

Hon. Mr. Hislop.

[AS REPORTED FROM SELECT COMMITTEE, 27TH AUGUST, 1889.]

CHATELS TRANSFER.

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A BILL INTITULED

Title. AN ACT to consolidate and simplify the Law relating to Transfer of Chattels.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title.

1. The Short Title of this Act is "The Chattels Transfer Act, 1889," and it shall come into operation on the *first* day of January, one thousand eight hundred and *ninety*, *except as to sections fifty-four and fifty-five, which shall come into operation on the passing of this Act.*

Interpretation.

2. In this Act, if not inconsistent with the context,—

"Instrument" means and includes any bill of sale, mortgage, lien, or any other document executed after the coming into operation of this Act which transfers or purports to transfer the property in or right to the possession of chattels, whether permanently or temporarily, whether absolutely or conditionally, and whether by way of sale, security, pledge, gift, settlement, bailment, or lease, and includes—

- (1.) Inventories of chattels with receipt thereto attached;
- (2.) Receipts for purchase-money of chattels;
- (3.) Other assurances of chattels;
- (4.) Declarations of trust without transfer;
- (5.) Powers of attorney, authorities or licenses to take possession of chattels as security for any debt;
- (6.) Any agreement, whether intended or not to be followed by the execution of any other instrument, by which a right in equity to any chattels, or to any charge or security thereon, shall be conferred;
- (7.) Every attornment, instrument, or agreement, not being a mining lease, whereby a power of distress is given or agreed to be given by any person to any other person by way of security for any present, future, or contingent debt or advance, and whereby any rent is reserved or made payable as a mode of providing for the payment of interest on such debt or advance, or otherwise for the purpose of such security only, shall be deemed to be an

instrument within the meaning of this Act, so far as regards any chattels seized or taken under such power of distress :

5 Provided, *and it is hereby enacted*, that nothing in this subsection contained shall prejudice the right of a landlord to distrain for rent :

10 Provided further, *and it is hereby enacted*, that, when a mortgagee of any interest in land shall have entered into possession of such lands or receipt of the rents and profits thereof by virtue of his powers of entry contained or implied in the mortgage, and shall subsequently demise such lands, or any part thereof, to the mortgagor at a fair and reasonable rent, the instrument whereby such demise is effected shall not be deemed to be an instrument for the purposes of this Act.

15 "Instrument" shall not include the following instruments :—

20 (a.) Securities over, or bailments or leases of, fixtures, except "trade machinery" as hereinafter defined, when mortgaged or leased in any mortgage or lease of any freehold or leasehold interest in any land or building to which they are affixed, and whether or not such fixtures be separately mortgaged or leased by mention thereof in separate words, and whether or not power is given by such mortgage or lease to sever such fixtures from the land or building to which they are affixed without otherwise taking possession of or dealing with such land or building ;

30 (b.) Assignments for the benefit of the creditors of the person making the same ;

 (c.) Transfers or agreements to transfer instruments by way of security ;

 (d.) Transfers or assignments of any ship or vessel or any share thereof ;

35 (e.) Transfers of chattels in the ordinary course of business of any trade or calling ;

40 (f.) Debentures *and interest coupons* issued by any company or ~~association~~, *other corporate body*, and secured upon the capital stock or chattels of such company or ~~association~~, *other corporate body* ;

 (g.) Bills of sale ~~over~~ of chattels in any foreign parts or at sea ;

45 (h.) Bills of lading, warehousekeepers' certificates, warrants, or orders for the delivery of chattels, or any other document used in the ordinary course of business as proof of the possession or control of goods, or authorising, or purporting to authorise, either by indorsement or delivery, the possessor of such document to transfer or receive the goods thereby represented :

50 "Instrument by way of security" means an instrument given to secure the payment of money or the performance of some obligation :

- “Instrument by way of bailment” means an instrument whereby chattels are leased or bailed :
- “Crops” means European flax, hemp, hops, wheat, maize, barley, oats, and grass, whether for hay or for grain, and all cereal and root crops and *Phormium tenax* and fruit : 5
- “Chattels” means any personal property capable of complete transfer by delivery, stock, crops, and wool, and the increase of stock as hereinafter appears, but shall not include,— 10
- (1.) Chattel-interests in real estate, choses in action, shares and interests in the stock funds or securities of any Government or ~~public body~~; *local authority*;
- (2.) ~~All~~ Negotiable instruments, shares or interests in the capital or property of any ~~incorporated or joint stock company or association~~; *company or other corporate body*; 15
- (3.) Debentures and interest coupons issued by any Government or ~~public body~~ *local authority*, or ~~incorporated or joint stock company or association~~; *other corporate body* :
- “Trade machinery” means the machinery used in or attached to any factory or workshop as hereinafter defined, and shall be chattels within the meaning of this Act; but 20
- (1.) The fixed motive-powers, such as the water-wheels and steam- *and other* engines, and the steam-boilers, donkey-engines, and other fixed appurtenances of the said motive-powers; and 25
- (2.) The fixed-power machinery, such as the shafts, wheels, drums, and their fixed appurtenances which transmit the action of the motive-powers to the other machinery, fixed and loose; and 30
- (3.) The pipes for steam, gas, and water in the factory or workshop,
- Shall not be chattels within the meaning of this Act :
- “Factory or workshop” means any premises on which any manual labour is exercised by way of trade or for purposes of gain in or incidental to the following purposes or any of them; that is to say,— 35
- (a.) The making any article or part of an article; or
- (b.) The altering, repairing, ornamenting, or finishing of any article, or part of any article; or 40
- (c.) The adapting for sale any article, or part of any article :
- “Executed” means signed by the grantor *or his attorney*, and in the case of an instrument by way of bailment means signed by the grantor and grantee *or their respective attorneys* : 45
- “Grantor” means the party to an instrument who thereby grants or assigns, or agrees to grant or assign, chattels therein referred to, or any interest therein, and includes his executors, administrators, and assigns : 50
- “Grantee” means the party to an instrument to whom chattels therein referred to, or any interest therein, are thereby granted or assigned, or agreed so to be, and includes his executors, administrators, and assigns :

“ Stock ” includes any sheep, cattle, horses, pigs, poultry, ostriches, and llamas :

“ Registrar ” means any Registrar of the Supreme Court at the place where any act is required to be done by such Registrar, and includes a Deputy Registrar, if any, at such place :

“ Registration ” means the filing of an instrument, with schedule or inventories, or a true copy thereof, with the affidavit as hereinafter appears.

REGISTRATION.

3. Every instrument may be registered as hereinafter provided.

Every instrument may be registered. Registration, how effected.

4. Registration of an instrument shall be effected by filing the same and all schedules and inventories annexed thereto, referred to therein, or indorsed thereon, or a true copy of such instrument and the schedules and inventories, and an affidavit as mentioned in the next section hereof, with the Registrar in any provincial district within which the chattels respectively are situate at the time of the making or giving of such instrument. But nothing herein shall repeal or affect the provisions of “ The Otago Supreme Court Offices Act, 1871,” which shall be applied in carrying out this Act.

