

Finance Proposal

Building A

4 Graham Street, Auckland.

Private and Confidential

11 April 2016

ASB Bank Limited



FUNDING PROPOSAL

Thank you for your recent application to assist with the acquisition of Building A, 4 Graham Street, Auckland.

ASB Bank Limited ("ASB") has considered your application and we are pleased to advise that ASB is able to provide funding on the terms contained in this Finance Proposal.

To accept this Finance Proposal, ASB must receive your written confirmation prior to 15 April 2016. If ASB does not receive your confirmation by this date, the terms of this proposal are withdrawn.

Should you decide to proceed with this proposal, all facilities provided to you by ASB shall be subject to ASB's lending criteria, including ASB's General Terms and Conditions. The terms of the documents and any special conditions will be fully detailed in ASB's Facility Agreement(s) and security documentation ("the Documents"). If there is any conflict between the terms of this Finance Proposal and the terms of the Documents, the terms of the Documents shall prevail.

The Documents will be completed based on the named Loan Applicant(s) and Guarantor(s) described in the Facilities attachment. Should you wish to change these entities ASB may charge you ASB's then current re-documentation fee.

Subsequent Charges	Under the terms of the security documentation that will apply to your ASB lending (set out in Banking Finance Proposal) you must get the prior written consent of ASB before creating or granting a security interest or a subsequent charge over the proposed security property or collateral.
Interest Rates	<p>Interest rates offered must be accepted by you and written confirmation received by ASB within 5 (five) working days from the date of this letter.</p> <p>The interest rates will then be available for a maximum of 60 days from the date of receipt of your acceptance. If the facilities are not drawn down within this 60 day period the interest rates will be re-negotiated.</p>
Insurance	Comprehensive insurance is required for all secured assets, with ASB's interest noted.
Fees and Costs	All legal costs and other expenses incurred in the preparation of the documents are to be paid by you upon demand. The legal costs will include ASB's own legal costs, where ASB requires its own solicitors to act (for example, to prepare or peruse documentation). ASB will consult with you prior to requesting its own solicitors to act on its behalf.
Confidentiality	This Finance Proposal is only intended for the Customer/Borrower and any Guarantor. The contents should be held in confidence by such persons and not disclosed to any third parties, including other financial providers without ASB's consent.
Completion	<p>On receipt of written confirmation from you, in the form attached, that you wish to proceed with this Finance Proposal, ASB will proceed to document the Facilities.</p> <p>If the Documents are not completed to ASB's total satisfaction then ASB will be under no obligation to provide the facilities referred to in this Finance Proposal.</p> <p>The processing fee already paid will not be refunded (unless ASB in its absolute discretion agrees otherwise) and the Borrower will remain liable for any legal costs incurred and other expenses referred to above.</p>

Conclusion

If there is any part of this Finance Proposal on which you require further clarification, please do not hesitate to contact me on 09 337 4211.

Yours faithfully,



Matthew Brown
Relationship Manager
ASB Property Finance

Schedule 1 – Facilities

Facility 1

Borrower(s)	Building A Graham Street Limited Partnership
Guarantors	AFM GP (Building A Graham Street) Limited Building A Graham Street Custodian Limited
Facility Type	Committed Cash Advance Facility
Facility Limit	\$53,200,000
Term	<p>Extendable Facility An extendable facility with an initial term of 60 months.</p> <p>With an extendable term, the facility is reviewed annually and subsequently extended by a further 12 months at the agreement, at that time, of both the Bank and Borrower.</p>
Purpose of Facility	To fund the acquisition of Building A, 4 Graham Street, Auckland.
Interest Rate	<p><u>Extendable Facility Pricing</u> The current 30-day BKBM Bid Rate (currently 2.315% per annum), plus a Lending Margin of 1.58% per annum.</p> <p>In the event you request the Bank to exercise the extendable component of the loan facility, and ASB approves this, thereby extending the term of the loan for a further 12 months, the Bank may re-price the facility Lending Margin. The current market price for the further 12 month extension will be blended with the current rate for the remaining term of the initial facility, to determine a new Lending Margin.</p> <p>You may elect to take a swap to hedge your interest rate risk, however this will include a right to break clause in the event the term of the swap exceeds the loan term</p>
Establishment Fee	Waived
Repayments	Interest is payable in arrears at the end of each drawing period. A drawing period can range from 1 – 90 days.
Drawdowns	Drawdown is subject to all conditions precedent being met and relevant Conditions After Advance with all securities in place. Any repayment may not be redrawn.

