

FACILITY AGREEMENT
PREPARED ON 5 April 2017

**BETWEEN:****ASB BANK LIMITED**

(the "Lender" and referred to in this Facility Agreement as "we," "us" and "our(s)"); and

HOUSESHARE COMPANY TWO LIMITED

(the "Borrower" and referred to in this Facility Agreement as "you" and "your(s)")

1. We will make the Facility detailed in the attached Facility Schedule available to you on the terms contained in this Facility Agreement.
2. The terms and conditions applying to the Facility are recorded in
 - (a) this Facility Agreement;
 - (b) our general terms and conditions reference No. BRC02/2016 (the "Terms"); and
 - (c) Facility Schedule for Facility Number:
 12-3107-0020267-00 Revolving Credit Facility
3. If there is any conflict between this Facility Agreement and the Terms, the terms of this Facility Agreement shall prevail. Furthermore, if there is any conflict between this Facility Agreement and the Facility set out in the Facility Schedule, the terms of that Facility Schedule shall prevail over this Facility Agreement.
4. Words and expressions defined in the Terms and not otherwise defined in this Facility Agreement have the same meaning and construction where used in this Facility Agreement and the Facility Schedule unless the context otherwise requires. All references to clause references are to clauses of the Terms.

Conditions Precedent to Availability of Facilities:

Drawdown for any Facility shall not be available until we have received and are satisfied with the following:

All the conditions specified or referred to in the Terms (refer clause 7); and

The final Product Disclosure Statement is to be provided and acceptable to the Bank at its absolute discretion.

Evidence that relevant homeowners' insurance policies for 51 Bellville Drive, Clendon Park are in place and our interest is noted.

A Director's Certificate completed and executed by your Directors, on our standard form.

ASB's ability to provide funding is subject to any restrictions contained in our Conditions of Registration set by the Reserve Bank of New Zealand.

Conditions Subsequent to Drawdown:

You undertake and agree as follows during the term of the Facility to comply with the following Undertakings;

Notwithstanding anything to the contrary we acknowledge that the shareholding of the borrower may change in accordance with the Product Disclosure Statement.

A copy of the shareholder register is to provided as at balance date, annually.

Annual financial statements, prepared in accordance with generally accepted New Zealand Accounting Standards, or the Special Purpose Financial Reporting (where permissible), to be supplied within 365 days of balance date. Special Purpose Financial Reporting means the minimum requirements for the preparation of financial statements as set out in the Tax Administration (Financial Statements) Order 2014.

Security

This is a secured Facility and security for the Facility is set out below.

Prior to the Facility being made available you will provide us with those securities below marked "new" (and/or our completed form of Solicitor's Certificate), registered first in ranking unless otherwise specified. If you fail to meet your commitments under the Documents, we may be entitled to repossess and sell the property listed below:

A new registered all obligations Mortgage to us over all the property situated at 51 BELLVILLE DRIVE CLENDON PARK AUCKLAND described as identifier number(s) NA122D/858.

The security interest we hold over the above property will secure all of your existing and future indebtedness and performance of obligations to us, whether or not documented in this Facility Agreement or the Facility Schedules. Any other security interest granted to us in the future over any of your other property will also secure your indebtedness to us unless we agree otherwise in writing.

If we exercise our rights of enforcement under the Documents and sell the above secured property and the proceeds of that sale are insufficient to repay the total of the Outstanding Money at that time, you will remain indebted to us for the balance of the Outstanding Money.

Unless otherwise agreed in writing with us, if you create or permit to exist a security interest, other than our security interest granted under a Security Document, over the above secured property it will be an Event of Default under this Facility Agreement. If we exercise our rights as a result of an Event of Default, we are entitled to (among other things), cancel the Facility, declare any or all of the Outstanding Money to be due and payable immediately and exercise our rights under a Security Document which includes repossession and/or sale of the above secured property.

Borrower Acknowledgement and Agreement

You [each]:

- **RECEIPT OF DOCUMENTS:** acknowledge that you have been provided with a complete copy of this Facility Agreement, the Terms, each of the new Security Documents and other documentation relating to the Facility; and
- **ACCEPTANCE:** confirm that you have read the Documents and accept the terms and conditions contained within (including each of the Conditions Precedent to Availability of Facilities); and
- **PROVISION OF INFORMATION:** confirm that all information provided to us in connection with your application for financial accommodation, this Facility Agreement and the Documents is accurate, complete and not misleading; and
- **ELECTRONIC COMMUNICATION:** consent to receive disclosure, notices and other communications from us in electronic form, whether by means of our website, email or other electronic communication as set out in the Terms; and
- **COUNTERPARTS:** understand that this document may be executed in any number of counterparts, all of which when taken together shall constitute one and the same document, and any of the parties hereto may execute any document by signing any such counterpart; and
- **AGREEMENT TO MORTGAGE:** if you are or will immediately after settlement of this Facility become a registered proprietor of the property described as new security in this Facility Agreement ("Property"), you agree to:
 - a) charge all of your right, title and interest in the Property to secure the due payment of all moneys outstanding under the Facility; and
 - b) upon request execute a valid and registerable mortgage instrument or appropriate e-dealing authority in favour of us over the Property; and
- **POWER OF ATTORNEY:** irrevocably appoint us to be your attorney on your behalf, in your name and at your expense to complete and execute a mortgage instrument or appropriate e-dealing authority in favour of us over the Property and all deeds, agreements and other documents and do all other acts and things we may consider necessary or expedient to secure the due payment of all moneys outstanding under the Facility; and
- **FURTHER SECURITY INTEREST IN MORTGAGED PROPERTY PROHIBITED WITHOUT OUR CONSENT:** acknowledge that the terms of our mortgage over the Property require that you obtain our consent in writing prior to creating or permitting any third party security interest over the Property used as security for the Facility and confirm no un-disclosed security interests exist; and
- **INTEREST RATE SWITCH:** agree that in accordance with the terms of this Facility Agreement, any one person named as Borrower may request an Interest Rate Switch during the term of this Facility, and we may act upon that request which will bind all of you.

