

[Name of Borrower]

Rhino Solutions Limited

Security Agreement

Parties

1. **[Name of Borrower]** (Debtor)
2. **Rhino Solutions Limited (Secured Party)**

Introduction

- A. This Agreement records the granting of a security interest by the Debtor in favour of the Secured Party in respect of the Collateral.
- B. In consideration of the Secured Party providing, or agreeing to provide Secured Moneys to the Debtor, the Debtor covenants and agrees with the Secured Party on the terms of this Agreement.

It Is Agreed:

1. Interpretation

1.1 In this Agreement:

Business Day means a day other than a Saturday, Sunday or public holiday in Auckland, New Zealand;

Collateral means all of the Debtor's right, title and interest in the Debtor's property set out the Schedule to this Agreement;

Event of Default means any of the events set out in clause 8.1;

PPSA means the Personal Property Securities Act 1999;

Relevant Agreement means any agreement between the Debtor and the Secured Party which relates to the Secured Moneys;

Secured Moneys means all monies owing by the Debtor to the Secured Party;

Security Interest means:

- (a) In relation to personal property has the meaning given in section 17 of the PPSA;
- (b) In relation to land means an interest in land granted or created for securing payment or performance of an obligation including a mortgage and any unregistered charge;
- (c) In relation to other property means any interest granted or created for securing payment or performance of an obligation; and

Warranties means the warranties given under clause 5.

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- 1.2 In this Agreement unless the context otherwise requires:
- 1.2.1 Reference to any party includes that party's personal representatives, successors and/or permitted assigns (as the case may be);
 - 1.2.2 Words importing the singular shall include the plural and vice versa;
 - 1.2.3 Words importing the masculine shall include the feminine;
 - 1.2.4 Reference to a person includes an individual, partnership, firm, company, corporation, association, trust, estate;
 - 1.2.5 Reference to any legislation is reference to New Zealand legislation and include all subordinate legislation, any re-enactment of, or amendment to, that legislation and all legislation passed in substitution for that legislation;
 - 1.2.6 Reference to this Agreement shall be deemed to include references to this Agreement as varied or amended;
 - 1.2.7 Any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;
 - 1.2.8 Reference to clauses are to clauses of this Agreement; and
 - 1.2.9 References to clause headings are for convenience only.

2. **Debtor's Covenants**

- 2.1 The Debtor shall:
- 2.1.1 Pay the Secured Moneys; and
 - 2.1.2 Comply with all obligations that it owes to the Secured Party under:
 - (a) This Agreement; and
 - (b) Any Relevant Agreement.

3. **Charging Clause**

- 3.1 To secure payment of the Secured Moneys the Debtor grants the Secured Party a security interest in the Collateral and any proceeds of that Collateral.
- 3.2 The Debtor agrees that any of the proceeds of the Collateral that come into existence after the date of this Agreement will come into existence subject, where applicable, to the security interest granted by this Agreement without the need for any further action by any party to this Agreement.
- 3.3 The Debtor acknowledges that:
- 3.3.1 The Debtor has received valuable consideration from the Secured Party and agrees that such consideration is sufficient; and
 - 3.3.2 The security interest created by this Agreement attaches immediately and is not postponed.

3.4 Each security interest created under this Agreement is:

3.4.1 A continuing security for payment of all Secured Moneys;

3.4.2 Additional to any other security interest held by the Secured Party from time to time; and

3.4.3 Remains in effect until released in writing by the Secured Party.

4. **Further Assurance**

4.1 The Debtor will execute such further documents and do all acts, matters or things reasonably required to give effect to the provisions and intent of this Agreement and to give the full benefit of this Agreement to the Secured Party including to:

4.1.1 Perfect and renew any security interest created under this Agreement; and

4.1.2 Realise any Collateral.

5. **Debtor's Warranties**

5.1 The Debtor represents and warrants:

5.1.1 The Debtor is the sole legal and beneficial owner of the Collateral;

5.1.2 The Collateral is in the possession of the Debtor in New Zealand;

5.1.3 No security interest, or agreement to create a security interest, exists over any of the Collateral; and

5.1.4 The Debtor has full power and authority to create a security interest over the Collateral.

6. **Debtor's Undertakings and Covenants**

6.1 The Debtor undertakes that at all times it will:

6.1.1 Not without the consent of the Secured Party dispose of the Collateral;

6.1.2 Not create or permit to exist a security interest affecting any Collateral (apart from the security interest created under this Agreement);

6.1.3 Keep and maintain the Collateral in good and substantial repair and condition;

6.1.4 Not do anything to invalidate or render any security interest invalid or unenforceable.

7. **Insurance**

7.1 The Debtor undertakes that it will effect and at all times maintain insurance policies under which all Collateral is insured for its full replacement value against loss or damage by all risks that it is prudent to insure against.

7.2 If required by the Secured Party the Debtor shall ensure that the Secured Party is named as an interested party on the relevant insurance policies.