Schedule 2 – Securities

1. A first General Security Deed (all obligations) on our standard form, over all the borrowers assets and undertakings of Building A Graham Street Limited Partnership, in respect of which a financing statement will be registered on the Personal Property Securities Register (“PPSR”);
2. An unlimited all obligations guarantee and indemnity, on our standard form, from AFM GP (Building A Graham Street) Limited supported by; a first General Security Deed (all obligations) on our standard form, over all assets and undertakings of AFM GP (Building A Graham Street) Limited, in respect of which a financing statement will be registered on the Personal Property Securities Register (“PPSR”);
3. An unlimited all obligations guarantee and indemnity, on our standard form, from Building A Graham Street Custodian Limited supported by;
 - i. a first General Security Deed (all obligations) on our standard form, over all assets and undertakings of Building A Graham Street Custodian Limited, in respect of which a financing statement will be registered on the Personal Property Securities Register (“PPSR”);
 - ii. a first registered all obligations mortgage, on our standard form, over the property at 4 Graham Street, Auckland being the land comprised in certificate of title 708753.

Schedule 3 – Special Conditions

Provision of the facilities will be subject to the terms and conditions that apply to all products and services which are available from ASB.

Conditions Precedent

1. A Director's Certificate completed and executed by the Directors of the borrowers General Partner , on our standard form.
2. A Director's Certificate, completed and executed by the Directors of each guarantor company, on our standard form.
3. A new valuation for the Security Property from an approved Registered Valuer (Jones Lang La Salle is acceptable). The report is to value the Security Property as is. In addition the report is to be for mortgage lending purposes, addressed to ASB and be satisfactory to us in all respects.
4. A copy of all Chapman Tripp due diligence completed on behalf of the manager. Chapman Tripp is to confirm for our benefit that we may rely upon their reports. The limitation of Chapman Tripp's liability limitation to us, together with the content of the report is to be to our satisfaction.
5. You are to provide us with a copy of the product disclosure statement prior to drawdown.
6. The Interparty Deed entered into with the statutory supervisor is to be drafted to include a clause that provides the ability for the scheme manager to enter into swap agreements without requiring the consent of the statutory supervisor.
7. Evidence that relevant insurance policies (including, but not limited to public liability and loss of rental insurance for not less than 24 months, or otherwise) are in place and our interest is noted.
8. A copy of all current Building Warrants of Fitness and compliance schedules in terms of The Building Act 2004, relating to applicable buildings which come under/form part of the proposed security.
9. The Bank and the Borrower acknowledge and agree that:
 - a. The Borrower has entered into the Transaction Documents in connection with its proposed issue of managed investment products to the Investors for the acquisition of the Security Property - as described in certificate of title 708753. The Borrower is a limited partnership and a 'scheme' for the purposes of the Financial markets Conduct Act 2013 (Scheme);
 - b. All the managed investment products issued to each of the Investors have been issued subject to the terms, including the payment and performance obligations, specified in the Transaction Documents;
 - c. The personal liability of each of the Investors under the Transaction Documents is limited to the moneys invested by each Investor in the Limited Partnership; and
 - d. In the event that there is any shortfall consequent upon the exercise by the Bank of its enforcement rights under and pursuant to the Transaction Documents, the Bank shall have no rights of recourse personally against the Investors.