5. The affidavit to be filed on registration of an instrument shall be in the form or to the effect set forth in the *First* Schedule to this Act.

Form of affidavit.

6. When an instrument is made by any person under or in execution of any process, then such affidavit shall contain a description of the residence and occupation of the person against whom such process shall have been issued.

Contents of affidavit when instrument made by person under process.

7. An affidavit required by this Act may be sworn before any person for the time being authorised to take affidavits under “ The Supreme Court Act, 1882.” *solicitor of the Supreme Court of New Zealand, or any Justice of Peace of the colony.*

Affidavits before whom sworn.

8. The periods within which instruments may be registered under this Act are,—

Periods within which instruments to be registered.

(1.) ~~Seven~~ Ten days from the day on which it was executed, if executed at a place not more than fifty miles distant from the office where the same is required to be registered ;

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(2.) Fourteen days from the day on which it was executed, if executed at a place more than fifty miles and not more than one hundred miles distant from the office where the same is required to be registered ;

(2.) Twenty-one days from the day on which it was executed, if executed at a place more than ~~one hundred~~ fifty miles distant from the office where the same is required to be registered :

Provided that the day on which the instrument is executed shall not be included in the said period for registration :

Provided that instruments executed in the Chatham Islands or other dependency of New Zealand may be registered at any time within ninety days from the execution thereof, and all instruments affecting chattels in the Chatham Islands or other dependency of New Zealand shall be registered in the Wellington Provincial District :

Provided further that, when the time for registering an instru-

ment expires on a day on which the Registrar's office is closed, the registration shall be valid if made on the next following day on which such office is open.

Registrar to keep register-book of instruments with index.

9. The Registrar shall cause every instrument registered in his office under the provisions of this Act to be numbered, and shall mark on such instrument, or on the filed copy thereof, the date of registration and the number, and shall keep a register-book in his said office in which shall be fairly inserted when such instrument is registered the particulars thereof according to the form given in the *Second Schedule* to this Act.

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The Registrar shall also keep an index of the names of grantors of instruments with reference to entries in the register-book of the instruments given by each such grantor.

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Such index shall be arranged in divisions corresponding with the letters of the alphabet, so that all grantors whose surnames begin with the same letter (and no others) shall be comprised in one division, but the arrangement within each such division need not be strictly alphabetical.

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Entry in register when instrument made by person under process.

10. Where any instrument has been made or given by any person under or in the execution of any process, then the name, residence, and occupation of the person against whom such process was issued, and also the name of the grantee thereof, shall be inserted in the book to be kept as aforesaid.

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Fee upon registration.

11. There shall be paid to the Registrar upon the registration of every instrument the fee of five shillings.

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Judge may order time for registration to be extended, or may order rectification of register-book.

12. Any Judge of the Supreme Court, on being satisfied that the omission to register an instrument or an affidavit of renewal thereof within the time prescribed by this Act, or according to the form or effect required by this Act, or that the omission or misstatement in the register or in any affidavit of the name, residence, or occupation of any person, or of other matter, was accidental or due to inadvertence, may, in his discretion, order such omission or misstatement to be rectified by the insertion in the register of the true name, residence, or occupation, or by extending the time for such registration, or by the filing of a supplementary affidavit, on such terms and conditions as he thinks fit to direct.

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RENEWAL OF REGISTRATION.

Registration to be renewed every five years.

13. The registration of an instrument shall, *whether executed before or after the commencement of this Act*, during the subsistence thereof, be renewed in manner hereinafter mentioned once in every period of five years, ~~or within such extended time as may be ordered by a Judge of the Supreme Court~~, commencing from the day of the registration.

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Registration to cease to have effect if not renewed.

14. If not so renewed, such registration shall cease to be of any effect at the expiration of any period of five years during which a renewal has not been made as hereby required.

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Renewal of registration effected by filing affidavit.

15. The registration of an instrument shall be renewed by ~~some person~~ filing in the office of the Registrar where the instrument has been originally registered ~~in accordance with this Act~~ an affidavit in the form or to the effect set forth in the *Third Schedule* hereto.

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16. Such Registrar shall thereupon number such affidavit as if the same were an instrument presented for registration, and renumber the instrument originally registered in the said office, or the filed copy thereof, with a similar number, and mark on same the date of
 5 renewal of registration, and shall enter particulars of the instrument in the register-book in like manner as on original registration, and shall also enter the date of renewal of registration in the column provided therefor in the register-book.

Registrar to make entry of renewal in register-book.

17. There shall be paid to the Registrar upon the renewal of
 10 registration of any instrument the fee of five shillings.

Fee to be paid on renewal.

SEARCHES AND OFFICE-COPIES.

18. The register-book, and every instrument registered as aforesaid, or the filed copy thereof, may be searched and viewed by all persons during the office-hours of the Supreme Court upon payment
 15 for every search against one person of the fee or sum of one shilling.

Register-book and instruments may be searched and viewed.

19. Any person shall be entitled to have an office-copy or an extract of any instrument registered as aforesaid, or the filed copy thereof, and of any affidavit filed under this Act, upon paying for the same at the rate of fourpence for every folio of seventy-two words
 20 contained in such copy or extract, or if he makes such copy or extract himself the Registrar shall, upon satisfying himself that such copy or extract is correctly made, certify to the same upon payment of a fee of two shillings for each instrument or extract thereof, and of one penny for every folio of seventy-two words after the first ten folios.

Office-copies of instruments may be obtained

20. Every instrument registered and affidavit filed under this Act shall, if purporting to have been duly executed or sworn, be *prima facie* presumed to have been duly executed or sworn, and an office-copy of any instrument, or the filed copy thereof, and the schedules, or inventories, or affidavit, or copy certified to by the Registrar as aforesaid, whom it shall not be necessary to prove to be the Registrar, and a certificate of such Registrar of the time when the same shall have been registered or filed shall in all ~~legal proceedings~~ *Courts and before all arbitrators or other persons* be received as *prima facie* evidence of the instrument and schedules, or inventories, or of the
 30 affidavit, of the signatures of the parties thereto purporting to have signed the same, of the signatures of the attesting witnesses thereto, of the fact that the said instrument has been duly registered, of the fact that the affidavit has been duly filed, and of the time when the same shall have been registered or filed.

Instruments presumed to be duly executed and office-copies available in evidence.

ENTRY OF SATISFACTION.

21. In the case of an instrument by way of security, upon the production to the Registrar of a memorandum of satisfaction in the form or to the effect set forth in the Fourth Schedule hereto, signed by the grantee thereof, or his ~~duly authorised agent~~, *lawfully-appointed*
 45 *attorney*, discharging the chattels comprised in such instrument or any specified part thereof from the moneys secured thereby or any specified part thereof, or from the performance of the obligation thereby secured, or any specified part thereof, and on production of such instrument and payment of a fee of five shillings, the Registrar
 50 shall file such memorandum and make an entry thereof in the register-book on the page where the instrument is registered. *The execution of such memorandum shall be verified by the affidavit of the attesting witness thereto.*

Memorandum of satisfaction may be filed.

The Registrar may in his discretion dispense with the production of the instrument on proof by statutory declaration to his satisfaction that the instrument has been destroyed, cannot be found, or cannot be produced.