8. Default

8.1 An Event of Default occurs if:

- 8.1.1 The Debtor fails to pay any Secured Moneys when due;
- 8.1.2 The Debtor fails to comply with this Agreement or any Relevant Agreement;
- 8.1.3 The Debtor suffers an act of bankruptcy or is declared bankrupt;
- 8.1.4 The Debtor makes a compromise or arrangement with his creditors;
- 8.1.5 The Debtor becomes insolvent or steps are taken that the Secured Party reasonably believes will cause the Debtor to become insolvent;
- 8.1.6 Any judgment against the Debtor remains unsatisfied for 10 days;
- 8.1.7 The Secured Party discovers that the Debtor has given false or misleading information;
- 8.1.8 The Debtor dies;
- 8.1.9 Any distress or execution is levied against the Collateral;
- 8.1.10 The Collateral is "at risk" as defined in the PPSA.

8.2 On the occurrence of an Event of Default:

- 8.2.1 All Secured Moneys will become due and payable;
- 8.2.2 The security interest created under this Agreement will become immediately enforceable without notice to the Debtor giving the Secured Party the rights set out in clause 8.3; and
- 8.2.3 The Secured Party can do anything else that it is entitled to do by law.

8.3 If a security interest becomes enforceable the Secured Party will be entitled to do anything in relation to the Collateral that the Debtor would be entitled to do including (subject to applicable law):

- 8.3.1 Entering on land where the Collateral is located;
- 8.3.2 Taking possession of and getting in any of the Collateral; and
- 8.3.3 Selling any of the Collateral as the Secured Party may think fit on such terms as the Secured Party may think fit.

9. Proceeds

9.1 All proceeds of the sale of Collateral or arising from or in connection with the exercise of any rights of the Secured Party shall be applied, subject to any valid prior ranking claim, as follows:

- 9.1.1 Payment of costs and expenses incurred by the Secured Party under this Agreement or under any Relevant Agreement;

9.1.2 Payment of all other Secured Moneys; and

9.1.3 Payment of the residue (if any) to those entitled to any surplus.

10. **Costs and Expenses**

10.1 The Debtor shall pay all costs and expenses incurred by the Secured Party in connection with:

10.1.1 The preparation and registration of any financing statement and any variation, discharge or transfer of any financing change statement;

10.1.2 The protection of any security interest created under this Agreement; and

10.1.3 Any default or any enforcement or attempted enforcement of this Agreement.

11. **Exclusion of sections of the PPSA**

11.1 The Debtor waives its right to receive a verification statement in respect of any financing statement or financing change statement registered by the Secured Party in respect of any Personal Property of the Debtor.

11.2 The Debtor agrees that the following sections of the PPSA shall not apply to this Agreement or the security created by this Agreement and the Debtor waives its rights under the following sections of the PPSA: 114(1)(a), 116, 120(2), 121, 125, 129, 131, 132, 133, and 134.

12. **Notices**

12.1 Any notice required by this Agreement shall be in writing and may be given or served by personal delivery, letter or email to the addresses specified in the Relevant Agreement or to such other addresses as are notified to the other party from time to time.

12.2 Any notice given to or served on the Debtor by:

12.2.1 Personal delivery shall be deemed served on the day of delivery;

12.2.2 Letter shall be deemed to have been given or sent two Business Days after being deposited in the post; or

12.2.3 Email shall be deemed served on error free transmission, if this occurs within business hours in the place where the Debtor is located in New Zealand, but, if not then at 9.00 a.m. on the following Business Day in such place.

12.3 The modes of service provided in this clause do not limit any effective method of service permitted under any relevant statute.

13. **General**

13.1 This Agreement may only be varied or modified by agreement in writing.

13.2 The Debtor shall not assign or novate any rights or obligations under this Agreement.

13.3 The Secured Party may assign this Agreement at any time by giving notice to the Debtor.

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- 13.4 The Secured Party does not waive a right, power or remedy if it fails to exercise or delays in exercising that right, power or remedy. A single or partial exercise of a right, power or remedy by the Secured Party does not prevent another or further exercise of that or another right, power or remedy.
- 13.5 If any provision of this Agreement is or becomes illegal, unenforceable or not binding the other terms shall be unaffected.
- 13.6 This Agreement is the entire agreement and supersedes any and all previous communications, negotiations, arrangements and agreements, whether written or oral, between the Secured Party and the Debtor in respect of the matters that are the subject of this Agreement. The Debtor acknowledges that he does not rely on any representations or warranties which have not been specifically set out in this Agreement.
- 13.7 This Agreement shall be governed by and construed in accordance with the laws of New Zealand and the parties submit to the non-exclusive jurisdiction of the New Zealand Courts.

Executed

Signed by **[Name of Debtor]**

Schedule

1. Collateral

Description of Collateral	
If Collateral is a vehicle:	
Registration no.	
VIN	
Chassis no. (if no VIN)	
Year of manufacture	
Manufacturer	
Model	