

Flexi Loan Agreement - Specific Terms Construction Loan

Borrower Name(s) [Daniel Marvin EVERYBODY]

Borrower Name(s) [[]]

Borrower Number [92313938] **Loan Number** [03-1354-0988495-09]

Date of this Agreement [03 / 06 / 2015]

- These Specific Terms, together with the General Terms and Collateral Documents, contain the terms and conditions on which you have agreed to borrow the Loan from the Lender.
- These Specific Terms describe the commercial terms of your Loan and the security to be provided in support of the Loan.
- The General Terms describe your obligations under the Loan and what the Lender can do if you do not fulfil those obligations. The General Terms which apply to this Loan are the General Terms – Version 2015-1.
- These Specific Terms also constitute a Disclosure Statement for the purposes of the Credit Contracts and Consumer Finance Act 2003.
- You should read this document thoroughly. If you do not understand anything in this document, you should seek independent advice. You should keep this Disclosure Statement and a copy of the entire Agreement in a safe place.
- The law gives you a limited right to cancel the Agreement. This is described below under the heading "Statement of Right to Cancel". Note that strict time limits apply.

Please Initial

AGREEMENT

We agree to make the Loan facility available to you on the terms set out in the Agreement (as such term is defined in the General Terms).

TYPE and PURPOSE

Type of Loan Facility	[Flexi Loan]
Purpose of Facility	[Land Purchase and House Construction]

LOAN PARTIES
**DETAILS OF VARIOUS PARTIES
 BORROWER(S) (also referred to as “you” & “your”); SECURITY PROVIDER(S); GUARANTOR(S)
 Please cross out those that don't apply**

[Borrower Security Provider]	Residential Address	Postal Address
1. Full Name:	[Daniel Marvin EVERYBODY]	
Address:	[3A Everybody Avenue]	[]
	[Everytown]	[]
Email Address:	[testemail@testemail.co.nz]	This is the address we will forward Continuing Disclosure statements to
[]	Residential Address	Postal Address
2. Full Name:	[]	[]
Address:	[]	[]
	[]	[]
Email Address:	[]	This is the address we will forward Continuing Disclosure statements to
[]	Residential Address	Postal Address
3. Full Name:	[]	[]
Address:	[]	[]
	[]	[]
Email Address:	[]	This is the address we will forward Continuing Disclosure statements to

**LENDER DETAILS (This is the organisation providing you the credit)
 (also referred to as “we” & “us”)**

You may send us notices by: * writing to us at our postal address: or * sending an email to the address specified	Name:	Nelson Building Society
	Postal Address:	P O Box 62 Nelson 7040
	Phone:	0800 101 700
	Physical Address:	111 Trafalgar Street, Nelson
	Email Address:	lending@nbs.co.nz
	FSPR Registration no:	FSP 33381
	Name of Lender used on FSP Register	Nelson Building Society
	Dispute Resolution Scheme which Lender belongs to:	Banking Ombudsman Scheme

Please Initial

LOAN DETAILS

CREDIT DETAILS (all amounts specified are GST inclusive)

Initial unpaid balance: This is the amount you will owe us ("Maximum Amount / Maximum Credit Limit") as at the date you draw down the New Advance (below). That date is the Effective Date of this disclosure statement. The initial unpaid balance is made up of:

New Advance / Credit Limit	\$ [360,000.00]
Existing Advance / Credit Limit	\$ [0.00]
Credit Fees and Charges (to be debited to the Loan Account)	
Other (detail) []	\$ [0.00]
Maximum Amount / Maximum Credit Limit (Secured Money)	\$ [360,000.00]

TERM and LIMITS

Maximum Credit Limit	Start Date	Expiry Date (if any)
\$360,000.00	04/06/2015	N/A

The limit will be increased to cover of the purchase of the land, and to meet the costs of construction against production of approved invoices associated with the project.

INTEREST

Interest Rate

[6.950] % per annum The current Floating Rate is 6.95% per annum.