Upon filing of memorandum, debt to be vacated and interest of grantee in chattels to revert.

22. From and after the filing of any such memorandum, the debt or charge created by the said instrument shall be vacated to the extent specified in such memorandum, and the interest of the grantee of the instrument in the chattels comprised therein and expressed to be discharged by the said memorandum shall vest in the person for the time being entitled to the equity of redemption therein to the extent to which such interest is expressed to be relinquished by the said memorandum, *but subject to any lien or equity affecting the same.* 5 10

If grantee absent from colony, Colonial Treasurer may discharge instrument by way of security.

23. In case the grantee of any instrument by way of security shall be absent from the colony, and there be no person in the colony authorised to discharge the same on his behalf at or after the date appointed for the payment of the moneys secured by such instrument, the Colonial Treasurer may receive such moneys in trust for the person entitled thereto, and may sign a memorandum of satisfaction in lieu of such person, and, upon the filing thereof, such memorandum, signed by the Colonial Treasurer, shall be as effectual as a memorandum signed by the person entitled to such moneys. 15 20

Conditions on which Judge may order memorandum of satisfaction to be filed.

24. Any Judge of the Supreme Court may, upon application made to him for that purpose, order a memorandum of satisfaction to be filed in respect of any instrument by way of security if it shall appear to him that the debt (if any) for which such instrument is given as security has been satisfied or discharged, or that the obligation for securing the performance of which the instrument has been given has been performed; and thereupon such order may be filed by the Registrar and entered in his book in like manner as if the same had been a memorandum within the meaning of section *twenty-one* hereof. 25 30

EFFECT OF REGISTRATION.

Effect of registration.

25. Every instrument, unless registered in the manner hereinbefore provided, shall, upon the expiration of the time for registration, or, if the time for registration shall be extended by a Judge of the Supreme Court, then upon the expiration of such extended time, be void so far as regards the property in or right to the possession of any chattels comprised in or affected by such instrument, *be deemed fraudulent and void as against—* 35 40

New subsections.

- (a.) The assignee or trustee of the estate of the person whose chattels or any of them are comprised in any such instrument under the law relating to bankruptcy or insolvency;
- (b.) Under any assignment for the benefit of the creditors of such person;
- (c.) All sheriffs, bailiffs, and other persons seizing the chattels or any part thereof comprised in any such instrument in the execution of any process of any Court authorising the seizure of the chattels of the person by whom or of whose chattels such instrument has been made, and against every person on whose behalf such process shall have 45 50

5 been issued, so far as regards the property in or right to
 10 the possession of any chattels comprised in such instru-
 ment which, at or after the time of such bankruptcy or
 insolvency, or of the execution by the grantor of such
 assignment for the benefit of his creditors, or of executing
 such process (as the case may be), and after the expiration
 of the period within which such instrument is required to
 be registered, shall be in the possession, or apparent posses-
 sion, of the person making or giving such instrument, or
 of any person against whom the process shall have issued
 under or in the execution of which such instrument has
 been made or given, as the case may be.

Struck out.

15 The title of the grantor of chattels comprised in an instrument
 by way of bailment shall not, if such instrument be duly registered
 under this Act, or, if not registered, if the period within which the
 same is by this Act required to be registered has not expired, be pre-
 20 judiced or affected by the provisions of section eighty-one of "The
 Bankruptcy Act, 1883," or any similar section in any Act passed in
 lieu thereof.

25 The title of the grantee of chattels comprised in an instrument
 otherwise than by way of bailment shall not, if such instrument be
 duly registered under this Act, or, if not registered, if the period
 within which the same is by this Act required to be registered has
 not expired, be prejudiced or affected by the provisions of section
 eighty-one of "The Bankruptcy Act, 1883," or any similar section in
 any Act passed in lieu thereof.

New paragraph.

30 Until the expiration of the time or extended time for registration
 of any instrument under this Act, and so long as such instrument
 continues to be registered hereunder, the chattels comprised ~~therein~~
 in an instrument by way of bailment shall not be deemed to be in the
 possession, order, or disposition of the grantee, or, in the case of an
 35 ~~instrument by way of bailment,~~ any other instrument of the grantee,
 within the meaning of any Act relating to bankruptcy or insolvency
 for the time being in force.

AS TO INSTRUMENTS GENERALLY.

40 26. If any instrument shall be made or given subject to any
 defeasance, condition, or declaration of trust not contained in the
 body thereof, such defeasance, condition, or declaration of trust shall
 for the purposes of this Act be taken as part of such instrument,
 and shall be written on the same paper or parchment on which such
 instrument shall be written, otherwise such instrument shall be void
 45 so far as regards the property in or right to the possession of any
 chattels comprised in or affected by such instrument :

50 Provided that in the case of a document also securing the pay-
 ment of moneys payable by virtue of an instrument, or any part of
 such moneys, it shall not be necessary for the purposes of this section
 to write such document on the same paper or parchment, if the date,
 names of the parties thereto, nature of the security, and amount
 secured by such document be set forth in such instrument or some
 schedule thereto.

When instrument
 made subject to
 defeasance, &c., not
 contained in the
 body thereof.

Instrument by way of security void against Assignee in Bankruptcy if executed within four months, except as to moneys advanced or goods supplied at or after execution.

27. Every instrument by way of security shall be void as against the assignee in bankruptcy of the grantor's estate if it has been executed within ~~six~~ *four* months prior to the *filing of the petition on which the order of adjudication being is made*, except as to money actually advanced or paid, or the actual *price or value* of goods or chattels sold or supplied by the grantee of the instrument to the grantor contemporaneously with or *at any time* after the execution thereof. 5

Any unpaid purchase-money, *and, in the case of a security over crops, any deficiency which may result after realising such security,* ~~for any chattels, or for any land and buildings sold with the same,~~ shall be deemed to be money actually advanced at the time of execution of an instrument: Provided that the instrument ~~under this Act for securing the same~~ shall be executed within twenty-one days after the sale of the chattels comprised in such instrument *in respect of which such purchase-money or part thereof is owing.* 10 15

Instruments to take effect from day of execution.

28. Every instrument shall be deemed to be ~~given~~ *made* on and shall only take effect from the day on which such instrument is executed.

Every instrument to have schedule or inventory of chattels.

29. Every instrument shall *contain or shall* have annexed thereto or written thereon a schedule containing an inventory of the chattels comprised in the instrument, and such instrument, save as is hereinafter mentioned, shall have effect only in respect of the chattels ~~specifically~~ described in the said schedule, and shall be void, *to the extent and as against the persons mentioned in section twenty-five hereof,* in respect of any chattels not so ~~specifically~~ described. 20 25

Instrument to be void as against chattels of which grantor was not true owner at date of instrument.

30. Save as is hereinafter mentioned, an instrument shall be void in respect of any chattels of which the grantor was not the true owner at the time of the execution of the instrument.

Nothing in foregoing sections to make instrument void in respect of stock, wool, crops, fixtures, &c.

