Inspire
BUILD GUARANTEE

EXCLUSIVE TO INSPIRE HOMES

TERMS AND CONDITIONS

Inspire Build Guarantee.

Comprehensive Building Guarantee: terms and conditions, with plain-English guides to help you understand each section.

DOCUMENT	VERSION	GUARANTOR
Guarantee terms and conditions	1.2	Inspire Build Guarantee Limited

HOW THESE TERMS APPLY

These terms apply to your home once Inspire Build Guarantee Limited accepts your application and issues a numbered certificate. Your certificate, these terms and any listed schedules or endorsements together make up your guarantee.

BEFORE YOU READ

Important information and parties

IN PLAIN ENGLISH

These terms apply to your home once Inspire Build Guarantee Limited accepts your application and issues a numbered certificate. The guarantor is part of the Inspire group: a separate company, but not financially independent of it.

This is a contractual guarantee given by Inspire Build Guarantee Limited. It takes effect for a home only when the guarantor issues a numbered certificate. It is not an insurance policy, a bank guarantee or cash security.

BUILDER

The Inspire Homes contracting entity named in the signed building contract and on the certificate.

GUARANTOR

Inspire Build Guarantee Limited.

OWNER

The legal owner(s) named on the certificate.

IPML

Inspire Property Management Limited, which provides security supporting the Guarantor (clause 14).

The Guarantor, the Builder and IPML are all part of the Inspire group. Although the Guarantor is a separate company, it is not financially independent of the group.

How this document is set out

Part 1 contains the guarantee terms, including how to make a claim (clause 8). Part 2 holds the schedules. Capitalised words are defined in clause 2. Paragraph numbers (for example 7.2) are for easy reference.

About the plain-English guides

The shaded “In plain English” boxes and illustrations are a guide only. They do not form part of the terms and do not change them. If there is any difference, the terms apply.

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PART 1

The terms

Deposit, completion and aftercare: the three stages of protection, how payments work, what triggers the guarantee, how claims are handled, and your rights.

1 The three stages of protection: deposit, completion and aftercare

IN PLAIN ENGLISH

The guarantee covers the three stages banks and buyers use to judge risk. Deposit: you pay nothing before building starts. Completion: if the builder fails before your home is finished and signed off by council, the guarantor arranges and pays for it to be completed, with no cap. Aftercare: ten years of protection under a separate Stamford insurance policy issued on behalf of certain underwriters at Lloyd's, subject to Stamford accepting your home. The Stamford policy is your home warranty; this guarantee is extra completion protection on top of it.

Stage 1 · Deposit	Stage 2 · Completion	Stage 3 · Aftercare
$0 before physical construction starts	Builder failure, through to council sign-off. No cap.	Stamford policy, your home warranty, on behalf of certain underwriters at Lloyd's: 2 + 8 years

1.1 **A. Deposit (no upfront payments):** the Guarantor will procure that the Builder does not require any deposit, design fee, consent fee, procurement payment or other payment before Physical Construction Commencement.

1.2 **B. Completion:** if a Qualifying Default occurs during the Guarantee Period, the Guarantor will arrange and fund completion of the Approved Works, including obtaining the CCC, in accordance with clause 7. No percentage, monetary or aggregate limit applies.

1.3 **C. Aftercare:** a Stamford Policy, issued on behalf of certain underwriters at Lloyd's of London, is arranged for each home in accordance with clause 9, subject to Stamford's acceptance. It is a separate insurance contract. The Stamford Policy, not this guarantee, governs aftercare cover. This guarantee is a completion guarantee, not a home warranty; the Stamford Policy is the home warranty for the home.

2 Definitions and documents

IN PLAIN ENGLISH

These are the key terms used throughout. 'Practical Completion' means your home is ready to live in, even if a few small items still need finishing. 'Remaining Contract Price' is what is still left to pay under your contract when the builder fails.

