

DEED OF PRIORITY (LAND) - SCHEDULE

EXTENT OF PRIORITY BETWEEN MORTGAGEES

- 1 The First Mortgage, and all moneys secured from time to time under it, will have first priority over the Second Mortgage for an amount not exceeding the aggregate of:
 - (a) the First Mortgagee Amount;
 - (b) interest, for a period of the Interest Period's duration commencing on the Enforcement Date, calculated on a daily basis at the highest rate payable by the Mortgagor to the First Mortgagee immediately before the Enforcement Date, on the lesser from time to time of:
 - (i) The First Mortgagee Amount; and
 - (ii) The balance secured by, and outstanding under, the First Mortgage; and
 - (c) the amount of all fees, bank charges, taxes and reasonable expenses (including legal expenses, and goods and services and similar taxes on that amount) incurred by the First Mortgagee in protecting the security under the First Mortgage or exercising any powers or rights under the First Mortgage, but in each case only to the extent that they relate to Land; and
 - (d) interest calculated on a daily basis at the greater of a rate equivalent to the cost of funds of the First Mortgagee and the highest rate payable by the Mortgagor to the First Mortgagee, on the amounts in (c) above from the date of payment of the relevant amounts until the date of reimbursement of those amounts to the First Mortgagee.
- 2 The Second Mortgage will have second priority for all moneys from time to time secured under the Second Mortgage.

MEMORANDUM OF PRIORITY

- 3 If required by the First Mortgagee, the Second Mortgagee will immediately sign, and register in the relevant land registry office, a memorandum of priority under which the First Mortgage is granted priority over the Second Mortgage.

PARAMOUNTCY

- 4 These priority arrangements will have effect despite anything (including any application of the rule in *Clayton's Case* (1816) 1 Mer. 529 or the rule in *Hopkinson v Rolt* (1861) 9 H.L. Cas. 514) which, but for this provision, might alter or affect the priorities provided by these arrangements.
- 5 Any provision in either Mortgage, or any other agreement or arrangement entered into before the date of the Document, which is inconsistent with these priority arrangements, will be superseded or varied to the extent necessary to give full effect to these arrangements.

DISCHARGE OF FIRST MORTGAGE

- 6 If, at any time, the Second Mortgagee disposes of the Land under the power of sale contained in the Second Mortgage or by law, the First Mortgagee will provide the Second Mortgagee with a registrable discharge of the First Mortgage upon payment by the Second Mortgagee of the lesser of:
- (a) the amount outstanding under the First Mortgage at the date on which that payment is to be made; and
 - (b) the aggregate of the amounts specified in clause 1.

DIRECTION TO PAY

- 7 Each Mortgagee irrevocably and unconditionally authorises and directs a liquidator, official assignee, administrator, receiver, or similar person appointed or acting in respect of the Mortgagor to pay, as between the Mortgagees, the proceeds of the realisation of any Land in accordance with the provisions of the Document.

TRANSFER OR ASSIGNMENT

- 8 Neither Mortgagee will transfer or assign any interest or right in or to its Mortgage to any person unless that person has entered into a deed or contract in a form approved by the other Mortgagee (which approval will not be unreasonably or arbitrarily withheld or delayed) by which that person agrees to be bound by the Document.

GOVERNING LAW AND JURISDICTION

- 9 New Zealand law governs the Document, and the Mortgagees submit to the non-exclusive jurisdiction of the courts of New Zealand.

INTERPRETATION

- 10 In addition to the definitions set out in the document ("**Document**") which incorporates this schedule of terms:

Enforcement Date	The earlier to occur of: <ul style="list-style-type: none">(a) The expiry date of a notice issued in respect of a Mortgage under section 90 or 92 of the Property Law Act 1952, pursuant to which a Mortgagee enters into possession, or exercises that Mortgagee's power of sale, of any Land; and(b) The date on which a Mortgagee appoints a receiver of income in respect of any Land.
Mortgagees	The First Mortgagee and the Second Mortgagee, and " Mortgagee " means either of them.
Mortgages	The First Mortgage and the Second Mortgage, and " Mortgage " means either of them.
Person	Includes that person's successors, permitted assigns, executors and administrators (as applicable).