31. Nothing contained in ~~the sections twenty-ninth~~ *the* and ~~thirtieth~~ *thirtieth* sections hereof shall render an instrument void in respect of any of the following chattels, that is to say,— 30

(1.) Stock, wool, and crops;

(2.) Any fixtures, plant, or trade machinery where such fixtures, plant, or trade machinery are used in, attached to, or brought upon any place in substitution for any of the like fixtures, plant, or trade machinery ~~specifically~~ described in the schedule to such instrument. 35

Instruments affecting same chattels to have priority in order of date of registration.

32. In case two or more instruments are executed comprising in whole or in part any of the same chattels, priority shall be given to such instrument or instruments in the order of the date of their registration respectively as regards the title to or right to the possession of such chattels: *Provided that the grantee under the second or subsequent instrument shall not, at the time of the execution of such instrument, have had notice of the prior unregistered instrument:* *And provided also that such prior instrument shall be registered within the time limited by this Act.* 40 45

Avoidance of certain duplicate instruments by way of security.

33. Where an instrument by way of security is executed after the execution of a prior unregistered instrument, and comprises all or any of the chattels comprised in such prior instrument, then, if such subsequent instrument is given as a security for the same debt as is secured by the prior instrument, or for any part of such debt, it shall, to the extent to which it is a security for the same debt or part thereof, and so far as respects the chattels comprised in the prior 50

instrument, be void *to the extent and as against the persons mentioned in section twenty-five hereof*, unless it be proved to the Court having cognizance of the case that the subsequent instrument was *bona fide* given for the purpose of correcting some material error in the prior instrument, and not for the purpose of evading this Act.

INSTRUMENTS COMPRISING STOCK.

34. In any instrument comprising stock the stock therein comprised shall be described *or referred to therein or in the schedule thereto by reference to some brand or brands or other mark or marks on such stock, or shall be so otherwise described or referred to by sex, age, name, colour, or otherwise as to be reasonably capable of identification; otherwise the same shall be void as regards such stock to the extent and as against the persons mentioned in section twenty-five hereof, so far as regards such or so much of such stock as may not be so described or referred to, or be otherwise reasonably capable of identification, and the land or premises on which such stock are shall be described or mentioned in such instrument or schedule.*

Stock comprised in instrument to be described in schedule by reference to brands, &c.

35. An instrument comprising stock shall, unless the contrary be expressed therein, be deemed to include not only the stock specifically described in such instrument comprised therein as provided by the last preceding section, but also the increase of such stock, and all stock the property of the grantor, branded *or which shall have been branded with the brand or marked or which shall have been marked with the mark specified in the instrument, or which the grantor shall have covenanted or agreed by such instrument to so brand or mark, and which shall after the execution of such instrument be depasturing or be at, in, or upon any lands or premises mentioned in such instrument or in the schedule thereto.*

Instruments comprising stock to include increase and all other stock similarly branded.

SECURITIES OVER CROPS.

36. An instrument by way of security may be granted over the crops specified *described or referred to therein or in the schedule thereto then actually sown in or growing, or which it may be intended to sow or grow, upon the lands mentioned in such schedule instrument, and shall entitle the grantee thereof to the whole of the crops therein mentioned, not only while growing, but afterwards when cut or separated from the soil, and whether stacked or stored on the land where raised grown or on any other land or premises.*

Instruments by way of security may be granted overgrowing crops.

37. No such instrument shall avail to give security over any crops which in the ordinary course of husbandry cannot be harvested and taken off such land within one year from the date of the execution of such instrument.

Instruments not to avail against crops which cannot be harvested within twelve months.

38. No such instrument by way of security over crops shall prejudicially affect the rights of any landlord or mortgagee of any land whereon the said crops shall be growing, unless *and to the extent to which* such landlord or mortgagee has consented in writing to such instrument: Provided that no such instrument *duly registered* shall be extinguished or prejudicially affected by any subsequent sale, lease, mortgage, or other incumbrance of or upon the land ~~on which any such crops shall be described or referred to in such instrument or in the schedule thereto.~~

Crop securities not to affect rights of landlord or mortgagee except in certain cases.

50 the schedule thereto.

SECURITIES OVER WOOL.

Securities over wool of ensuing clip may be granted.

39. An instrument by way of security may be granted over the wool of the next ensuing clip to be shorn from the sheep specified described or referred to therein or in the schedule thereto, then depasturing upon the lands mentioned therein or in such schedule, and shall entitle the grantee thereof to the wool therein mentioned of such sheep, not only while growing, but afterwards when shorn from the sheep, and wherever the same may be.

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Wool securities not affected by subsequent sale, &c., of sheep.

40. No subsequent sale, bailment, mortgage, or other incumbrance of the sheep mentioned in any such instrument shall extinguish, suspend, impair, or prejudicially affect such instrument or the rights of the grantee thereof to the wool specified therein; and if any such be taken in execution of any process they may be sold, but shall thereafter continue and be subject to such instrument and to the rights of the grantee thereof or referred to therein.

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Security over wool of mortgaged sheep may be granted with consent of mortgagee.

41. It shall be lawful for the grantor of any instrument by way of security over sheep, but only with the consent in writing of the grantee thereof, and to the extent authorised by such consent, to give a valid security as aforesaid on the next ensuing clip of the wool of such sheep.

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FORMS, ETC.

Instrument by way of security may be in form in Fifth Schedule.

42. Every instrument by way of security may be in the form or to the effect set forth in the ~~Fourth~~ Fifth Schedule hereto, with such variations thereof and additions thereto as the parties thereto may think fit agree on.

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Covenants for title in Sixth Schedule to be implied in every instrument.

43. There shall be implied in every instrument the covenants for title on the part of the grantor set forth in the ~~Fifth~~ Sixth Schedule hereto, and such implied covenants shall have the same effect as if the same had respectively been set forth in such instrument at length.

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Covenants, powers, &c., in Seventh Schedule to be implied in instruments by way of security.

44. There shall be implied in every instrument by way of security the covenants, provisoes, agreements, and powers set forth in the ~~Sixth~~ Seventh Schedule hereto, or such of them as are applicable thereto, and such implied covenants, provisoes, agreements, and powers, subject to any modification thereof, shall have the same effect as if the same had respectively been set forth in such instrument at length.

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Certain abbreviated expressions to have meanings as defined in Eighth Schedule.

45. Such of the expressions defined in the ~~Seventh~~ Eighth Schedule to this Act hereto as shall be used in any instrument, or in any of the covenants, powers, provisoes, or agreements implied therein by this Act, shall, unless the contrary is expressed in such instrument, or unless manifestly inconsistent with the context thereof, have the meaning given to the same in the said ~~Seventh~~ Eighth Schedule, and such meaning shall be implied in such instrument as fully and effectually as if the same were set forth therein in the words of the said ~~Seventh~~ Eighth Schedule.

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When more than one grantor or grantee, covenants, &c., to apply severally as well as jointly.

46. Whenever there is more than one grantor or more than one grantee of any instrument, then any covenants, conditions, provisoes, powers, and agreements expressed in such instrument, or implied therein by this Act, and imposing an obligation on such grantors or grantees, or enuring for the benefit of such grantors or grantees,

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shall be deemed to impose such obligation, or confer such benefit, as the case may be, severally as well as jointly, unless and in so far as a contrary intention appears.