Approved Payment Schedule	The itemised GST-inclusive construction milestone schedule in the Building Contract, as updated by Approved Variations. If the schedule shown on the Certificate differs, the Building Contract (as varied) prevails.
Approved Variation	A variation to the Approved Works agreed in writing by the Owner and the Builder under the Building Contract.
Approved Works	Work in the Building Contract, approved plans and specifications, and Approved Variations.
Builder	The Inspire Homes contracting entity named in the Building Contract and on the Certificate.
Building Contract	The signed contract between the Owner and the Builder for the home named on the Certificate.
CCC	The code compliance certificate issued by the building consent authority under the Building Act 2004 for the Approved Works.
Certificate	The numbered guarantee certificate issued by the Guarantor for the home.
Completion Trust Account	A trust account held by an independent solicitor or stakeholder for the home, used only to pay for completion of that home (clause 7.3).
Contract Price	The GST-inclusive price in the Building Contract, plus Approved Variations.
Eligible Completion Cost	Has the meaning in clause 7.5.
Guarantee Documents	The accepted application, the Certificate, these terms and any schedules or endorsements listed on the Certificate. No oral representation varies them.
Guarantee Period	The period from the start date on the Certificate until the CCC is issued, unless it ends earlier under clause 3.5.
Guarantor	Inspire Build Guarantee Limited.
Independent	In relation to an assessor, certifier or quantity surveyor: not an employee, director or contractor of any company in the Inspire group.
IPML	Inspire Property Management Limited.
Lender	The Owner’s mortgage lender named on the Certificate or later notified to the Guarantor in writing.
Owner	The legal owner(s) of the property named on the Certificate, and any transferee under clause 13.1.

Physical Construction Commencement	Substantive physical work on the property towards construction, excluding design, applications, ordering materials, fencing or site visits.
Practical Completion	The home is substantially complete and capable of its intended residential use, notwithstanding minor defects and omissions, as certified under Schedule B.
Qualifying Default	Has the meaning in clause 6.1.
Remaining Contract Price	The Contract Price less all amounts actually paid by or on behalf of the Owner (including by the Lender) towards the Approved Works, however and whenever paid. An amount paid before it was due under the Approved Payment Schedule counts as paid only to the extent the Independent assessor confirms the corresponding work was properly completed.
Replacement Builder	The licensed builder appointed under clause 7.1(a) to complete the Approved Works.
Stamford	Arthur J Gallagher & Co (NZ) Ltd trading as Stamford Insurance, a Lloyd's coverholder acting on behalf of certain underwriters at Lloyd's of London, led by SCOR Managing Agency Ltd (Lloyd's Syndicate 2015).
Stamford Policy	The building warranty insurance policy issued by Stamford for the home.
Substantially Completed	Has the meaning in clause 4.2.
Working Day	A day other than a Saturday, Sunday, New Zealand public holiday, or a day from 24 December to 5 January inclusive.

3 Application, acceptance, cost and term

> **IN PLAIN ENGLISH**
> Applying doesn't mean you're covered: cover starts on the date shown on your certificate. There's no separate charge, because the guarantee and the Stamford policy are included in your build price. The guarantee runs until council issues your code compliance certificate, and a claim made before then isn't lost when it ends. The builder signs up to the zero-deposit and milestone rules. Stamford aftercare runs from practical completion, and Stamford issues the policy once your code compliance certificate is provided.

3.1 Application is not acceptance. Before issuing a Certificate, the Guarantor will review the Building Contract, title, funding, construction programme, payment schedule, consents and risk.

3.2 The guarantee takes effect on the start date shown on the Certificate, which identifies the guaranteed property, the Owner, the Builder and the accepted terms. Multi-unit developments, renovations, unusual designs and related-party ownership require the Guarantor's express written approval.

3.3 **No separate charge.** The cost of this guarantee and the Stamford Policy premium are included in the Contract Price. The Owner pays no separate fee or premium.

3.4 **Term.** The Guarantee Period runs from the start date on the Certificate until the CCC is issued. A Qualifying Default after Practical Completion is covered for work needed to obtain the CCC and under clause 6.1(d). Defects first notified after the CCC is issued are dealt with under the Stamford Policy (clause 9). A claim for a Qualifying Default that occurred during the Guarantee Period, and any obligation already notified, continues after the CCC is issued, a transfer or an early end until it is met.