(We may change the interest rate in certain circumstances - clause 6.4 of the General Terms)

Method of charging interest

Interest is calculated by multiplying the unpaid balance at the end of the day by a daily interest rate. The daily interest rate is calculated by dividing the annual interest rate by 365. **Interest will be added to the Loan facility on the last day of each month**

PAYMENTS* You are required to make each payment of the amount specified and by the time specified.

The Borrower will make sufficient payments to ensure that the Loan facility does not exceed the Maximum Credit Limit at any time.

FEES and CHARGES

Information on the amounts of fees and charges payable under this Agreement and how and when those fees and charges may become payable are set out in this section, the Credit Details section and in the attached Fee Schedule.

The fees in the Credit Details section are added to your Loan on the date on which the Loan is advanced.

The fees in this section are payable separately by you on the date the Loan is advanced and do not form part of the Loan.

The fees in the Fee Schedule may apply during the term of the Loan.

We may alter the amount of these fees and charges at any time (see Clause 5.3 of the General Terms).

Fees and Charges payable that are not included in the Maximum Amount/Maximum Credit Limit:

Loan Establishment Fee	Charged to the Loan Account once the limit is loaded	\$ [1,500.00]

SPECIAL CONDITIONS

[]

Please Initial

GENERAL INFORMATION

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS

Security interest

We have a security interest in the property and the land described below under the heading **SECURITIES** to secure performance of your obligations under this Agreement and the payment of money payable under this Agreement. If we hold a security interest in personal property, we will register our interest on the Personal Property Securities Register. If we hold a security interest in land, we will register a mortgage with Land Information New Zealand. The security interest secures the repayment of all money you owe us and the performance of all of your obligations to us, under this Agreement and any Collateral Document. The security interest gives us direct rights in the relevant property which we can exercise **if you fail to meet your commitments under this Agreement, including if you grant a security interest over the same property to another person. These rights include the right to repossess and sell this property or land.** If the proceeds of sale do not repay the Loan in full, you will remain liable to repay the outstanding balance. We confirm that no disabling devices will be fitted to any secured property.

Default interest and default fees

If an Event of Default occurs under Clause 12.2 (a) of the General Terms, or if at any time the Maximum Amount or Maximum Credit Limit is exceeded, and while the relevant event continues, you must pay Interest at the Default Rate and the Fees as specified below.

The Default Interest Rate is **10.00% per annum above the annual interest rate.**

A Default Administration Fee of **\$25.00** may be charged for any breach by you under this Agreement or if we enforce this Agreement. The default fees and charges compensate us for the costs incurred by us in connection with enforcement or the remedy of a breach under this Agreement. Such costs could include debt collection and repossession fees charged by a third party (Repossession Agent, Legal Provider) which will be debited to the loan for the invoiced amount. Copies of which are available upon request

STATEMENT OF RIGHT TO CANCEL

The Credit Contracts and Consumer Finance Act 2003 gives you a right for a short time after the terms of this Agreement have been disclosed to you to cancel the Agreement.

How to cancel

If you want to cancel this Agreement you must give written notice to us that you intend to cancel this Agreement by:

- giving notice to us or one of our employees or agents; or
- posting the notice to us or one of our agents; or
- emailing the notice to our email address.

You must also return to us any advance and any other property received by you under the Agreement.

Time limits for cancellation

If the disclosure documents are handed to you directly you must give notice that you intend to cancel within 5 working days after you receive the documents.

If the disclosure documents are sent to you by electronic means (for example, email) you must give notice that you intend to cancel within 7 working days after the electronic communication is sent.

If the documents are mailed to you, you must give the notice within 9 working days after they were posted.

Saturdays, Sundays and national public holidays are not counted as working days.

What you may have to pay if you cancel

If you cancel the Agreement we can charge you:

- (a) The amount of any reasonable expenses we had to pay in connection with the Agreement and its cancellation (including legal fees and fees for credit reports, etc); and
- (b) Interest for the period from the day you received the Loan until the day you repay the Loan.

This statement only contains a summary of your rights and obligations in connection with the right to cancel. If there is anything about your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that you do not understand, if there is a dispute about your rights, or if you think that we are being unreasonable in any way, you should seek legal advice immediately.

