



GENERAL TERMS

These Loan Contract Terms do not contain all the information making up the agreement between you and Paraloan. Other contractual information is contained in the schedule and loan offer letter which together with these Loan Contract Terms constitute the agreement.

1. TERM OF LOAN

- The Loan shall be repaid by the date specified in the Loan Schedule.
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2. SECURITY

- All existing and future Securities from the Borrower and/or a Guarantor to the Lender shall secure the Loan, interest and other amounts payable under this Agreement.
 - The new Securities specified in the Loan Schedule and in the form required by the Lender shall be given to the Lender before any part of the Loan is drawn;
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3. DRAWING THE LOAN

The Loan may be drawn in one amount on the draw down date specified in the Loan Schedule;

Proceeds of the Loan are to be paid to:

- (a) The Borrower's Solicitor's trust account.
- or
- (b) To the Lender on account of repayment of the Borrower's existing facility with the Lender.

Once drawn, no amounts may be redrawn by the Borrower.

4. INTEREST RATE

The ordinary interest rate for the Loan is the rate specified in the Loan Schedule.

5. DEFAULT INTEREST RATE

The current Ordinary Interest Rate, as provided for by clause 4, applying from time to time plus 5 percentage points per annum ("Default Interest Rate").

6. REPAYMENT

Instalment

Until demand has been made the Loan, interest and unless otherwise indicated any other amounts payable under this Agreement shall be repaid by the number of monthly payments and in the amounts specified in the Loan Schedule commencing on the date specified in the Loan Schedule.

7. PAYMENTS

- The Borrower shall make all repayments as set out in Clause 6 by automatic payment, direct debit or in such manner the Lender may direct.
- Any other payments due under this Agreement shall be made Upon Demand.
- The Borrower may make a full prepayment of the Loan at any time.
- The Lender will accept any part prepayment of the Loan made by the Borrower at any time:
- If the due date of any payment is not a Business Day the payment shall be made on the immediately following Business Day.
- The Lender may apply payments received under this Agreement as between principal, interest or any other monies payable in whatever order the Lender chooses. This applies despite any instruction from the Borrower to the contrary.

8. INTEREST CALCULATION

- Interest, at the Ordinary Interest Rate, as provided by clause 4, shall be calculated on the amount of the Loan outstanding at the end of each day. Interest shall accrue from day to day from the Date of Advance until the Loan and any other amounts payable under this Agreement are paid in full.
- Interest shall be charged at the intervals specified in the Loan Schedule on the Loan on dates selected by the Lender regardless of the timing of the payments required under Clause 6.

9. DEFAULT INTEREST RATE CALCULATION

- If the Borrower does not make any payment on the date on which the payment was due then interest shall be payable Upon Demand and may be charged at the Default Interest Rate on a daily basis on the outstanding balance of the Loan and any other amount payable under this Agreement which remains unpaid from the date of the default in payment until the overdue payment has been paid in full.
- Any default interest which is not paid when due may be added to the overdue sum by the Lender and shall itself bear interest at the Default Interest Rate once it has been debited.

10. REVIEW OF TERMS AND CONDITIONS

- The Lender may at any time:
 - (a) Alter the number, frequency, amount or payment date of any payment to be made or the intervals at which interest is charged under this Agreement;
 - (b) Vary any non-fixed interest rate or margin applicable to the Borrower by the giving of not less than 14 days notice to the Borrower of any variation; or
 - (c) Vary any other provision of this Agreement

- (d) Any variation of the interest shall have a corresponding effect on the instalments payable under the Loan and the varied instalments shall be payable from the interest payment date next following the date which is specified in the notice.