3.5 **Early end.** The guarantee ends before the CCC is issued if: (a) before any Qualifying Default, the Owner and the Builder agree in writing to cancel the Building Contract; (b) the Builder lawfully terminates the Building Contract because of the Owner's material breach, other than the Owner's lawful exercise of payment-schedule rights; or (c) the Owner fails to pay an amount properly due and not disputed, and neither the Owner nor the Lender pays it within 15 Working Days after written notice from the Guarantor to both of them. Clause 3.5(c) does not apply while payments are suspended under clause 7.4. If the Owner disputes that (b) or (c) applies, the guarantee continues until the dispute is resolved under the Building Contract's dispute process, statutory adjudication or the courts. An early end does not affect a claim for a Qualifying Default that occurred before it.

3.6 The Guarantor will procure that the Builder notifies it in writing of Approved Variations and extensions of time within 10 Working Days. A failure to notify does not affect the Owner's rights.

3.7 **Builder agreement.** The Builder signs the application to agree that clauses 1.1, 3.6, 4 and 5 form part of the Building Contract. The Guarantor will not issue a Certificate until the Builder has done so.

4 Zero deposit and payment milestones

> **IN PLAIN ENGLISH**
> You pay $0 until real building work starts on your site. After that, you pay for each stage once it's substantially done, and a small unfinished item doesn't hold up payment. You can still dispute genuinely incomplete or defective work, and your rights under the Construction Contracts Act 2002 stay in place.

4.1 The Owner pays NZ$0 to the Builder or its nominees before Physical Construction Commencement. The Guarantor will procure that no pre-construction charge, however described, is required or relabelled to get around this. This includes any payment to a related company, agent, consultant or supplier for the Approved Works; the Builder funds all pre-construction costs.

4.2 After Physical Construction Commencement, the Owner pays the amounts in the Approved Payment Schedule as each milestone is Substantially Completed. A milestone is **Substantially Completed** when its listed deliverables are finished in all material respects, allowing the next stage to proceed safely and lawfully. It is measured against the agreed stage deliverables, not a subjective percentage of the whole build. Minor defects or finishing items that do not materially affect function, safety, compliance or progression do not by themselves prevent certification.

4.3 Each Builder payment claim must identify the milestone, the work performed, photographs or inspection evidence and the amount claimed. The Owner may issue a payment schedule disputing an objectively reasonable amount for genuinely incomplete or defective work, supported by a description of the material deficiency and a reasonable valuation of the affected work. Undisputed amounts remain payable by their due date.

4.4 A disagreement about completion or valuation may be referred to an Independent certifier under Schedule B, without limiting statutory adjudication under the Construction Contracts Act 2002.

4.5 Payment due dates and any agreed retentions are as set out in the Building Contract.

4.6 With the Owner's consent, milestone certification and inspection evidence may be shared with the Lender to support progress drawdowns.

5 Fixed price and programme

> **IN PLAIN ENGLISH**
> Your price is fixed for the agreed work, apart from approved variations and adjustment events defined in your contract. Completion dates and any delay compensation come from your building contract, not from this guarantee.

5.1 The Contract Price covers the Approved Works, subject only to Approved Variations and adjustment events defined in the Building Contract. Any extension of time must be documented with reasons and supporting evidence.

5.2 Completion dates and any delay compensation are governed by the Building Contract. This guarantee does not cover delay costs or other holding costs (see clause 10.1(f)).

5.3 **Contract works insurance.** The Guarantor will procure that the Builder maintains contract works insurance for the home from Physical Construction Commencement until the CCC is issued. Contract works insurance covers loss of or damage to the works, such as from fire or storm. It does not pay to fix defective workmanship, which remains the Builder's responsibility.

6 Qualifying Default

> **IN PLAIN ENGLISH**
> The guarantee is for serious builder failure: insolvency, walking off the job, a serious breach the builder won't fix after formal notice, or refusing to fix serious defects before council sign-off. An ordinary dispute, a short delay, or you lawfully disputing a payment doesn't count. An independent assessor checks the facts.

