**DEED OF ACKNOWLEDGMENT OF DEBT**

**between**

**XXXXX**

**and**

**XXXXX**

**” THIS DEED dated the XXXXXXx**

**BETWEEN XXXXXX (“Borrower”) AND XXXXXXXXX (“Lenders”)**

**BACKGROUND**

 The Lenders have agreed to advance the Debt to the Borrower for the purchase of the Asset by the Borrower.

° The Borrower acknowledges the Debt.

° This deed sets out the terms of that acknowledgment.

**WITNESSES AS FOLLOWS:**

1. INTERPRETATION In this deed unless the context indicates otherwise:

**Definitions:**

“Agreement” means the Agreement for Sale and Purchase of the Asset between the Lenders as vendors and the Borrowers as purchasers dated XXXXX

 “Asset” means ADRESS OF PROPERTY

“Borrower” means NAME BORROWER: “Debt” means the amount of $XXXXXXX; and

“Lenders” means NAME LENDERS

Clauses: references to clauses are references to this deed’s clauses;

Defined Expressions: expressions defined in the main body of this deed have the defined meaning in the whole of this deed, including the background;

Headings: clause and other headings are for ease of reference only and do not affect this deed’s interpretation;

Parties: references to parties are references to parties to this deed; Piural and Singular: singular words include the plural and vice versa;

Statutes and Regulations: references to any statutory provision include any statutory provision which amends or replaces it, and any subordinate legislation made under it; and

Upon Demand: the expression “upon demand” means upon demand being made by notice in writing signed by the person entitled to make demand, or by any employee or agent of that person, and served on the person on whom the demand is to be made, either personally or by posting the demand in a duly registered letter addressed to that person at his or her usual or last known place of residence in New Zealand. DEBT

2.1 Acknowledgment of Debt: The Borrower acknowledges that she owes the Debt to the Lenders.

**DEBT REPAYMENT**

3.1 Repayment Upon Sale/Refinance: Subject to clause 6 below, the Borrower must repay the Debt to the Lenders immediately upon sale or refinance of the Property.

3.2 Early Repayment: The Borrower may repay all or any part of the Debt to the Lenders at any time without notice.

1. **INTEREST**

4.1 No interest is payable on the Debt.

1. **NO CAVEAT**

5.1 The Lenders will not register a caveat on the record of title to the Asset.

1. **PRIORITY**

6.1 The parties acknowledge that the mortgage to ASB Bank Limited takes priority over any amounts outstanding under this Deed of Acknowledgement of Debt.

Executed as a deed.

SIGNED by XXXXXX as Borrower in the presence of:

Witness:

Signature of witness

Occupation of witness

Address of witness

SIGNED by XXXXXX as Lender in the presence of:

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness