construction Start Date _____

Estimated Completion Date _____

Builders Finance Application Form

Application form and contract between New Zealand Builders Finance Limited ("NZBF") and the Builder and Indemnifiers for Builders Finance. The Builder and Indemnifiers apply for builder's finance from NZBF in accordance with the terms and conditions and Outline stated on this document and warrant the truth of the information supplied.

=====
Builder and Primary Indemnifier when the Builder is an individual. This person shall be the primary contact with NZBF.

Title _____ Surname _____ Given Names _____

Residential Address _____

Sex ___ Date of Birth ___ / ___ / ___ Occupation _____ Email _____

Phone: Home _____ Work _____ Mobile _____ Fax _____

=====
Builder and/or Indemnifier as a Company

Company Name _____

Address of Registered Office _____

Mailing Address _____

Contact Name _____ Contact's Mobile _____

Company Phone _____ Company Fax _____ Email _____

=====
Builder and/or Indemnifier as a Trust

Trust Name _____

Mailing Address _____

Contact Name _____ Email _____

Phone; Mobile _____ Business _____ Home _____ Fax _____

=====
Other Indemnifier as an individual

Title _____ Surname _____ Given Names _____

Residential Address _____

Sex ___ Date of Birth ___ / ___ / ___ Occupation _____ Email _____

Phone: Home _____ Work _____ Mobile _____ Fax _____

=====
Other Indemnifier as an individual

Title _____ Surname _____ Given Names _____

Residential Address _____

Sex ___ Date of Birth ___ / ___ / ___ Occupation _____ Email _____

Phone: Home _____ Work _____ Mobile _____ Fax _____

=====
!!! This application must be completed and signed by at least one Applicant and/or Indemnifier in their personal capacity thereby accepting personal liability.

Where additional companies, trusts or persons are Indemnifiers, duplicate the application to incorporate their execution.

Address of property(s) already owned by the Builder or Indemnifiers (“Other Property”) in which equity is declared. All the registered proprietors of this/these property(s) must sign this document.

Method of valuation of this property(s); Registered Valuation [], or Government Valuation []

Valuers Name & Firm _____
NZBF will normally require a copy of the valuation.

Date of above valuation ____/____/____ Government Valuation \$ _____ Date of GV ____/____/____

Name of Bank(s) and/or party(s) secured over Other Property(s) _____

Market Value of Other Property(s) \$ _____

Mortgages and/or other amounts secured against Other Property(s) \$ _____
NZBF will normally require evidence, not more than one month old, of the amounts secured against this property.

Net equity in this Other Property This must be at least \$ _____
3 times the value of the excess of the Budget amount over 75% of the GST inclusive value of the Land and House
If more space is required for property and mortgage related information please attached and initial a schedule of the same with this application.

Land purchased or to be purchased on which the House will be built.

Current legal owner if not the Builder _____

Address _____

Selling Agent's Name & Firm _____

Purchase Price \$ _____ Deposit paid \$ _____ Deposit required to be paid \$ _____

Settlement date if not already owned by the Builder _____

Builder’s solicitor's Name & Firm _____

Indemnifiers Solicitor and Firm _____

Copy of Purchase Agreement attached.

Summary of House Construction;

Estimated commencement date ____/____/____ Estimated Completion date ____/____/____

Estimated Construction Costs (GST exclusive) \$ _____ Pre-sold; Yes / No

Finance Required including NZBF fees and Interest \$ _____

Asking Price or Pre-sold Price \$ _____ Selling Agent _____

Number of Houses expected to be concurrently under construction with NZBF finance to be required _____

Presale (if any) of the Completed Land and House;

Name of purchaser(s) _____

Agreed price _____ Deposit Paid _____

Settlement terms _____

Solicitor or Real estate Agent holding the deposit in their trust account _____

In approving this Application, NZBF will require;

A/Evidence to support the valuation of the Other Property. – see clause 1.k.i of the Application Terms & Conditions

B/ Evidence, not more than one month old, of all amounts secured against the Other Property.

C/ Other items specified in clause 1 of the Application Terms & Conditions.