6.1 A **Qualifying Default** occurs if, during the Guarantee Period, the Builder: (a) is placed in liquidation or receivership, or has a liquidator, receiver, statutory manager or administrator appointed; (b) abandons the works, meaning no substantive work on site for 20 consecutive Working Days without lawful reason, and does not resume within 10 Working Days after written notice from the Owner; (c) repudiates the Building Contract, or commits a serious material breach that prevents completion and does not remedy it within 15 Working Days after written notice from the Owner; or (d) after Practical Completion and before the CCC is issued, fails to remedy a serious defect in the Approved Works within 15 Working Days after written notice from the Owner.

6.2 The Owner must send a copy of any notice under clause 6.1(b), (c) or (d) to the Guarantor and the Lender. A failure to do so does not invalidate the notice, except to the extent it prejudices the Guarantor's position.

6.3 None of the following is a Qualifying Default by itself: a genuine dispute; a temporary delay, including weather, supply or consent delays dealt with under the Building Contract; the Owner's lawful exercise of payment-schedule rights; or defects to be dealt with under the Building

Contract or the Stamford Policy. This does not exclude a failure to remedy defects under clause 6.1(d).

6.4 The Guarantor will appoint an Independent assessor to verify the default, construction progress, the value of properly completed work, the Remaining Contract Price, defects and remaining scope. If the Owner reasonably objects to the assessor within 5 Working Days, the assessor will be appointed by the Resolution Institute or, if it declines, by the President of the New Zealand Institute of Quantity Surveyors. The Guarantor pays the cost of assessing a claim.

7 The completion undertaking — no cap

> **IN PLAIN ENGLISH**
> If the builder fails, the guarantor gets your home finished and signed off, usually by appointing a new builder who contracts directly with you. You keep paying your remaining milestone amounts, into a protected trust account used only for your home. The guarantor pays everything above that, with no cap. If your bank pauses drawdowns, the guarantor keeps paying the builder and you pay later, with no interest. Provided you have paid only what was properly due, you won't pay more than your contract price for the agreed work.

7.1 When the Guarantor accepts a claim for a Qualifying Default, it will either: (a) appoint a licensed Replacement Builder to complete the Approved Works, any necessary remedial work to the original Builder's work, and all steps needed to obtain the CCC, including records of work, producer statements, consent amendments and inspections; or (b) with the written agreement of the Owner and, if one is named, the Lender, pay a cash settlement equal to the Eligible Completion Cost, paid as the Lender directs.

7.2 **Completion contract.** The Replacement Builder will contract directly with the Owner under a completion contract approved by the Guarantor and consistent with the Building Contract. The Owner therefore has the benefit of the implied warranties and defect-repair obligations under the Building Act 2004 for the Replacement Builder's work. The Guarantor pays the Replacement Builder on the Owner's behalf.

7.3 **Who pays what.** The Owner pays the Remaining Contract Price into the Completion Trust Account, in the amounts and at the milestones in the Approved Payment Schedule, as each is Substantially Completed. The Owner may direct the Lender to pay drawdowns straight into that account. Money in the Completion Trust Account may be used only to pay for completion of that home. The Guarantor funds all costs of completion above the Remaining Contract Price at its own cost, including any amount above the assessed cost. The Guarantor also pays the costs of the Independent assessor and the Completion Trust Account; these are not deducted from the Owner's protection.

7.4 **Lender drawdowns.** If the Lender suspends drawdowns because of the Qualifying Default, the Owner's obligation to pay is suspended for that period. The Guarantor will continue completion meanwhile, pay the Replacement Builder on time from its own funds for any suspended amount, and work with the Owner and the Lender to restore drawdowns. Suspended amounts are deferred, not forgiven: they become payable when drawdowns resume or other finance is arranged. No interest or fee is charged on them.

7.5 **Eligible Completion Cost** is the reasonable, Independently assessed cost of completing the work in clause 7.1(a), less the Remaining Contract Price, and less any amount the Owner has already received from another source for the same cost.

7.6 **No limit.** No percentage of the Contract Price, no per-home monetary maximum and no aggregate limit applies to the Guarantor's obligations under this clause 7. Special conditions on a Certificate cannot impose such a limit.