47. In any instrument, unless the contrary be expressed, all covenants, conditions, provisoes, powers, and agreements therein expressed, or therein implied by this Act, shall bind the executors, administrators, and assigns of the person upon whom such covenants, conditions, provisoes, powers, and agreements shall impose an obligation, and shall operate for the benefit of the executors, administrators, and assigns of the person for whose benefit the same shall enure.

Covenants, &c., to apply to executors, administrators, and assigns.

48. All or any of the covenants, powers, provisoes, conditions, or agreements set forth in the Fifth, Sixth, and Seventh, and Eighth Schedules hereto may, if so expressed in the instrument, be negatived, modified, or altered, or others may be added to the same in any way consistent with the provisions of this Act.

Covenants, &c., in Sixth, Seventh, and eighth Schedules may be negatived, modified, altered, &c.

49. Sealing shall not be essential to the validity of any instrument; but every execution of an instrument or memorandum of satisfaction shall be attested by one witness, to whose signature shall be added the residence and occupation of such witness.

Sealing not essential, but attestation essential.

TRANSFERS OF INSTRUMENTS.

50. Every instrument may be transferred by a document in the form in the Eighth Ninth Schedule hereto or to the like effect, and every transferee, his executors, administrators, and assigns, shall have the same rights, powers, and remedies, and be subject to the same obligations, as the transferor.

Every instrument may be transferred by form in Ninth Schedule.

REGISTRATION OF TRANSFERS OF INSTRUMENTS.

51. Transfers of instruments by way of security may be registered at any time after the execution thereof, in like manner as instruments are registered; and, in case two or more transfers of the same instrument by way of security, are executed, a registered transfer shall have priority over an unregistered transfer; and, in case of registered transfers of the same instrument by way of security, priority shall be given to such transfers in the order of the date of their registration.

Transfers may be registered.

PENAL.

52. Every grantor of an instrument by way of security who, by sale or delivery of any chattels comprised in or affected by such instrument without the consent of the grantee, or by any other means, shall defraud or attempt to defraud the grantee of the same or any part thereof, and thus or by any other means directly or indirectly defeat, invalidate, or impair his security over the same, and every person who shall wilfully aid and abet any person whomsoever in defrauding or attempting to defraud the grantee by defeating, invalidating, or impairing such instrument, or in attempting to do so, shall be guilty of a misdemeanour, and shall be liable on conviction thereof to a fine not exceeding three times the amount of the loss thereby sustained, or to one hundred pounds, with or without imprisonment and with or without hard labour for any period not exceeding two years: Provided that, in respect of an instrument comprising stock, under section thirty-four or section thirty-five hereof, the shearing of sheep, given as security, and the sale or disposal of the wool of such

Grantor of an instrument by way of security who attempts to defraud grantee to be guilty of misdemeanour.

sheep before default shall have been made and possession taken under the instrument creating such security, shall not be deemed an offence under this section.

GENERAL.

New Clause.

"Property Law Consolidation Act, 1883," to apply.

53. The provisions of sections fifty-two to sixty, both inclusive, of "The Property Law Consolidation Act, 1883," shall apply, *mutatis mutandis*, to chattels under this Act, and such chattels or any part thereof may be sold along with or separately from land if any mortgaged to secure payment of the same moneys as are secured by any instrument. 5

Struck out.

53. Where any Act passed or document made before the coming into operation of this Act refers to any enactment repealed by this Act, such Act or document shall be construed and shall operate so far as regards any instruments made or to be made after the coming into operation of this Act as if it referred to the corresponding provisions of this Act. 15

New Clauses.

Interpretation of section 12 of "The Chattels Securities Act, 1880."

54. Whereas doubts have arisen as to the true meaning of section twelve of "The Chattels Securities Act, 1880:" Be it enacted that every mortgage under such section already executed or which shall hereafter be executed before the coming into operation of the other provisions of this Act, to secure payment of an advance or loan made at the time of the execution of any such mortgage, shall be and be deemed to have been good in respect of such advance or loan, notwithstanding the bankruptcy of the mortgagor within sixty days of the execution of such mortgage: Provided that this section shall not affect any legal proceedings now pending or any dispute under an existing bankruptcy. 20

Registration of instruments.

55. Any instrument as defined in Part V. of "The Chattels Securities Act, 1880," shall, if otherwise complying with the provisions of such Act, be deemed to be and to have been duly registered under the several Parts of such Act for all purposes if registered under any Part thereof: Provided that nothing herein contained shall affect any legal proceedings now pending. 25

Repeal.

54. 56. The Acts mentioned in the ~~Ninth~~ Tenth Schedule to this Act are hereby repealed; but this repeal shall not affect any instruments deeds, agreements, or other documents made before the coming into operation of this Act, or the rights and liabilities of any persons in connection therewith respectively, except with respect to renewal of registration; and, as regards such instruments, deeds, agreements, or other documents, the Acts hereby repealed shall, except as to renewal of registration aforesaid, continue in force. 30

Schedules.

SCHEDULES.

FIRST SCHEDULE.

AFFIDAVIT ON REGISTRATION OF INSTRUMENT.

In the Supreme Court of New Zealand, } In the matter of "The Chattels Transfer
[] District. } Act, 1889."
I [full name of deponent], of [place of residence or business], in the Colony of New Zealand [occupation], make oath and say as follows:—

Chattels Transfer.

1. The paper writing hereto annexed and marked "A" is a true copy of an instrument under the above-mentioned Act and of every schedule or inventory thereto annexed or therein referred to, and of every attestation of the execution thereof as made and given and executed by [full name of grantor].

2. The said instrument was made and given by the said [full name of grantor] on the _____ day of _____, 18____.

3. I was present, and saw [full name of grantor] duly execute the said instrument on the _____ day of _____, 18____, at _____ [Here state precisely place where instrument executed].

4. The said [full name of grantor] resides at [place of residence], and is [occupation]. [This may refer either to residence at date of instrument or at date of swearing affidavit.]

5. The name subscribed to the said instrument, as that of the witness attesting the due execution thereof by the said [name of grantor], is in the proper handwriting of me, this deponent.

6. I am [occupation], and reside at [place of residence].

Sworn at _____, the _____ day of _____, 18____, before me,—

A.B.,

A Solicitor of the Supreme Court of New Zealand
[or Justice of the Peace of the Colony of New Zealand].

N.B.—If the grantor is absent from the colony and executes the instrument by attorney, it shall be sufficient if the deponent states his belief as to the present address of the grantor. In the case of a company the registered office shall be stated instead of the place of residence.

Where the original instrument is filed the first paragraph of this affidavit should be struck out, and the second and third paragraphs will require some alterations.

Where the instrument is by way of bailment the third, fourth, and fifth paragraphs must be made to relate to the execution by, and the residence and occupation of, both grantor and grantee.

SECOND SCHEDULE.

REGISTER-BOOK.

No.	By whom given (or against whom Process issued).			To whom given.			Nature and Date of Instrument.	Consideration.	Date of Registration.	Date of Renewal.	Satisfaction entered.
	Name.	Residence.	Occupation.	Name.	Residence.	Occupation.					