Please mail the original of this to New Zealand Builders Finance Ltd, PO Box 13020, Christchurch

Application Terms and Conditions;

Pre Conditions

1. Prior to any advance by NZBF the Builder must provide to NZBF;
 - a. This document properly executed by the party who shall own the Land and to whom NZBF shall provide this facility (“the Builder”) and by all Indemnifiers. There must always be an Indemnifier (“the Principal Indemnifier”) acceptable to NZBF who shall accept liability in their personal capacity.
 - b. A current and signed statement of financial position from the Builder and/or from the Principal Indemnifier.
 - c. A brief history of the Builder including their building construction experience including references when available.
 - d. Either;
 - i. Evidence of the Builder’s title to the Land; or
 - ii. A sale and purchase agreement (“the Purchase Agreement”) for the land on which the House as defined below shall be built (“the Land”), properly executed by the Vendor and the Builder and unconditional except to conditions related to the issue of titles.
 - e. An all obligations mortgage, in the Auckland District Law Society form currently in use at that time, executed by the Builder in favour of NZBF and a solicitors undertaking to register that mortgage as the first charge on the Land immediately when either;
 - i. Purchase of the Land is settled by the Builder; or
 - ii. When the Land is already owned by the Builder then prior to the first advance by NZBF.
 - f. Plans as required for the building permit, and a building permit and all other necessary consents for the dwelling and improvements (“the House”) proposed to be built on the Land.
 - g. A current Project Information Memorandum (PIM) for the Land.
 - h. A valuation addressed to NZBF, by a registered valuer acceptable to NZBF (“the Valuer”), of the Land and the House once completed (“the Valuation”).
 - i. Either;
 - i. A fixed price contract or contracts to build the House ;or
 - ii. An estimate by a quantity surveyor (“the Quantity Surveyor”) of all construction costs to build and complete the House.
In either case this must be acceptable to NZBF and consistent with the Valuation.
 - j. A timetable for the Land purchase, the House construction and completion, and settlement to an end purchaser (“the Budget Period”) and a budget of all costs, including NZBF’s estimated fees and interest, to be incurred by the Builder over the Budget Period in connection with the Land and House (“the Budget Amount”). When the Land and House is not presold the Budget Period must allow 4 months after completion for sale and settlement to an end purchaser.
 - k. Where the Budget Amount peaks to an amount which exceeds 75% of the GST inclusive value of the Land and the House (as provided by the Valuer) then NZBF requires;
 - i. Evidence to NZBF’s satisfaction that the Builder and/or Indemnifiers have equity in other real estate (“Other Property”) of not less than 3 times that excess and that the loan to value ratio in respect to this other real estate is acceptable to NZBF.

- ii. An all obligations mortgage, in the Auckland District Law Society form currently in use at that time, executed by the owners over the Other Property in favour of NZBF. NZHB will register a caveat over this Other Property but will not register the mortgage unless the Builder or Indemnifiers default, or in NZBF's opinion look like defaulting, in their obligations to NZBF.
- iii. The Builder by this document undertakes not to further encumber or borrow against this Other Property without the prior written consent of NZBF.
- l. The Builder's GST number or if not registered for GST their written confirmation of this addressed to NZBF.
- m. Evidence from an insurer that the Builder has taken out a contracts work insurance policy for the duration of construction of the House. The policy must be current, have NZBF's interest noted as first loss payee and be otherwise acceptable to NZBF in all respects.