7.7 **Your total cost.** Provided the Owner has paid only amounts properly due under the Approved Payment Schedule, the Owner will not pay more in total for the Approved Works than the Contract Price.

7.8 **Site insurance.** From notice of a Qualifying Default until the Replacement Builder's contract works insurance is in place, the Guarantor will arrange contract works insurance for the site.

7.9 **GST.** All amounts in these terms include GST. The Replacement Builder will issue tax invoices to the Owner for its work.

7.10 Clause 7 does not cover: upgrades or new work requested by the Owner; unapproved variations; holding costs and other consequential losses described in clause 10.1(f); or anything else excluded under clause 10.

YOU PAY

Your remaining milestone amounts

The unpaid balance of your original contract price, paid into a protected trust account for your home as each stage is completed.

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THE GUARANTOR PAYS

Everything else it takes to finish

The new builder, remedial work, council sign-off, and every extra dollar above your remaining balance. No cap.

Provided you have paid only what was properly due, you won't pay more than your contract price for the agreed work.

Illustration of clause 7 for guidance only. It does not form part of the terms.

8 Making a claim: steps and timeframes

IN PLAIN ENGLISH

Tell the guarantor in writing within 30 days of finding out about the default. It will acknowledge within 5 working days and decide within 20 working days of receiving your complete claim (one extension of up to 10 working days, with reasons). The clock can't be reset with repeated requests for information. It will appoint a replacement builder within 60 working days of accepting the claim. Meanwhile, take reasonable steps to protect the site.

8.1 The Owner must notify the Guarantor in writing within 30 calendar days after becoming aware of a Qualifying Default, using the contact details on the Certificate and quoting the Certificate number. A late notice does not defeat the claim, except to the extent the delay has prejudiced the Guarantor's position.

8.2 The Guarantor will acknowledge the notice within 5 Working Days and tell the Owner what information is needed and the expected timetable. Any request for further information must be specific and reasonable. Within 5 Working Days of receiving the Owner's response, the Guarantor will confirm that the claim is complete or explain what is still needed and why. It will obtain information held within the Inspire group itself.

8.3 The Owner must provide the Building Contract, Approved Variations, invoices, payment schedules, photographs and correspondence, and allow reasonable site access for inspection and valuation.

8.4 The Guarantor will investigate, obtain an Independent quantity surveyor assessment, and give the Owner a written decision with reasons within 20 Working Days after receiving a complete claim. If it needs more time for reasons beyond its reasonable control, it will tell the Owner why and give a new date, no more than 10 further Working Days later. Only one extension is allowed.

8.5 If the claim is accepted, the Guarantor will appoint a Replacement Builder within 60 Working Days of acceptance, or agree a cash settlement under clause 7.1(b). It will confirm in writing the scope, the Replacement Builder, the programme and the payment arrangements under clause 7.3, and send a copy to the Lender. Until a Replacement Builder is appointed, the Guarantor will report to the Owner at least fortnightly, and after that monthly on programme and cost. Missing the 60 Working Day deadline is a breach of this guarantee and does not release the Guarantor from it.

8.6 The Owner must take reasonable steps to prevent further loss. The Owner may arrange reasonably necessary urgent safety, weathertightness or security work, and must document it and notify the Guarantor as soon as practicable. The Guarantor will reimburse the reasonable cost of that work.

8.7 The Guarantor will keep a dated claim record and explain each decision in writing with reference to these terms. Related-party directors and employees must disclose conflicts of interest and must not make the decision on a claim. Material claim decisions will be made or reviewed by an appropriately independent decision-maker.

Within 30 days	5 working days	20 working days	60 working days	Completion
You notify	**Acknowledge**	**Decide**	**New builder**	**Home finished**
In writing, quoting your certificate number	The guarantor confirms receipt and what it needs	Independent investigation and a written decision, with reasons	Replacement builder appointed after acceptance	Signed off with a code compliance certificate

Illustration of clause 8 for guidance only. Periods run from: becoming aware of the default; your notice; receiving a complete claim (the guarantor can extend this by up to 10 working days, with reasons); and accepting the claim. It does not form part of the terms.