Conditions After Advance

1. At each anniversary of the loan, we will consider a 12 month extension to the term of the loan, so that the term remaining is re-set to five years. ASB is under no obligation to offer such an extension (which may include increase or decrease in the margin) and you are not obliged to accept the offer.
2. The borrower must maintain Loss of Rental Income insurance for not less than 24 months and adequate Public Risk insurance for all properties charged to us, and provide evidence of same to us upon request.
3. ASB interest coverage is at all times to be maintained at not less than 2.00 times, calculated as net rental income generated from ASB security properties/ASB interest.
4. The borrower is to maintain, where applicable, for all buildings that form part of our security a current Building Warrant of Fitness and provide the same to us on request.
5. If, at any time, we determine that amounts outstanding to us (under this or any other facility, but any excluding swap limits) exceed 50% of the value of our security we may give notice to you requiring you, within 30 days, to prepay such amount and/or (at our absolute discretion) provide additional security acceptable to us to ensure that this ratio is no longer exceeded.
6. The borrower undertakes that you will not agree to a change by way of assignment of the syndicate manager or the property manager as set out in the Governing Document, without our prior consent. A change in the syndicate manager will be an event of review.
7. We reserve the right to request updated registered valuations at your expense.
8. Rental income from the security property is to be directly banked into your account with us.
9. Any additional borrowing request, including cheque clearance, temporary overdrafts or similar must be provided to us in writing from the Directors of the Borrower's General Partner.
10. Facilities are subject to annual review with the following financial information to be provided on request:
 - i. Latest annual accounts within 180 days of financial year end.
 - ii. Updated tenancy schedule for the security property.
 - iii. Other relevant financial information as required by the Bank.
11. Swap Conditions
 - i. The Swap Facility shall be used only for interest rate Swaps relating to loans from ASB Bank Limited (the "Bank").
 - ii. It may not be used for speculative purposes.
 - iii. Individual Swap contracts must mature and or expire no later than the 60 months from the date of drawdown.
 - iv. Any contract taken out under the Swap Facility cannot be settled early without the prior written consent of the Bank.
 - v. If indebtedness to the Bank is repaid and release of relative security required, any outstanding Swap contracts must first be settled or alternative security acceptable to the Bank provided.
 - vi. After the expiry of the CCAF, any Swap contract taken out under the Swap Facility may be terminated by the Bank at any time.

ASB Bank Limited,
Property Finance Unit
Attention: Matthew Brown (email: Matthew.Brown@asb.co.nz)

CONFIRMATION TO PROCEED WITH FINANCE PROPOSAL

1. I/We instruct ASB Bank Limited ("ASB") to proceed with preparation of a Facility Agreement and all other documentation required to give effect to the Finance Proposal dated the 8 April 2016.
2. I/We acknowledge our liability for all legal costs and other expenses, associated with the completion of ASB's requirements including ASB's own legal costs. I/We acknowledge that I am/ we are liable for these costs whether or not the facilities proceed, (unless ASB in its absolute discretion agrees otherwise.)
3. I/We confirm that all information provided to ASB in connection with the Finance Proposal is true and accurate. No information has been omitted or withheld which would cause any information given to be misleading or incomplete in any material respect.
4. Privacy Act 1993.
 - (a) I/We confirm that our solicitors in this transaction is/are:
Firm:
Solicitor Acting:
Phone Number:
Fax:
Postal Address:
 - (b) I/We agree that all of my/our personal information collected by ASB may be used by the ASB Group of Companies to advise me/us of other products and services; and
 - (c) I/We authorise the release to ASB at any time of all personal information held by;
 - (i) any credit reference agencies, any previous employers and/or other providers of credit regarding my/our previous employment and credit history (including a credit check and fraud check); and
 - (ii) any solicitor, accountant or other person authorised by me/us.
 - (d) I/We authorise ASB to release or obtain information relating to this transaction to / from professional consultants and other secured parties which may include quantity surveyors, valuers, accountants, lawyers, mezzanine financiers or any other consultant that ASB reasonably considers necessary.
 - (e) I/We authorise ASB to use its credit reference agency in the future for purposes related to the provision of credit to me/us.

Yours faithfully,

Signed by Augusta Funds Management Ltd as Manager of the Borrower



Directors Signature



Directors Signature

MARK EDWARD FRANCIS .

Print Full Name

Bryce Robert Barnett

Print Full Name