Construction Without Land Title

- 2. When the Builder wishes to commence construction before ownership of the Land is transferred to the Builder then;
 - a. NZBF must receive the following additional information;
 - i. A Copy of the agreement for sale and purchase of the Land between the Vendor and the Builder ("the Purchase Agreement").
 - ii. Details of the Vendor, and information to NZBF's satisfaction indicating that title to the Land will be available to the Builder prior to completion of the House. (*This information to NZBF's satisfaction does not absolve the Builder from the obligation to obtain title to the Property.*)
 - iii. Confirmation in the attached form (Schedule A) from all lenders to the Vendor who are secured over the property being developed ("the Development"), that should they exercise any right of sale over the Development, they shall at the first opportunity sell the Land to the Builder at the price and on the terms specified in the Purchase Agreement.
 - iv. Confirmation in the attached form (Schedule B) from the Vendor that, notwithstanding anything to the contrary in the Purchase Agreement, the Vendor shall allow NZBF to caveat the Development to protect NZBF's interest under the mortgage of the Land contained in clause 1 e.
 - b. NZBF undertakes to provide to;
 - i. The Vendor's solicitor (who must be acceptable to NZBF), against an undertaking from that solicitor in the attached form (Schedule B), a caveat withdrawal from the Development except from the Land to facilitate the issue of titles.
 - ii. The Builder's solicitor (who must be acceptable to NZBF), against an undertaking from that solicitor in the attached form (Schedule B), a caveat withdrawal from the Land to facilitate transfer to the Builder.
 - c. The Builder undertakes;
 - i. Not to Cancel the Purchase Agreement and not to do anything which would give the Vendor the right to cancel the Purchase Agreement;
 - ii. Not to nominate or assign the Purchase Agreement to any party except to NZBF;
 - d. The Builder hereby assigns by way of security and in favour of NZBF all the Builder's rights, title and interest in the Purchase Agreement as security for payment by the Builder of all money the Builder owes NZBF from time to time and for all obligations the Builder may have to perform to NZBF from time to time.

Power of Attorney

3. The Builder, by this document and for valuable consideration, grants to NZBF an irrevocable power of attorney, to sell the Land and House and all other improvements thereon and to carry out all other actions required to be carried out by the Builder hereunder. NZBF undertakes not to use this power of attorney unless
 - a. The Builder and/or Indemnifiers default in their obligations to NZBF; or
 - b. The Builder cannot complete the House within the Budget Amount or within any reasonable increase thereof agreed with NZBF; or
 - c. The Builder cannot sell the Property and House within the Budget Period or within any reasonable extensions thereof agreed with NZBF; or
 - d. NZBF in its absolute discretion considers that its security or repayment is at risk.

Repayment and Over Recovery by NZBF

4. The Builder shall repay to NZBF all amounts owed by the Builder to NZBF at the earliest of (“the Repayment Date”);
 - a. Sale of the Land and House; or
 - b. The end of the Budget Period or any extension thereof agreed to by NZBF; or
 - c. When the Builder or an Indemnifier first defaults under these Application Terms and Conditions,in each case without the requirement that NZBF make any demand on the Builder.
5. All amounts received by NZBF in excess of amounts owed by the Builder to NZBF shall be returned to the Builder.

Fees and Interest Charges

6. NZBF shall charge a non refundable fee of 5%, plus 0.8% per month or each part thereof that the Budget Period exceeds 6 months, of the maximum amount in the Builder’s budget, before including this fee and interest, anticipated to be owed to NZBF. This fee shall be charged to the Builder, capitalised to the principal amount and deducted by NZBF concurrent with the first draw down under this facility.
7. Interest shall accrue at 12% pa, calculated on a daily basis, on all amounts owed to NZBF and shall be capitalised to the principal amount advanced by NZBF at the time of every instalment advance and at the end of each calendar month.
8. Should the Builder and/or any Indemnifier default in their obligations to NZBF, NZBF shall charge to the Builder all its costs of recovery including solicitor costs and charge to the Builder, capitalised to the principal amount and deducted by NZBF and penalty interest calculated at 24% pa on a monthly basis from the date of default.
9. NZBF shall charge to the Builder;
 - a. All costs, including legal costs on a solicitor to client basis, incurred by NZBF in relation to registering and discharging of mortgages and/or caveats over the Land and over Other Property; and
 - b. All Quantity Surveyor costs associated with;
 - i. Any verification and split by stages of the proposed construction costs; and
 - ii. Certification that the various stages are properly complete.
 - c. All valuation costs for a valuation or updated valuation of the Land.