9 Aftercare: Stamford and Lloyd's

IN PLAIN ENGLISH

Stage 3, aftercare: two years of defects cover plus a further eight years for major defects, under a Stamford policy included in your build price. Cover runs from practical completion, and the policy is issued once your code compliance certificate is provided. It covers failure of products and materials as well as workmanship. Stamford cover depends on Stamford accepting your home; if it doesn't, the guarantor will arrange equivalent insurance from another insurer, at its own cost, for your approval. The cover comes from Stamford's policy, not from this guarantee. For defects in the first two years, contact the builder first.

9.1 For each home, a Stamford Policy, issued on behalf of certain underwriters at Lloyd's of London, is arranged for the Owner. The premium is included in the Contract Price.

9.2 The Stamford Policy provides cover for all defects for two years from Practical Completion, and for major defects, including failure of the waterproof envelope, for a further eight years, due to defective design or specification, failure of products and materials, or defective workmanship, as set out in the policy. Stamford issues the policy once the certificate of Practical Completion and the CCC are provided. During construction, contract works insurance applies under clause 5.3.

9.3 Each Stamford Policy is subject to Stamford's underwriting acceptance. If Stamford does not accept a home, or withdraws or materially reduces cover, the Guarantor will tell the Owner and

the Lender in writing within 5 Working Days of learning of it. It will then, at its own cost, arrange equivalent building warranty insurance from another insurer for the Owner's written approval. If equivalent insurance cannot reasonably be obtained, the Guarantor will tell the Owner and the Lender in writing, with reasons. The Guarantor will ensure the premium is paid so the policy can be issued on time, including where a Replacement Builder completes the home.

9.4 For each home, the policy wording, schedule, exclusions, excess, limits, start date, insured parties and transfer provisions govern aftercare. Nothing in this guarantee enlarges the Stamford Policy, and no marketing description is a substitute for the issued policy schedule.

9.5 Stamford is not responsible for deposit protection, milestone payment administration or completion of unfinished building work.

9.6 The Owner should first contact the Builder (or the Replacement Builder) about defects in the first two years. The Stamford Policy provides escalation for unresolved defects and direct claims for later major defects. No double recovery is permitted between this guarantee and the Stamford Policy.

10 Exclusions and owner duties

> **IN PLAIN ENGLISH**
> Some things aren't covered, such as owner-requested upgrades, wear and tear, or holding costs like rent or extra interest during a delay. You need to give accurate information, allow inspections and not settle with the builder without the guarantor's agreement. A small slip on your part won't cancel a valid claim unless it caused the loss.

10.1 This guarantee does not cover: (a) owner-supplied work or materials outside the Approved Works; (b) unapproved variations, upgrades or betterment; (c) work by third parties engaged directly by the Owner; (d) wear and tear, lack of maintenance or deliberate damage by the Owner; (e) loss or damage from events such as fire, flood or earthquake, to the extent an insurer pays for it; (f) holding costs and other consequential losses, including rent, accommodation, storage, additional interest or finance charges, loss of rental income and loss of opportunity; or (g) defects first notified after the CCC is issued, which are dealt with under clause 9.

10.2 Each exclusion applies only to the extent consistent with New Zealand law.

10.3 The Owner must: provide accurate information; pay amounts properly due, subject to statutory rights; allow reasonable inspections; and not settle, release or compromise any claim against the Builder for the same loss without the Guarantor's written consent, which will not be unreasonably withheld.

10.4 A minor or technical breach by the Owner will not defeat a claim unless it caused or contributed to the loss claimed, and then only to that extent.

11 Recovery rights

> **IN PLAIN ENGLISH**
> When the guarantor pays to finish your home, it can pursue the failed builder (or its liquidator) to recover that money. You don't have to take the builder to court first, and you'll be asked to sign any paperwork needed. You keep your own rights for losses the guarantee doesn't cover.

11.1 To the extent the Guarantor pays or arranges completion under clause 7, it takes over the Owner's rights against the Builder, and against any liquidator, receiver, surety or insurer of the Builder, for the same loss. The Owner does not have to take action against the Builder first.

11.2 The Owner will sign any documents and give reasonable help needed for the Guarantor to exercise those rights, at the Guarantor's cost.