N.B.—In the case of an instrument by way of security, it shall not be imperative to state the residence and occupation of the grantee.

THIRD SCHEDULE.

AFFIDAVIT ON RENEWAL OF REGISTRATION OF INSTRUMENT.

In the Supreme Court of New Zealand, } In the matter of "The Chattels Transfer District. } Act, 1889."

I [full name of deponent], of [place of residence or business], in the Colony of New Zealand [occupation], make oath and say as follows:—

1. I am the grantee [or grantor, in the case of an instrument by way of bailment] of the instrument registered under the above Act as No. _____, and made between [Here state names of parties to instrument, and their residences and occupations as appearing therein].

[If affidavit is made by agent, clerk, or servant of grantee or grantor, state such fact, and also state briefly how deponent is acquainted with the facts deposed to.]

2. The said instrument was registered on the _____ day of _____, 18____.

3. The registration of the said instrument was last renewed on the _____ day of _____, 18____.

[This paragraph is of course inapplicable in case of an instrument registration of which is renewed for the first time.]

4. There is now owing by the said [name of grantor] to me, the said [name of grantee], by virtue of the said instrument, the sum of £ , or thereabouts.
 [This paragraph is inapplicable except in case of an instrument by way of security.]

5. The said instrument is still subsisting, and in full force and effect.

Sworn at , this day
 of , 18 , before me,—

A.B.,

A Solicitor of the Supreme Court of New Zealand
 [or Justice of the Peace].

New.

FOURTH SCHEDULE.

MEMORANDUM OF SATISFACTION.

I, A.B., hereby consent that a memorandum of satisfaction be written upon the instrument [or registered copy of the instrument] given for securing the sum of £ , bearing date the day of , 18 , and made between and , and registered on the day of , 18 , the moneys for which such instrument was given as a security having been satisfied.

Dated this day of , 18 .

Grantee [or Assignee].

Witness:

[A.B., residence and occupation.]

FOURTH FIFTH SCHEDULE.

FORM OF INSTRUMENT BY WAY OF SECURITY.

A.B., of [State residence and occupation], being possessed owner of the chattels mentioned in the Schedule hereto [where a Schedule is necessary], in consideration of the sum of £ this day lent and advanced to him by E.F., of [Here state residence and occupation], [Or, if consideration not an advance of money, state the other consideration for which mortgage given], doth hereby assign, transfer, and set over the same to the said E.F. by way of mortgage, to secure the payment of the said sum of £ , on the day of , 18 , with interest thereon in the meantime, and so long as the same or any part thereof remains unpaid, at the rate of £ per centum per annum, by payments on the day of the months of in each year.

In witness whereof A.B. has hereunto subscribed his name this day
 of , 18 .

SCHEDULE.

A.B.

Signed by the above-named A.B.,
 in the presence of—

G.H.,

[Occupation and address.]

FIFTH SIXTH SCHEDULE.

COVENANTS IMPLIED IN ALL INSTRUMENTS.

THAT the grantor hath good right and full power to assign the chattels purported to be herein assigned unto the grantee as is herein mentioned, and that free and clear from all incumbrances other than such as are herein mentioned.

That the grantor will, at the cost of the grantee, unless this instrument is by way of security, and then at the cost, until sale, of the grantor, and thereafter of the person requiring the same, do and execute all such acts, deeds, matters, and things for the better assigning the chattels hereby assigned, or intended so to be, as is herein mentioned, as by the grantee or such other person as before mentioned may from time to time be reasonably required.

SIXTH SEVENTH SCHEDULE.

COVENANTS TO BE IMPLIED IN INSTRUMENTS BY WAY OF SECURITY.

THAT the grantor will pay to the grantee the principal money and interest hereby secured, after the rate and at the times herein mentioned, without any deduction whatever.

That the grantor will also pay interest on any further advances which may be secured by this instrument, computed from the time of the same being made respectively, at the rate and on the dates mentioned for the payment of interest in this instrument.

That the grantor will not, at any time while any moneys shall remain ~~due~~ owing on this security, do or allow any act or deed whereby the chattels hereby assigned shall or may become prejudicially affected, and will at all times while any moneys shall remain due on this security duly pay all rents from time to time coming due in respect of any lands on which any of the chattels hereby assigned may for the time being be situate.

That the grantor will at all times, while any moneys shall remain ~~due~~ owing on this security, keep and maintain all and singular the chattels hereby assigned in the like good order and condition in which they are at the date hereof; and if any of the same shall be damaged or destroyed, or cease to exist, will repair such damage, or replace the chattels so destroyed, or which have ceased to exist, with others of a like nature and value; and further shall and will, if required so to do by the grantee, execute such instrument as may be necessary to give to the grantee security over the chattel replacing the chattels hereby assigned which have been destroyed or ceased to exist.

PROVISOS AND AGREEMENTS IMPLIED IN INSTRUMENTS BY WAY OF SECURITY.

Provided always, and it is hereby declared and agreed, that until the grantor shall make default in the payment of any of the moneys hereby secured, or in the observance or performance of any covenant, condition, and or agreement herein expressed or implied, and on his part to be observed and performed, or until the grantor shall become bankrupt, or ~~shall die~~, or until there shall be a ~~an~~ unsatisfied judgment of any Court of law or equity against the grantor, which shall remain unsatisfied for ten days, it shall be lawful for the grantor to retain possession and use of the chattels hereby assigned.

Provided, further, that the giving by the grantor to the grantee of any bill of exchange or promissory note for the whole or any part of the money hereby secured shall not, until such bill or note be honoured or met, be considered as payment of or on account of the moneys secured by this instrument, or in any way affect or alter the rights or powers of the grantee by virtue of this instrument: Provided that no promissory note or bill of exchange which before, at, or at any time after the execution of this instrument may be given by the grantor to the grantee for the whole or any portion of the moneys hereby secured, or the remedy of the grantee or of the holder thereof thereon, shall merge in the covenants herein expressed or implied.

POWERS IMPLIED IN INSTRUMENT BY WAY OF SECURITY.

Provided always, and it is hereby declared and agreed, that if default shall be made by the grantor in payment of any of the principal or interest moneys hereby covenanted to be paid on the day on which the same ought to have been paid according to the terms hereof, or in the observance or performance of any of the covenants, conditions, or agreements herein expressed or implied, and on the grantor's part to be observed and performed, or if the grantor shall become bankrupt, or if there shall be at any time a ~~an~~ unsatisfied judgment of any Court of law or equity against the grantor, or if he shall die, which shall remain unsatisfied for ten days, then and in any such case it shall be lawful for the grantee, either personally or by his agent or servants, immediately thereupon or at any time thereafter, without any further consent by the grantor, and without the necessity of giving to the grantor any notice whatsoever, or waiting any time whatsoever, and notwithstanding any subsequent acceptance of any payment of any money due on this security, to enter upon any premises wherein the hereby-assigned chattels may be, and take possession of the chattels, and absolutely to sell and dispose of the same or any part thereof by private sale or public auction, separately or together, in such lots and generally in such manner in every respect as to the grantee shall seem expedient, with power to allow time for payment of purchase-money or to buy in the said chattels or any part thereof at such auction, and to rescind or vary the terms of any contract or sale, and to resell without being answerable for any loss or expense which may be

occasioned thereby, and to execute all such assurances and do all such things for effectuating any such sale as may be necessary or proper, and the receipt of the grantee or his agent shall be a sufficient discharge to any purchaser at such sale for any of the purchase-money, and upon any sale purporting to be made in exercise of the powers herein expressed or implied no purchaser shall be bound to inquire as to the propriety or regularity of any such sale, or be affected by notice express or constructive that any such sale is improper or irregular.