Progress Payments

10. Progress payments for purchase of the Land and construction of the House shall be made as follows;
 - a. Where the Land is to be purchased by the Builder, NZBF shall advance the purchase price, or such part of the purchase price as is agreed between NZBF and the Builder, on settlement of the Land;

- b. Progress payments for construction of the House shall be advanced directly by NZBF against invoices supplied and approved by the Builder or by the Quantity Surveyor. Where the Builder is the prime contractor for construction of the House, NZBF shall pay the sub-contactors directly.
- c. Progress payments for construction of the House shall, unless otherwise agreed by NZBF, be limited to figures agreed in the Budget Amount and shall be allocated either as recommended by the Quantity Surveyor acting in the best interests of NZBF or as follows;
 - i. 15% when the House foundations and floors slabs are complete
 - ii. 20% when the House is fully framed and trusses in place
 - iii. 20% when the House is fully enclosed and secure
 - iv. 20% when the House is fully lined including all major services in place
 - v. 25% when the House is Complete.
- d. The Builder may include the GST content for advances from NZBF but is then required to account to NZBF for this GST content and offset GST amounts received against subsequent payments. The Builder must, if required by NZBF, do any or all of the following;
 - i. Copy to NZBF all GST claims; and
 - ii. Immediately on receipt of GST refunds advise NZBF of the amount received; and
 - iii. Pay the full amount of GST refunds to NZBF; and
 - iv. Irrevocably appoint a tax agent acceptable to NZBF; and
 - v. Irrevocably instruct their appointed tax agent to do any of the following as may be required by NZBF;
 - 1. File all GST returns by due date; and
 - 2. Copy all GST returns to NZBF; and
 - 3. Account to NZBF for all GST refunds; and,
 - 4. Pay the full amount of GST refunds to NZBF; and
 - 5. Acknowledge in writing to NZBF their appointment and instructions.
 - vi. Grant to NZBF a security interest over all right, title and interest in GST refunds and GST refund entitlements related to the Land and/or House as security for payment by the Builder of all money the Builder owes NZBF from time to time and for all obligations the Builder may have to perform to NZBF from time to time.

Definition of House Completion

11. For the purposes of this agreement the House shall not be "Completed" (and "Complete" shall be construed accordingly) unless and until;
- a. The House is completed by the Builder (this excludes completion by NZBF or its nominee as provided under clause 13 or for any other reason); and
 - b. The issue of an appropriate code compliance certificate by the appropriate local authority; and
 - c. Verification in writing by the Valuer that the House is completed to a standard no less than that anticipated in the Valuation; and
 - d. Evidence from an insurer that a replacement policy for the full value of the House is in place and current, NZBF's interest is noted as first loss payee and otherwise is acceptable to NZBF in all respects. The Builder must arrange the replacement policy for commencement immediately the contracts works policy ceases to be in place.

Budget Excesses and Delays

12. If, subsequent to confirmation of this facility by NZBF to the Builder, it appears to NZBF, to the Builder, or to the Quantity Surveyor that the Budget Amount or Budget Period will be exceeded, these figures must be recalculated and fees payable to NZBF determined on the higher amounts and/or longer periods. Any increased fees shall be charged to the Builder, capitalised to the principal amount and deducted by NZBF at the time of recalculation. NZBF will finance these higher amounts

and/or longer periods only to the extent that the Builder and/or Indemnifiers have equity in Other Property of not less than 3 times the amount by which the peak amount anticipated to be owed to NZBF will exceed 75% of the Valuation.

13. If the House is not complete within 6 months of the first drawdown under this facility, or if the NZBF's opinion the Builder is not able to complete the House within a period which NZBF considers reasonable, NZBF or NZBF's nominee can, if it so elects, complete the House with all costs charged to the Builder. In these circumstances NZBF shall charge to, capitalise and deduct interest and fees on the same basis as is if the Builder were completing the House.

Sale by the Builder

14. The Builder irrevocably agrees that;
- a. Any deposit paid by a purchaser of the Land and House shall be held by the real estate agent or by the Builder's solicitor nominated in this document and no amount of the deposit shall be disbursed for the benefit of the Builder until settlement of the sale; and
 - b. NZBF is authorised to advise the real estate agent and the Builder's solicitor nominated in this document of these directions on behalf of the Builder and that they are irrevocable without the prior written consent of NZBF.