Please delete the above clause if you require us to act upon the request of all of you, rather than only one.

- **INTEREST ONLY PERIOD:** agree that in accordance with the terms of this Facility Agreement, any one person named as Borrower may request an Interest Only Period during the term of this Facility, and we may act upon that request which will bind all of you.

Please delete the above clause if you require us to act upon the request of all of you, rather than only one.

Dated this _____ day of _____

EXECUTED AND DELIVERED as a deed
SIGNED by
HOUSESHARE COMPANY TWO LIMITED

by _____
Director

and by _____
Director

each being a Director of the above Company

WITNESS to **all** of the above signatures (*otherwise specify*)

Witness Signature

Witness Name

Witness Occupation

Witness Address

FACILITY SCHEDULE

Facility Number: 12-3107-0020267-00

Facility Type: Revolving Credit Facility

Description: Commercial Flexible Finance Facility

Facility Limit: An Amount of \$77,500.00. This represents the maximum amount that you may draw down under this Facility (as may be varied from time to time by agreement between us).

Initial Unpaid Balance: Nil

Term: Reviewable by us. We may terminate the Facility at any time.

Drawdown: Refer to clause 7 of the Terms.

Authority to Disburse: You authorise and direct us to make the first drawdown by debiting the Facility Account and crediting your solicitor's trust account with the amount requested by your solicitor.

Termination of Offer Date: 3 June 2017 (refer clause 2.3 of the Terms).

Fees:

The following fees were required to be paid by you on or before the date of this Facility Agreement:

Loan Processing Fee	\$0.00
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Undrawn Commitment Fee: The undrawn commitment fee payable by you is 0.600% per annum calculated on the net undrawn portion of the Facility and debited to the Commercial Flexible Finance Facility Account monthly in arrears. The undrawn commitment fee may be altered by us from time to time.

Account Fees: Banking transactions on the Facility Account will be charged at the standard rates which are subject to change from time to time.

Additional credit fees and charges which may apply to your Facility Account are detailed in ASB's Guide to Fees, a copy of which was provided to you when you opened your Facility Account and is also available at any branch of ASB or at www.asb.co.nz.

Annual Interest Rate: Housing Variable Rate

The Interest Rate will be 5.800% per annum being the Housing Variable Rate as at the date this Facility Schedule was prepared.

We may alter the Housing Variable Rate, at any time and from time to time, including prior to the first Drawdown.

Our published Base Rates are available at www.asb.co.nz and are advertised in major newspapers when changes occur.

The method for calculating Interest charges can be found in clause 4.9 of the Terms.

Interest and Repayments

You will pay interest in arrears monthly on such day of the month as we from time to time determine, and on termination of the Facility. Such interest will be charged to the Facility Account.

If your Facility Limit is exceeded at any time you must immediately bring the Facility Account within its limit by repaying an amount equal to the excess to your Facility Account.

The amount drawn under the Facility is repayable on demand.

Default Interest: A description of the way in which the default interest rate will apply if the Facility Limit is exceeded at any time can be found in clause 5 of the Terms. Our default interest rate, being our Unarranged Overdraft Interest Rate, as at the date this Facility Schedule was prepared is 22.50% per annum. Details of our Unarranged Overdraft Interest Rate can be found on our website www.asb.co.nz or at any branch of ASB and is advertised in major newspapers when changes occur.

A description of the fees (including default fees) which may apply to your Facility Account are detailed in ASB's Guide to Fees, a copy of which was provided to you when you opened your Facility Account and in ASB's Guide to Fees for Home Loans and Personal Loans, both are available at any branch of ASB or at www.asb.co.nz.

Continuing Disclosure: We are required to provide you with regular statements. The statement will give you information about your account (for example, any interest or fees charged during the statement period) and the amount and timing of your next payment. Statements will be provided at least every 45 working days.

Address for Notices: ASB Bank Limited, Lending Operations, ASB North Wharf, 12 Jellicoe Street, Auckland Central, Auckland 1010.

Right to Cancel: You have the right, for a short time, to cancel this Facility. A statement of your rights can be found in clause 15 of the Terms.

Changes on Grounds of Unforeseen Hardship: If the Facility Agreement is a consumer credit contract for the purposes of the Credit Contracts and Consumer Finance Act 2003 and you are unable to keep up your payments because of an unexpected event that causes you hardship, for example illness, injury, loss of employment or the end of a relationship, you can apply to us for a hardship variation of your Facility.

To apply for a hardship variation you need to make a request to us in writing which explains your situation and requests one of the following variations:

- a) extending the term of the Facility and reducing the amount of each payment due under the Facility accordingly (without a consequential change being made to the annual interest rate(s));
- b) giving you longer to pay by postponing, during a specified period, the dates on which payments are due under the Facility Agreement (without a consequential change being made to the annual interest rate(s)); or
- c) both of the above – postponing payments for a specified time and reducing the amount of your payments by extending the term.

You should do this or contact us as soon as possible, if you leave it too long, we may not have to consider your application.

Disputes Resolution Scheme: we are a member of the Banking Ombudsman dispute resolution scheme. You can contact the Banking Ombudsman at:

Address: Freepost 218002
 PO Box 25327
 Featherston Street
 Wellington 6146
Phone: 0800 805 950
Email: help@bankomb.org.nz

We are registered on the register of financial service providers as ASB Bank Limited (registration number FSP29003).