And it is hereby declared and agreed that the grantee shall stand possessed of the proceeds of any such sale upon trust, after paying thereout the costs, charges, and expenses of and incidental to such taking possession, sale, and the preparation and registration of this instrument, to apply the same in reduction of the moneys then owing on the security of this instrument, including all moneys herein covenanted to be paid, notwithstanding that the same may not then have become due, or that any promissory notes or bills of exchange may then be current for the same, and to pay the balance to the grantor, *his executors, administrators, or assigns*.

New.

POWER AND PROVISIONS TO BE IMPLIED IN INSTRUMENTS BY WAY OF SECURITY
OVER STOCK.

That, during the continuance of the security hereby made, it shall be lawful for the grantee, his servants or agents, from time to time, and at reasonable times for that purpose, to enter into and upon the said lands, or any other premises whereon the said stock are depasturing, for the purpose of viewing the state and condition of the same.

That the grantor shall, upon receiving seven days' previous notice in writing addressed to him through the ordinary course of post or otherwise, to his last-known residence in the colony, or delivered personally, give and afford to the grantee, his servants or agents, all reasonable assistance to enable the grantee, his servants or agents, to view the same accordingly.

That there are now depasturing upon the said lands the whole of the stock herein respectively mentioned as depasturing thereon. And that the grantor will not, during the continuance of the security hereby made, further encumber the said stock and premises, or remove from the said lands, or any part thereof, the said stock without the consent in writing of the grantee first obtained, so as to reduce the same below the number stated in this security; but the grantor may, from time to time, sell stock in the ordinary course of business from the said land. That at no time during this security shall any sale be made so as to leave less than the said number depasturing thereon. And that he, the grantor, shall and will, during the continuance of this security, at the usual and convenient season for so doing, well and properly brand or mark, with the brand or mark herein referred to, the said stock and their natural increase, and in the case of sheep ear-mark the same with the ear-mark herein mentioned, so that the same respectively shall bear and continue to bear the brand and ear-mark now borne by them respectively. And shall not nor will without the leave in writing of the grantee brand or mark, nor permit to be branded or marked, any stock whatever on the said lands with any other brand or mark than as herein specified as borne by the said stock now depasturing on the said lands. And will at all times during the continuance of this security take, use, and adopt all due and proper means for keeping and maintaining all stock now depasturing, or which shall during the continuance of this security be brought, upon the said lands, or any part thereof, in clean and healthy condition, free from disease. And that he, the grantor, will, at all times during the continuance of this security, pay and defray all expenses in and about the good and proper management and conduct of the said lands, stock, and premises, and keep and maintain efficient and proper assistance upon the said lands to assist in the said management. And shall and will yearly, and every year, on demand by the grantee, render and deliver to him, his executors, administrators, and assigns, a return or account in writing setting forth the number, ages, and sexes of the stock for the time being depasturing upon the said lands.

That all stock belonging to the grantor, branded or marked as aforesaid, of which possession shall have been taken, under the power in that behalf herein contained, shall be subject to the same powers, provisions, declarations, and agreements as are herein contained, expressed, and implied of and concerning the said stock and their increase herein expressed to be hereby assigned, and shall and may be dealt with in the same manner in all respect as if the said stock of which posses-

tion shall be taken as aforesaid had formed a portion of the said stock hereby assigned. And that the grantor shall and will, at his own costs and charges, do and execute all such deeds, matters, and things as may be necessary for the further, better, and more perfectly assigning and assuring the said stock and their increase, and all and singular other the premises hereby assigned or expressed, or intended so to be, or the stock for the time being on the said lands, and the stock which, branded or marked as aforesaid, of which possession shall have been taken as aforesaid unto the grantee, so that the same may be held by the grantee upon and for the same ends, intents, and purposes, and with, under, and subject to the same powers, provisoes, agreements, and declarations as are herein expressed or implied of and concerning the stock and premises herein expressed to be hereby assigned as the grantee shall think proper. And shall and will, from time to time, and at all times during the continuance of this security, pay, observe, and perform all and singular the license-fees, head-moneys, and other outgoings and payments, rules, regulations, and conditions which by the owner for the time being of the said stock or premises respectively now are, or shall at any time hereafter, become due, payable, or observable and performable. And that in case the grantor shall fail or neglect to pay such license-fees, head-moneys, and other outgoings and payments as aforesaid, or any of them, or any part thereof, it shall be lawful for the grantee to make such payments respectively. And that the grantor shall and will, from time to time, and at all times hereafter, on demand, pay or cause to be paid to the grantee all and every sum and sums of money which shall have been paid or advanced by the grantee in or towards such payment as aforesaid with interest for the same after the rate of seven pounds per centum per annum from the time or respective times of the same having been advanced or paid. And that in the meantime, and until such sum or sums of money shall have been repaid with interest as aforesaid, the said stock and premises hereby assigned, or intended so to be, shall stand charged and chargeable with the payment of the same in like manner as if the same had been principal moneys secured by this instrument. That in case of the exercise by the grantee of any power of entry or taking possession it shall be lawful for the grantee, or any person or persons appointed by him for the purpose, to continue in the possession of the said stock and premises until the sale thereof, and to manage, conduct, and carry on the said lands and stock, and to employ servants and assistants, and to provide all necessary stores in that behalf in all respects as the grantor could or should do if such power or powers had not been exercised; and that the costs, charges, and expenses of so doing, from the time of such entry and taking possession until the sale and delivery thereof to any purchaser or purchasers thereof, shall, together with interest thereon after the rate aforesaid, until payment, be a charge upon the said stock and premises hereby assigned or expressed and intended so to be.

POWER TO BE IMPLIED IN INSTRUMENTS BY WAY OF SECURITY OVER CROPS.

If the grantor shall not pay to the grantee the moneys hereby secured, with interest and commission thereon as herein mentioned, at the time herein mentioned for payment of the same, the crops hereby assigned shall be gathered, carried away, and made marketable by the grantor or by the grantee, at his option, at the expense of the grantor, and shall be delivered by the grantor at the place of delivery mentioned in this instrument, and failing the mention of any such place, then at such place as the grantee shall direct to the grantee or his order, and the grantee may either sell the same in New Zealand, in one or more lots, by public auction or private contract, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as the grantee shall think fit, or may cause the same to be shipped or exported to any place or places without the Colony of New Zealand, to be sold in manner and on the terms aforesaid, without being responsible for any loss or deficiency that may be occasioned either by the shipment of the said crop or by any sale or sales thereof, whether in New Zealand or elsewhere, or by the act, neglect, or default of any agent, broker, or third person, and may from the proceeds pay himself the moneys hereby secured, and any rent payable to any landlord, and any moneys payable to any mortgagee which the grantee may be compelled to pay in order to protect his security over the said crops, and all costs, mercantile and other charges, and expenses incurred in and about the harvesting, sale, shipment, and carrying

away of such crops, the storage and freight thereof, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor, *his executors, administrators, or assigns.*

POWER TO BE IMPLIED IN INSTRUMENT BY WAY OF SECURITY OVER WOOL.