Indemnities

15. The Indemnifiers shall jointly and severally indemnify NZBF for all costs, losses and expenses arising from any failure of the Builder to meet its obligations under this document. However;
- a. NZBF shall rely only upon the Completed House and Land to recover all amounts owed by the Builder up to 75% of the GST inclusive value of the Completed House and Land.
 - b. Any excess above 75% of the GST inclusive Completed House and Land valuation which cannot be recovered from sale of the Completed House and Land shall be recovered from the Builder and/or Indemnifiers.
 - c. This limitation of the obligations of the Builder and Indemnifiers to amounts above 75% of the GST inclusive Completed House and Land valuation shall not apply until the House is a Completed House and shall not apply if the House is not completed by the Builder.

For avoidance of doubt; The Builder and Indemnifiers will be jointly and severally liable to NZBF for all monies advanced by NZBF until the House is Completed by the Builder. If the House is Completed by the Builder NZBF will recover amounts due to it, from the sale of the Completed House and Land and shall be entitled to recover from the Builder and Indemnifiers only any amounts due to it in excess of 75% of the GST inclusive valuation of the Land and the Completed House.

General

16. The Builder and the Indemnifiers acknowledge that they are not relying upon any warranty, term, representation or inducement from NZBF other than are contained in this document. They further agree that they have no right of set-off against NZBF, NZHB Commercial Limited or New Zealand Home Bonds Limited in respect to any other matter.
17. The Builder and Indemnifiers agree to comply in all respects with any security they enter into from time to time in favour of NZBF (including, without limitation, under any mortgage or agreement to mortgage the Land or Other Property or any guarantee, indemnity or credit assurance). A default under any such security shall be deemed to be a default under this document and vice versa.
18. The Builder and the Indemnifiers;
- a. Warrant the truth of the information supplied in relationship to this document;
 - b. Acknowledge, that in connection with this document and the Land, a real estate agent or a mortgage broker is not an agent of NZBF;

- c. Acknowledge that they have entered into this contract in reliance on their own skill and judgment and not upon any warranty, term, representation or inducement from NZBF other than as may be contained in this document;
 - d. Acknowledge that at any time, NZBF may obtain from a credit agency, a credit report containing personal credit information and may obtain information from any bank or other person and may pass to the Builder's solicitor and to the Indemnifier's solicitor, and to NZBF's bankers and solicitors, information related to them.
19. The Builder and/or Indemnifier(s), if individuals, are entitled, under provisions of the Privacy Act 1993, to have access to information held by NZBF about that person, and request the correction of any information held by NZBF about that person, in either case in accordance with the provisions of that Act.
 20. NZBF may assign its rights and/or obligations contained in this application.
 21. Notices may be served by fax, email or by ordinary post. Any notices served by NZBF on the Builder and/or Indemnifier(s) may be served on that party or on the their solicitor whose name appears on this document or on any other solicitor notified to NZBF as acting for them
 22. The Builder and/or Indemnifier(s) acknowledges that if a document in or substantively in the same form as this application relates to the Land and/or House and/or Other Property, it will form part of this document. The persons who sign this document shall at all times remain personally liable for all of the Builder and/or Indemnifier(s) obligations and where two or more parties have signed their liability shall be joint and several except where a professional trustee signs as the trustee of a trust their liability shall be limited to the assets of that trust except where they enter into this agreement in breach of the trust document.
 23. Any party who signs this document shall be bound whether or not any other party signs. This document may be executed in any number of counterpart copies which may be a facsimile, photocopy or email copy of this document.
 24. If there is any inconsistency between this document and any other document the Builder or any Indemnifier signs with NZBF, NZBF shall have an absolute discretion as to which document prevails.
 25. Where this document refers to a valuation, such valuation is only applicable if carried out by a valuer acceptable to NZBF and the valuation is in all respects acceptable (including as to mortgage recommendation) to NZBF in its absolute discretion.

=====

The date of this document is deemed to be ____/____/____ irrespective of the date on which the last person signs and in the absence of any date may be dated by NZBF when received by NZBF.