11.3 Amounts recovered are applied first to reimburse the Guarantor for amounts it has paid. Any balance belongs to the Owner. The Owner keeps all rights for losses not covered by this guarantee, and the Guarantor will not settle those rights without the Owner's consent.

12 Your lender

> **IN PLAIN ENGLISH**
> Your bank can be named on your certificate, kept informed, step in to make a missed payment, and take the benefit of the guarantee as security. This makes the guarantee easier for lenders to rely on.

12.1 The Lender may be named on the Certificate as an interested party.

12.2 With the Owner's consent, given in the application, the Guarantor will send the Lender a copy of any notice under clause 3.5, and notify it of any Qualifying Default, any accepted claim and the payment arrangements under clause 7.3.

12.3 The Lender may pay any amount the Owner has not paid, and the payment counts as made by the Owner.

12.4 The Owner may assign the benefit of this guarantee to the Lender by way of security. The Guarantor will acknowledge an assignment in writing on request. While an assignment is in place, no change under clause 16.4 that reduces the Owner's rights takes effect without the Lender's written consent.

12.5 If the Lender exercises its rights as mortgagee, it may exercise the Owner's rights under this guarantee, subject to these terms. Clauses 12.2 to 12.5 are intended to give the Lender enforceable rights under the Contract and Commercial Law Act 2017. The Lender is not obliged to lend or to take on the Guarantor's obligations.

13 Transfer, complaints and disputes

> **IN PLAIN ENGLISH**
> If you sell before your home is finished, the guarantee can pass to the buyer. Complaints about the guarantor's decisions get an internal review by someone not involved in the original decision, then mediation, then the courts. Your rights to statutory adjudication are unaffected. New Zealand law applies.

13.1 If the Owner sells the property during the Guarantee Period and the buyer takes over the Building Contract, the guarantee transfers to the buyer for the rest of the Guarantee Period once the Owner and the buyer notify the Guarantor in writing. Transfer of the Stamford Policy is separate and follows the policy wording.

13.2 The Owner may make a written complaint about any decision of the Guarantor. It will be reviewed by someone not involved in the original decision, and the Guarantor will respond in writing within 20 Working Days.

13.3 If the complaint is not resolved, either party may refer it to mediation by a mediator agreed between them or, failing agreement, appointed by the Resolution Institute. If mediation does not resolve it, either party may go to the Disputes Tribunal or the courts, as applicable. Mediation is voluntary and does not stop either party seeking urgent relief, statutory adjudication or court action, including to protect a limitation deadline. The Guarantor pays its own internal review costs; mediation costs are shared equally unless agreed otherwise.

13.4 Nothing in this clause limits statutory adjudication under the Construction Contracts Act 2002. These terms are governed by New Zealand law, and the New Zealand courts have non-exclusive jurisdiction.

14 Security, independence and disclosure

> **IN PLAIN ENGLISH**
> The guarantor is backed by a guarantee of up to $2.5 million from Inspire Property Management Limited, secured over its assets. That backs the guarantor as a whole. It isn't a limit per home, cash in the bank, a bank guarantee or insurance. Lenders and solicitors can ask for a verification statement.

14.1 Inspire Build Guarantee Limited is a separate company within the Inspire group and is related to the Builder and IPML. It is not a bank or an independent insurer.

14.2 The Guarantor's obligations are supported by a corporate guarantee from IPML of up to NZ$2.5 million, secured by a general security agreement (GSA) registered on the Personal Property Securities Register. This supports the Guarantor as a whole. It is not a per-home claim limit, cash deposit, bank guarantee or proof of insurance, and it does not limit the Guarantor's obligations under clause 7.

14.3 The Guarantor's ability to meet its obligations depends on its own resources and this security. Lenders and solicitors may request a financial security verification statement covering related-party status, capital reserves, outstanding guarantee exposure and evidence of the security arrangements.

15 Your legal rights

> **IN PLAIN ENGLISH**
> This guarantee is extra protection. It doesn't replace or reduce your rights under New Zealand law, including the builder's warranties under the Building Act 2004.