If the grantor shall not pay to the grantee the moneys hereby secured, with interest and commission thereon as herein mentioned, at the time herein mentioned for payment of the same, the flock of sheep mentioned in the Schedule hereto shall be shorn by the grantor, or by the grantee, at his option, at the expense of the grantor, at the usual and proper season for so doing, and the wool of such sheep shall with all convenient speed be properly sorted and packed in good bales, marked with the proper brand of such wool, and shall be delivered by the grantor at such place as is mentioned in this instrument, and, failing the mention of any such place, then at such place as the grantee shall direct; and the grantee may either sell the same in New Zealand, in one or more lots, by public auction or private contract, or partly in the one way and partly in the other, and upon such terms and conditions as to credit and otherwise as the grantee shall think fit, or may cause the same to be shipped or exported to any place or places without the Colony of New Zealand, to be sold in manner and on the terms aforesaid by the agents of the grantee, without being responsible for any loss or deficiency that may be occasioned either by the shipment of the said wool or by any sale or sales thereof, whether in New Zealand or elsewhere, or by the act, neglect, or default of any agent, broker, or other person; and may from the proceeds pay himself the moneys hereby secured, and any rent payable to any landlord and any moneys payable to any mortgagee or other person which the grantee may be compelled to pay in order to protect his security on the said wool, and all costs, mercantile and other charges and expenses, incurred in and about the shearing of the said sheep, and the packing, carrying away, sale, and shipment of the said wool, or on any other account connected with the realisation thereof, and shall pay over the balance, if any, to the grantor, *his executors, administrators, or assigns.*

SEVENTH EIGHTH SCHEDULE.

MEANING OF ABBREVIATED EXPRESSIONS.

THE words "upon demand" mean upon demand being made by notice in writing signed by the person entitled to make the demand, or any agent or clerk or servant of his, being served upon the person upon whom the demand is to be made, either personally or by posting the same in a duly registered letter addressed to him at his usual or last known place of abode in the colony.

The words "further advances" mean such further sum or sums of money as may be advanced or paid by the grantee to the grantor after the execution of this instrument, and include also such sums as may become owing by the grantor to the grantee during the continuance of this instrument for goods supplied, for bills and notes discounted and paid, and for other loans, credits, and advances which may during the continuance of this security be made by the grantee to or for the accommodation or at the request of the grantor.

The words "will, upon demand, pay the balance due upon the account-current between them" mean that the grantor will, on demand, pay to the grantee the balance which on the account-current of the grantor with the grantee shall for the time be owing for and on account of the moneys advanced on the execution hereof, or intended to be hereby secured, and for further advances as defined by "The Chattels Transfer Act, 1889," or any amendment thereof, and for interest, commission, and for other lawful charges from the day of such demand having been made or left till the actual payment thereof at the rate mentioned in this instrument without any deduction; and it is hereby declared and agreed that the said account-current shall be made up with half-yearly rests on the half-yearly days mentioned for that purpose in this instrument, in each year, and failing any such days being mentioned in this instrument then on the 31st day of March and the 30th day of September in each year, until the final balance of account shall be fully paid; and also that upon every such half-yearly day, interest shall be considered as converted into principal, and the balance shall be chargeable with interest as aforesaid as further advances, and also that in making up such account, interest at the rate specified in this instrument shall be calculated on the daily debtor balances; and also that upon any such demand as aforesaid, all bills of exchange or promissory notes which shall have been given by the grantor to the grantee and shall then be current, may at the option of the grantee and in case

of entry into possession or sale by the grantee shall be considered as matured or become due, subject to a rebate of interest for the time during which the same shall have to run upon the amount thereof, at the same rate of interest as is payable under this instrument, and that the amount of such bills or promissory notes, subject to such rebate, may be charged to the grantor in such account at the time of making such demand.

The words "will insure" mean that the person liable to insure will insure in the name of the other party to this instrument, so long as this instrument shall remain in force, in some public insurance office to be approved of *in writing* by the person in whose name such insurance is to be effected, against loss or damage by fire to the full amount specified in this instrument; or, if no amount be specified, then to the full insurable value, all chattels comprised herein which shall be of a nature or kind capable of being insured against loss or damage by fire; and that he will, at the request of the person in whose name such insurance is to be effected, hand over to and deposit with him the policy of every such insurance, and produce *and deliver* to him the receipt or receipts for the annual or other premiums payable on account thereof; and also that all moneys to be received under or by virtue of any such insurance shall, in the event of loss or damage by fire, be laid out and expended in making good such loss or damage, or, if this instrument be given by way of security, in discharging the moneys hereby secured, so far as the same will extend, if the grantee shall ~~so elect to expend the moneys~~. Provided always that, if default be made in the observance or performance of this covenant, it shall be lawful for the person in whose name such insurance should have been effected, without prejudice nevertheless to, and concurrently with, the powers granted him by this instrument or otherwise by law, to insure such chattels, and he may forthwith recover the costs and charges of such insurance from the other party to this instrument as if the same had been advanced to him by way of loan on the security of this instrument.

The words "will brand" mean that the person liable to brand will keep the stock comprised in this instrument and their increase, and all other stock for the time being subject to this instrument, at all times during the continuance of this instrument distinctly branded with the brands mentioned in this instrument, failing which it shall be lawful for, but not imperative on, the other party hereto to enter upon the premises where such stock or their increase are, and to take possession of the same and brand the same with the proper brand for the same as mentioned in this instrument, and all costs occasioned to him by so doing shall be recoverable from the other party as if the same were advanced to him by way of loan.

EIGHTH NINTH SCHEDULE.

TRANSFER OF INSTRUMENT.

I, A.B., of [*Here state residence and occupation*], the grantee of the instrument registered as No. _____, under "The Chattels Transfer Act, 1889," do *in consideration of* [*Here state consideration*] hereby transfer to C.D., of [*Here state residence and occupation*], the *chattels comprised in the said instrument*, and all my right, title, estate, and interest ~~under the same thereunder~~.

As witness my hand this _____ day of _____, 18 .

A.B.

Signed by the said A.B.,
in the presence of—

E.F.,
[*Occupation and address.*]

NINTH TENTH SCHEDULE.

- "The Chattel Securities Act, 1880."
- "The Chattels Securities Act 1880 Amendment Act, 1883."
- "The Chattel Securities Act 1880 Amendment Act, 1887."
- The 80th section of "The Bankruptcy Act, 1883."

CHATELS TRANSFER BILL.

Amendment made by the Legislative Council.

In clause 31, line 1, between "sections" and "*twenty-nine*," to insert "*twenty-seven*."