=====

Builder and/or Indemnifier as an individual

Indemnifier as an individual

I/we have read and understood the conditions stated in this document and agreed to them;

Person's Name _____ Person's Name _____

Person's Signature _____ Person's Signature _____

Witness Address _____ Witness Address _____

Witness Occupation _____ Witness Occupation _____

Witness Signature _____ Witness Signature _____

Note; Witnesses must be independent and cannot be related to an Applicant

=====

Company Applicant Execution. I/we, the director/s who have signed on behalf of the company making this application ("the Company"), agree to the above and also certify that;

1/ The necessary resolution(s) have been passed by the board of directors of the Company to enter into the obligations set out herein and I/we have the authority to bind the Company to these obligations.

2/ Where the obligations set out herein are Major Transactions (as defined in section 129 Companies Act 1993) the appropriate special resolution(s) have been passed by the shareholders of the Company.

3/ The board of directors of the Company are of the view that the undertakings set out herein provide a net benefit to and are in the best interests of the Company, the Company is solvent and that it will, when required to do so, be able to perform the undertakings set out herein.

4/ The Company will receive fair value in respect of the transaction(s) contemplated by this document.

5/ Any interest of directors (as defined in section 126 Companies Act 1993) in the obligations set out herein have been properly disclosed to the board of directors of the Company and entered in the interest register.

Director's Name _____ Director's Name _____

Director's Signature _____ Director's Signature _____

Witness Address _____ Witness Address _____

Witness Occupation _____ Witness Occupation _____

Witness Signature _____ Witness Signature _____

Note; Witnesses must be independent and cannot be related to a Director

=====

Trustees Execution on behalf of a Trust I/We, the trustees of the trust making this application ("the Trust"), agree to the above and also certify that I/we;

1/ Have power under the documents creating the Trust to borrow money and give guarantees and indemnities for the benefit of the Trust or any beneficiaries under the Trust and to give mortgages over the Trust property to secure all moneys borrowed and any guarantees or indemnities given.

2/ Are not prohibited by the documents creating the Trust from appointing an attorney for the purposes contemplated herein.

3/ Am/are able to irrevocably bind the Trust to the undertakings contained in this document.

Trustee's Name _____ Trustee's Name _____

Trustee's Signature _____ Trustee's Signature _____

Witness Address _____ Witness Address _____

Witness Occupation _____ Witness Occupation _____

Witness Signature _____ Witness Signature _____

Trustee's Name _____ Trustee's Name _____

Trustee's Signature _____ Trustee's Signature _____

Dated ____/____/____ Dated ____/____/____

Witness Address _____ Witness Address _____

Witness Occupation _____ Witness Occupation _____

Witness Signature _____ Witness Signature _____

Note; Witnesses must be independent and cannot be related to a Trustee

Schedule A – Undertaking to be given to the Builder and to New Zealand Builders Finance Limited from each Lender secured over the Land when the Builder does not have title to the Land.

Undertaking addressed to New Zealand Builders Finance Limited and to the Builder

_____ by
(*Name of the Builder*)

The Lender _____
(*Bank or Lender's full name and Address*) in respect to

The Land _____
(*Detailed identification of the property*) bought by the Builder from

The Land Vendor _____
(*Land Vendor's full name*) pursuant to

The Agreement dated _____ for the sale and purchase of the Land.

In consideration of the sum of \$1.00 (receipt of which is hereby acknowledged) the Lender hereby agrees, that in the event of the Lender exercising the power of sale under any mortgage to the Lender over the Land, the Lender will sell the Land to the Builder at the purchase price specified in the Agreement, less any deposits and other monies paid by the Purchaser to the Land Vendor in good faith pursuant to the Agreement and otherwise on the terms and conditions contained in the Agreement

Dated this _____ day of

Signed by the Lender _____

Schedule B – Agreement regarding Caveating the Property and Caveat Withdrawals when the Builder does not have title to the Land.

Including;

- a/ Vendor’s consent to caveat the Development; and
- b/ Undertaking by New Zealand Builders Finance Limited to contemporaneously provide Caveat Withdrawals to the Vendor’s and Builder’s solicitors to facilitate issue of titles and settlement; and
- c/ Vendor’s and Builder’s solicitors undertakings as to the use of the Caveat Withdrawals.