15.1 Nothing in these terms excludes or limits rights that cannot lawfully be excluded, including the implied warranties and remedies for residential building work under the Building Act 2004, and rights under the Construction Contracts Act 2002, the Consumer Guarantees Act 1993 and the Fair Trading Act 1986, to the extent they apply.

15.2 This guarantee is in addition to the Builder's obligations under the Building Contract and the law, and does not reduce the Builder's liability.

15.3 The Guarantor will procure that the Builder's disclosure statement under the Building Act 2004 describes this guarantee accurately.

16 General

> **IN PLAIN ENGLISH**
> The standard legal terms: how notices are given, how your information is used, and how these terms can be changed.

16.1 **Notices.** Notices must be in writing and may be given by email to the addresses on the Certificate, or to any updated address notified in writing. An email received after 5 pm or on a day that is not a Working Day is treated as received on the next Working Day. The Guarantor will keep a working claims address and notify any change to the Owner and the Lender.

16.2 **Privacy.** The Guarantor collects personal information to assess applications and claims and to administer this guarantee. It may share that information with the Builder, any Replacement Builder, the Lender, Stamford and Independent assessors for those purposes. The Owner may access and correct their information under the Privacy Act 2020.

16.3 **Entire agreement.** The Guarantee Documents are the whole agreement about this guarantee. No oral representation varies them.

16.4 **Changes.** These terms can be changed for a home only by a written endorsement issued by the Guarantor. A change that reduces the Owner's rights also needs the Owner's written agreement and, where clause 12.4 applies, the Lender's. No change can introduce a percentage, monetary or aggregate limit on the Guarantor's obligations under clause 7, or apply retrospectively.

16.5 **Severability.** If any part of these terms is unenforceable, the rest continues to apply.

16.6 **Execution.** The Certificate is signed for the Guarantor by an authorised signatory. The Guarantee Documents may be signed electronically and in counterparts. The Guarantor gives this guarantee in return for the Owner entering into the Building Contract with the Builder.

PART 2

Schedules

Certificate-specific particulars and the objective milestone certification protocol.

A Certificate-specific particulars

> **IN PLAIN ENGLISH**
> What your individual certificate will show.

A.1 Certificate number; version of these terms; start date; legal names and NZBNs of the Builder and the Guarantor; property identifier; Owner and Lender; Contract Price; accepted scope; Physical Construction Commencement date; Approved Payment Schedule; Stamford acceptance status and policy number; and any special conditions.

A.2 Any special conditions that apply to a home will be shown clearly on the Certificate. Special conditions cannot impose a percentage, monetary or aggregate limit on the Guarantor's obligations under clause 7.

A.3 The Stamford Policy number and insurer details are recorded once the policy is issued. The Stamford Policy is independent of this completion undertaking.

B Objective milestone and completion certification

> **IN PLAIN ENGLISH**
> How each build stage, and practical completion, is checked off before you pay for it.

B.1 Each stage must identify observable deliverables, inspection evidence and agreed value. Typical stages are foundations and slab; framing; roof and exterior enclosure; rough-in services; linings; kitchens and wet areas; and final Practical Completion. The actual allocation must match the Building Contract.

B.2 Substantial completion allows minor punch-list items that do not materially affect safety, use, regulatory compliance or next-stage progress. An Independent certifier may quantify genuinely outstanding material work and the amount reasonably in dispute.

B.3 Practical Completion is certified when the Owner and the Builder agree, or, at either party's request, by an Independent certifier.

B.4 Where the parties cannot agree on a certifier within 5 Working Days, the certifier will be appointed by the Resolution Institute. The certifier's cost is shared equally between the Owner and the Builder (or the Guarantor after a Qualifying Default), unless the certifier decides otherwise.

B.5 Payment claims, payment schedules, adjudication and due dates remain governed by the Construction Contracts Act 2002 and the Building Contract. No term authorises payment for materially incomplete stages or removes statutory rights.

Inspire Build Guarantee Limited
Guarantee terms and conditions, version 1.2. No guarantee is active until validly issued with a numbered certificate. Exclusive to homes built by Inspire Homes.

Inspire
BUILD GUARANTEE