Please Initial

STATEMENT OF RIGHT TO MAKE HARDSHIP APPLICATION

If you are unable reasonably to keep up your payments or other obligations because of illness, injury, loss of employment, the end of a relationship, or other reasonable cause, you may be able to apply to us for a hardship variation.

To apply for a hardship variation, you need to:

- (a) make an application in writing; and
- (b) explain your reason(s) for the application; and
- (c) request one of the following:
 - an extension to the term of the Agreement (which will reduce the amount of each payment due under the Agreement); or
 - a postponement of the dates on which payments are due under the Agreement (specify the period for which you want this to apply); or
 - both of the above; and
- (d) give the application to us.

Do this as soon as possible. If you leave it for too long, we may not have to consider your application.

Application must be made before you (the Borrower) have:

- been in default for two months or more;
- been in default for two weeks or more after receiving a repossession warning notice or Property Law Act notice, or
- failed to make four or more consecutive loan repayments on their due date.

CONTINUING DISCLOSURE

We may be required to provide you with regular disclosure statements. The statements will give you information about your account. If we are required to provide you with regular statements, those statements will be provided at least every 45 working days (or at such other times required under the Credit Contracts and Consumer Finance Act 2003).

If you do not have Internet Banking service with Nelson Building Society we will forward your statements to your email address.

DISPUTE RESOLUTION

While Nelson Building Society hopes it will be able to solve your complaint on the spot, we may need to refer the complaint on further within Nelson Building Society.

In the event that you are not satisfied with our initial response an escalation process exists to resolve the complaint. Your complaint can be escalated to the Board Secretary at 111 Trafalgar Street, P O Box 62, Nelson.

If Nelson Building Society is unable to satisfy your concerns we are a member of the Banking Ombudsman dispute resolution scheme. It is free to make a complaint to this independent dispute resolution scheme. This scheme can help you to resolve any disagreements you have with us.

Contact details of dispute resolution scheme are as follows:

Phone : 0800 805 950 or 0064 4 915 0400 (from overseas)

Website : bankomb.org.nz

Email : help@bankomb.org.nz

Address : Level 5, Huddart Parker Building

Postal Address : Freepost 218002

1, Post Office Square

P O Box 25327

Wellington 6011

Featherston Street

Wellington 6146

Please Initial

SECURITIES

The repayment of the Loan is secured over the property described below and each Additional Security Schedule (if any). The Terms which apply to the security interest are set out in Clause 7.1 of the General Terms.

NEW SECURITY DETAILS	
By signing this document each Security Provider grants to us a new security interest in the property set out below owned by that Security Provider. The terms relating to the security interest are set out in the General Terms.	
EXISTING SECURITY DETAILS	
By signing this document each Security Provider agrees that the security interest previously granted to us in the property set out below owned by that Security Provider will continue to secure payment of the Secured Money and performance of the Secured Obligations on the terms set out in the General Terms.	
Land	
Property situated at	[652 Main Avenue Anytown]
Legal Description Certificate of Title / Identifier, or Lot & DP Number	[WF 235/554]
Owned by	[Daniel Marvin Everybody]
Type of Security	[Freehold]
Type of Charge	[First Registered Mortgage]
Land	
Property situated at	[]
Legal Description Certificate of Title / Identifier, or Lot & DP Number	[]
Legal Description Lot & DP Number	[]
Owned by	[]
Type of Security	[]
Type of Charge	[]
Other Personal Property	
Owned by	[]
Full Description (Inc. serial numbers, markings, other identifying marks, etc)	[]
All present and after acquired personal property (but excluding any property of the kind described in section 83ZN(1) of the CCCFA)	[]
Owned By	[]
Guarantee	
Guarantee Type	The Guarantee is the amount of Total Amount of Payments
Name	[]
Address	[]
	[]

Please Initial

ACKNOWLEDGEMENT and ACCEPTANCE

ACKNOWLEDGMENT

By signing this document, each of the Borrower, the Guarantor and each Security Provider agrees that:

1. He or she agrees to be bound by the Agreement which is made up of these Specific Terms, the General Terms and each Additional Security Schedule, if any.
2. His or her obligations under the Agreement (made up of these Specific Terms, the General Terms and each Additional Security Schedule, if any) have been explained to him or her, and he or she understands those obligations.
3. A copy of the Agreement (made up of these Specific Terms, the General Terms and each Additional Security Schedule, if any) was given to him or her **before** he or she signed below.
4. No representation, warranty or undertaking has been made by or on behalf of the Lender in relation to the Loan that is not expressly set out in the Agreement and, they have not received or relied upon any advice given by or on behalf of the Lender, when accepting this Loan.
5. If the Loan is acquired for business purposes the provisions of the Consumer Guarantees Act 1993 do not apply and that disclosure has been made to the Lender if any Secured Property or part of the Secured Property used as Collateral for the Loan forms part of any Goods and Services Tax activity.
6. If the Borrower, Guarantor or Obliger is a Trust then the Lender acknowledges that, for the purposes of Clause 10 of the General Terms of the Loan, Clause 16 of the Guarantee and Indemnity and Clause 18 of Memorandum number 2007/4231, are independent trustees of the

GUARANTOR ACKNOWLEDGMENT

The Lender has, at the request of the Guarantor, agreed to make the Loan available to the Borrower on condition that the Guarantor enters into the Agreement.

The Guarantor unconditionally guarantees to the Lender the payment by the Borrower of the Secured Money and the due performance by the Borrower of the Secured Obligations.

The Guarantor acknowledges that he or she has been advised to take independent legal advice before entering into this Agreement.

Executed as a Deed by the parties named below **Dated**

BORROWER

Your signature(s)

[**Daniel Marvin EVERYBODY**]

[]

[]

GUARANTOR

Signature of Guarantor(s)

[]

[]

SECURITY PROVIDER (if other than the Borrower or Guarantor)

Signature of Security Provider(s)

[]

[]

Please Initial

FEES SCHEDULE

Below is a Schedule of Standard Fees and Charges which may be applied to the Loan

Fee:	Description:	Amount:
Limit Increase fee	If the Obliger requests the Maximum Credit Limit to be increased, a fee equal to 1% of the increase will apply. The fee will be charged when the increased limit is applied to the Loan account.	Minimum \$250.00
Discharge Mortgage fee	If the Lender is asked to discharge its mortgage at the request of the Obliger, due to a sale or refinance of the Loan.	\$130.00
Unarranged Excess fee	If the balance of the Loan Account exceeds the Maximum Credit Limit on any one day during any month and payments are not dishonoured. Charged on the last day of that month.	\$25.00
Dishonour fee	If the Lender has to dishonour any Cheque, Direct Debit, Automatic Payment or other payment from the Loan Account due to the Maximum Credit Limit being exceeded. Charged at the time of dishonor – per item returned.	\$30.00
Insurance Arrears Payment fee	If the Lender has to make a manual payment on the Obligers behalf to pay the arrears on the Insurance Premium covering the Secured Property, to ensure the policy is not cancelled.	\$15.00
Rates Arrears Payment fee	If the Lender has to make a manual payment on the Obligers behalf to pay any arrears of Local Authority Rates pertaining to the Secured Property if this payment is Demanded by the Local Authority.	\$25.00
Motor Vehicle Security Variation / Security Swap fee	If the Lender has to make vary the Security held at the Obligers request, including new registration on the PPSR.	\$30.00
Duplicate Statement fee	If the Lender has to re-issue a duplicate statement that has already been forwarded to you at the given address for notification (this will be the email address unless otherwise requested), during or after the Term of the Loan.	\$15.00
Default Administration Fee (plus Recovery Costs)	This may be charged for any breach by you under this Agreement or if we enforce this Agreement. It compensates us for the costs incurred by us in connection with enforcement or the remedy of a breach under this Agreement. Such costs could include debt collection and repossession fees charged by a third party (Repossession Agent, Legal Provider) which will be debited to the loan for the invoiced amount. Copies of which are available upon request	\$25.00

Transaction and Other Service Charges may apply to this account – refer to our Account Fee brochure or our website

Note: We may alter the amount of these fees and charges at any time. See Clause 5.3 of the General Terms.

Please Initial