Agreement between

A _____ (“Builder”)

B _____ (“Vendor”)

C _____ (“Builder’s Solicitor”)

D _____ (“Vendor’s Solicitors”)

E New Zealand Builders Finance Limited (“NZBF”)

concerning _____ (“Land”)

(identify the specific lot)

being part of a greater parcel of land being subdivided (“the Development”)

_____ *(identify the existing title(s) on which the Land is located)*

The Land being subject to a sale and purchase agreement between the Vendor and the Builder dated

_____ and an agreement to mortgage from the Builder to NZBF dated the date of this application (“agreement to mortgage”), the parties, in consideration of the sum of \$1.00 paid to the Vendor (receipt of which is hereby acknowledged) agree:

1. The Vendor will, notwithstanding anything to the contrary in the sale and purchase agreement, allow NZBF to register a caveat against the Land to protect NZBF’s interest under the agreement to mortgage.
2. NZBF shall not prevent the Vendor from registering any documents necessary to complete the subdivision of the Development and shall, concurrent with the caveat registration, provide a partial withdrawal of caveat (“the First Withdrawal”) to the Vendor’s Solicitor which shall allow the caveat to be withdrawn from all lots arising from the subdivision of the Development except the Land.
3. NZBF shall not prevent the Vendor from registering any documents necessary to transfer the Land to the Builder and shall prior to settlement of the purchase of the Land, provide to the Builder’s Solicitor a withdrawal of caveat from the Land (“the Second Withdrawal”) and a mortgage in favour of NZBF (“Mortgage”) to be registered over the Land following settlement.
4. NZBF agrees that it will, when required by the Vendor’s or Builder’s Solicitor, reimburse the Vendor’s or Builder’s Solicitor for usual agency and registration charges payable in respect of registration of the withdrawals of caveat and the Mortgage over the Development and Land (as the case may be).
5. The Vendor’s Solicitor hereby personally undertakes to;
 - a. Complete the legal description in the First Withdrawal to enable the caveat to be withdrawn from all lots in the subdivision of the Development except the Land; and
 - b. Use the First Withdrawal only for the purpose of completing the subdivision of the Development; and
 - c. Notify NZBF of the proposed settlement date for the Land; and
 - d. Copy to NZBF any settlement notices in respect to the Land.
6. The Builder’s Solicitor hereby personally undertakes to;

- a. Complete the Second Withdrawal to correctly identify the Land if necessary; and
- b. Use the Second Withdrawal only for the purpose of completing the settlement of the purchase of the Land for the Builder: and
- c. Immediately following settlement, to register the mortgage provided by NZBF as the only charge over the Land (excluding charges related to local authority and boundary obligations common to all lots in the subdivided land.).

7. This document may be signed in counterpart copies which may be a facsimile, photocopy or email copies of this document and any party who signs shall be bound irrespective of whether or not any other party signs.

Dated this _____ day of _____

Signed by the Vendor _____

Signed by the Vendor's Solicitor _____

Signed by the Builder _____

Signed by the Builder's Solicitor _____

Signed by New Zealand Builders Finance Limited _____

DECLARATION AS TO PURPOSE

NOTE: This is a declaration as to purpose for the purposes of s14(1) of the Credit Contracts and Consumer Finance Act 2003. The form may be adapted as shown for more than one declarant. Also note that the declaration MUST be made by the debtor before entering the contract.

We, _____ [*declarant/declarants*]

of _____ (place)

and _____ (occupation)

do severally solemnly and sincerely declare that:

- 1 The credit acquired _____ [*in \$ amount*] from **New Zealand Builders Finance Ltd** is to be used primarily for business or investment purposes (or for both purposes); and that
- 2 [*I/we*] the debtor[s] have prior to entering the contract fully read and understood the contract and understand the effect of this declaration for the purposes of s14(3) of the Credit Contracts and Consumer Finance Act 2003.

This declaration therefore has the effect that the credit contract in question is not a "consumer credit contract" for the purposes of s11 of the Credit Contracts and Consumer Finance Act 2003.

This declaration was signed by me/us prior to signing the credit contract with you.

.....
Signature(s) of declarant(s)

Declared at _____ (*place*) this _____ day of _____ (*month and year*)