11. DEFAULT

- When will the Borrower be in default:-
 - (a) The Borrower will be in default if:-
 - (i) The Borrower fails to make any payment when due;
 - (ii) The Borrower does not comply with any of the Borrower's obligations under this Agreement or the Borrower is in default under the Borrower's Security or any other document with the Lender;
 - (iii) The property over which any security is given pursuant to this contract ceases to be used by a paraplegic or physically disabled person.
 - (iv) Anything the Borrower or a Guarantor has told or tells the Lender or any information the Borrower or a Guarantor has given or gives the Lender, is untrue, misleading or deceptive in a material respect;
 - (v) Any Guarantor gives notice stopping the Guarantor's obligations or is in default under the guarantee or security, or a human Guarantor dies or ceases to be of full legal capacity;
 - (vi) Any of the Borrower's or a Guarantor's other indebtedness becomes due and payable before its maturity or is not paid when due or after any applicable grace period;
 - (vii) The Borrower or any Guarantor becomes bankrupt, is wound up, goes into liquidation or receivership or makes any composition with or assignment for the benefit of creditors;
 - (viii) Any security over any of the Borrower's or a Guarantor's assets becomes enforceable;
 - (ix) Any execution, attachment, distress or other process is issued against any of the Borrower's or a Guarantor's assets;
 - (x) There is a material change in the direct or indirect ownership of the Borrower or of any Guarantor which is a company;
 - (xi) All or any part of this Agreement or the Security is terminated or becomes illegal, invalid, unenforceable or of limited force and effect; or
 - (xii) Anything happens which, in the Lender's opinion, may have a material adverse affect on the ability of the Borrower or any Guarantor to perform the Borrower or the Guarantor's obligations under a Loan document, the Security or the financial condition or business of the Borrower or any Guarantor.
 - (b) What can the Lender do if the Borrower is in default
 - (b) If the Borrower is in default, the Lender may do any one or more of the following, but the Lender need not do so:
 - (i) Require the Borrower to pay to the Lender the balance of the Loan, accrued interest and all other amounts which the Borrower owes the Lender or may owe the Lender in the future (actually or contingently);
 - (ii) If the Borrower fails to make any payment when due, charge the Borrower interest on the balance of the Loan, accrued interest and all other amounts which the Borrower owes the Lender at the default interest rate under this Agreement;
 - (iii) Terminate all of the Lender's obligations to the Borrower under this Agreement; and
 - (iv) Enforce all or any of the Lender's security.
 - (c) If the Lender has not exercised any of the Lender's rights under this Agreement, the Lender has not waived those rights. The remedies

available to the Lender include those mentioned in this Agreement and any provided by law.

12. OTHER COSTS

- All fees, expenses and liabilities at any time incurred or charged by the Lender or by the Lender's agents or employees in connection with the processing, variation, release or administration of the Loan, or in the course of protecting or enforcing or attempting to protect or enforce the Lender's rights under this Agreement must be paid by the Borrower to the Lender Upon Demand.
 - By way of example only, fees and expenses may include:
 - (a) Administrative time and costs including the time of the Lender's staff or agents, whose time shall be charged at reasonable rates; or
 - (b) Legal fees and expenses on a solicitor client basis.
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13. ASSIGNMENT

- The Lender may, without notice to the Borrower, transfer the Lender's rights and obligations under this Agreement to any person. If the Lender transfers this Agreement then this Agreement and any transferred document will apply to the person to whom this Agreement has been transferred as if the person were the Lender. The Lender can give any potential Transferee any information which the Lender has relating to the Borrower.
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14. FINANCIAL INFORMATION

- The Lender may at any time require the Borrower to provide such information about the Borrower's business assets and financial condition or any security or any persons providing Security as the Lender may specify. The Borrower shall provide such information to the Lender as soon as is practicable after receiving the Lender's notice.
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15. DISCLOSURE TO ANY GUARANTOR

- The Borrower authorises the Lender to disclose or to ask the Borrower's solicitor to arrange for disclosure of the terms and conditions of this Agreement and the security (if relevant) to the Guarantors (if any).
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16. BORROWER ACKNOWLEDGMENT

- The Borrower acknowledges that:
 - (a) If the Loan is acquired for the purposes of a business, the provisions of the Consumer Guarantees Act 1993 do not apply;
 - (b) No representation, warranty or undertaking has been made by or on behalf of the Lender in relation to the Loan which is not expressly set out in this Agreement;
 - (c) In deciding to obtain the Loan and/or to proceed with any transaction or project for which the Borrower has sought the Loan, the Borrower has not received or relied upon any advice given by or on behalf of the Lender;
 - (d) The Loan repayment, interest and payment details set out in the Agreement and any further payment details accompanying this Agreement are
 - (i) calculated as at the date of this Agreement; and
 - (ii) are indicative only and may differ from the actual amounts payable under this Agreement. Reasons for this may include public holidays, default, variations in interest rates, amounts less than the full amount of the Loan being drawn or early repayment.

17. UNFORESEEN HARDSHIP

- The Credit Contracts and Consumer Finance Act 2003 gives Borrowers under a consumer credit contract the right to apply for changes to be made to their contract where they have suffered an "unforeseen hardship". Where the Borrower, in terms of the Credit Contracts and Consumer Finance Act 2003, is unable reasonably, because of illness, injury, loss of employment, the end of a relationship or other reasonable cause, to meet their obligations under this Agreement then the Borrower may apply to the Lender to change this Agreement in one of the manners set out in Section 56 of the Credit Contracts and Consumer Finance Act 2003. The Borrower must reasonably expect to be able to discharge his or her obligations if the terms of this Agreement were changed in that manner. The Borrower may not make such an application if:
 - (a) the Borrower has made a default in payment that has not been remedied (to the extent that it can be remedied);
 - (b) the Borrower has caused a credit limit to be exceeded; or
 - (c) it was reasonably foreseeable to the Borrower at the time this Agreement was made that the Borrower would be unlikely to be able to meet his or her obligations under this Agreement because of the illness, the injury, the loss of employment, the end of the relationship, or the other reasonable cause.

18. INSURANCE

[FOR USE BY INDIVIDUALS/COMPANIES/BUSINESSES]

- The Borrower shall insure and keep insured all the Borrower's assets (including stock in trade):
 - (a) Against loss or damage by fire, earthquake, theft, burglary, weather damage, marine risks and other risks as specifically required by the Lender from time to time;
 - (b) For its full replacement value and against liability on account of injury or damage suffered by the public and against other risks (including risks to the environment); and
 - (c) As specifically required by the Lender from time to time and in the absence of any specific requirement, as is prudent and in accordance with the best commercial practice.

19. LEGAL ISSUES

- The law that applies
The laws of New Zealand apply to this Agreement. The Borrower accepts the non-exclusive jurisdiction of New Zealand's courts.
- Certificate of amount owing
The Borrower agrees that a certificate from the Lender, setting out the amount which the Borrower owes under this Agreement, is proof that the Borrower owes the amount stated, unless the Borrower proves to the contrary.
- More than one borrower
If there is more than one Borrower or person comprising the Borrower, each person is individually liable for the full amount under this Agreement. Each person is still bound by this Agreement, even if anyone that, that person thought was going to sign this Agreement does not sign, or any person is not bound by or is released from part or all of their obligations under this Agreement. Borrower refers to each person. Any one person can make a draw down.
- Personal Property Securities Act 1999

Where a Security for this Agreement is to create a security interest capable of registration under the Personal Property Securities Act 1999, nothing in this Agreement or any application for the Loan gives the Lender any security over, or equity in, the relevant collateral, even if the Lender has made advances to the Borrower.

- Notices

All notices to the Lender are to be sent to the Lender at the address set out on the front page of the Agreement or any other address that the Lender advises of. The Lender may:

- (a) give notices to the Borrower; or
- (b) send the Borrower notice by ordinary post to the Borrower's registered office or to the last place of abode or business that the Lender knows of.

20. DEFINITIONS

- "Agreement" means this Loan Agreement and any variations or additions to it agreed in writing between the parties.
- "Business Day" means any day (other than a Saturday or Sunday) on which registered banks are open for business in Christchurch.
- "Date of Advance" means the date of the first draw down of all or any part of the Loan.
- "Guarantor" means any person who has given a guarantee or security for the Borrower's obligations under this agreement.
- "Loan" means;
 - (a) the amount the Borrower is entitled to draw under this Agreement; and
 - (b) any interest or other amount capitalised; and
 - (c) as set out in this Agreement, or where the context requires, the amount the Borrower has actually drawn.
- "Security" or "Securities" means all existing and/or future security or securities from the Borrower and/or a Guarantor to the Lender.
- "Upon Demand" means upon demand being made by notice in writing signed by the Lender, or an agent, clerk or servant of the Lender, served upon the Borrower, either personally or by posting the same by ordinary post to the Borrower's registered office at last place of abode or business that the Lender knows of..
- Reference to a "person" includes a natural person, company, corporation, trust, partnership, firm joint venture or Government agency, in each case whether or not having separate legal personality, and any association of entities.
- Reference to a "clause" or a "schedule" is a reference to a clause or a schedule to this Agreement.
- Examples – where an example is given, it does not limit what else may be included.
- Headings – headings are inserted for convenience only. They do not effect the interpretation of this Agreement.