

Rental Agreement Terms and Conditions

CUSTOMERS COPY

To be Given
to the Customer

1. Governing Law

This Rental Agreement is governed by the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of the laws of New Zealand.

2. Ownership of Equipment

The Lessor is the owner of the Equipment, and the Lessee shall merely have a right to use the Equipment for the Lease Period specified in the Lease Schedule subject to the terms and conditions of this Agreement. The Lessee must protect the Lessor's ownership of the Equipment at all times and shall not commit any act or do anything which is inconsistent with the Lessor's rights of ownership in respect of the Equipment.

3. Status of Agreement

The terms of this Agreement shall apply notwithstanding the damage or destruction of the Equipment and the Agreement may only be cancelled or terminated in accordance with its terms.

4. Payment, Default Interest, Early Repayment

4.1 The Lessee shall pay on the due date each payment specified in the Lease Schedule (and if not specified, then those amounts so as to amortise payment of the total rental amount payable over the Lease Period). All payments shall be made to the Lessor or to such other place as the Lessee is notified by the Lessor from time to time in writing. Unless the Lessor otherwise agrees, all payments due must be made by direct debit from the Lessee's bank account or from the Lessee's credit card.

4.2 The Lessee shall pay interest of 1.5% per month on any payments as a result of a payment default, which become payable under this Agreement, and that are not paid on the date on which they become due. Such interest shall accrue to and include the date of actual payment. In addition, the Lessee shall pay the Lessor a administration fee for each late payment equal to 10% of the amount overdue or \$25, whichever is the greater. All payments by the Lessee shall be made without any deduction, set off or counter claim.

5. No Warranties

5.1 The Lessor makes no warranty that the Equipment is suitable for the Lessee's intended purpose.

5.2 As the Equipment has been leased by the Lessee for a business use, nothing in the Consumer Guarantees Act 1993 shall apply to the Lessor's services or the lease of the Equipment (to the extent the Lessor may be construed a supplier of goods or services).

5.3 No agent of the Lessor is authorised to amend any term of this Agreement or to make any warranties concerning this Agreement.

6. Maintenance of Equipment

The Lessee shall keep the Equipment in good order and repair, fair wear and tear excepted. If repairs become necessary, the Lessee shall have the Equipment repaired by the Lessor or by someone nominated or approved by the Lessor, unless this is not practicable in the circumstances in which event the repairs shall be carried out in a proper workmanlike manner. The Lessee shall pay for all repairs carried out to the Equipment (unless these are carried out under any warranty or insurance cover given by the Lessor or the manufacturer of the Equipment) and will not allow any charge or lien to be created over the Equipment for any work done upon the Equipment. If the Lessee fails to pay for any repairs carried out or work done to the Equipment, the Lessor may pay for the same and recover the cost from the Lessee.

7. Lessee Covenants

The Lessee shall:

7.1 not remove the Equipment from the address specified on the front of this Agreement without first obtaining the Lessor's prior written consent;

7.2 notify the Lessor immediately if the Equipment is taken out of the Lessee's possession for any reason, and shall give full particulars of the address (if known) to which the Equipment has been removed;

7.3 not dispose of, part with possession of, modify or alter the Equipment except with the Lessor's prior written consent;

7.4 immediately give written notice to the Lessor of any change in the Lessee's address or contact details;

7.5 keep the Equipment insured for the maximum insurable value of the Equipment (including replacement value if required by the Lessor) against fire, accident, theft and such other risks as the Lessor requires, and if required by the Lessor, in the names of the Lessor (including its assignees) and the Lessee for their respective rights and interests with an insurer approved by the Lessor. The Lessee will punctually pay the premiums for the insurance and will (if the Lessor requires) deliver the policies and the premium receipts to the Lessor. The Lessor shall be entitled to receive all moneys payable under such policy or payable by any other person in respect of damage to or loss of the Collateral or Security Property. For this purpose, the Lessee assigns by way of security to the Lessor all the Lessee's right, title and interest in and all benefits relating to such policy, the proceeds thereof and any moneys otherwise payable by any person in respect of damage to or loss of the Collateral or Security Property. All moneys payable under any such policy shall be paid to the Lessor who may apply them at the Lessor's sole option either in making good damage to the Collateral or Security Property or towards payment of all moneys payable under or secured by this Agreement whether or not the due date for payment has arrived;

7.6 not do or omit to do anything whereby any lien on the Equipment shall arise, and will not permit the Equipment to become affixed to any land or to become an accession to any other collateral or permit the Equipment to become encumbered in any way without first obtaining an acknowledgement or waiver in such form as the Lessor requires acknowledging the Lessee's interest in the Equipment as separate and paramount;

7.7 permit the Lessor and any persons authorised by the Lessor to have access to the Equipment and all records, insurance policies and other documents relating to the Equipment, and at all reasonable times to test or inspect them;

7.8 comply with the provisions of all laws affecting the Equipment or the use or possession of the equipment and shall keep the Equipment registered or licensed as required. The Lessee will indemnify the Lessor against any claims resulting from the use or installation of the Equipment causing damage to any person or property.

7.9 assume and bear the loss of any damage to the Equipment. If the Equipment is damaged, destroyed or lost, the Lessee agrees to repair or replace the Equipment at the Lessee's cost and continue to pay rent in accordance with the Agreement.

8. Default

A default by the Lessee shall arise if:

8.1 the Lessee fails to make payment of any amount payable under this Agreement;

8.2 the Lessee permits or suffers an act of bankruptcy or, being a company goes into liquidation, or has a receiver appointed over its assets or is deemed to be unable to pay its debts under any relevant legislation;

8.3 any execution is levied upon the Equipment, or the Lessee allows the Equipment to be seized or removed so as to satisfy other debts;

8.4 the Lessee fails to insure, or keep insured, the Equipment or if any insurance policy in respect of the equipment is cancelled;

8.5 the Lessee otherwise makes default in the observance or performance of any of the covenants or conditions contained or implied in this Agreement and fails to rectify such default within 15 days (or any lesser period permitted by law) of receipt of written notice from the Lessor requiring the Lessee to do so; or

8.6 the Lessee does or causes to be done or permits or suffers any act or thing which prejudices or places in jeopardy the Lessor's rights in the Equipment or under this Agreement.

9. Enforcement

9.1 Following a default under clause 8 occurring and the expiry of any notice period required by law, the Lessor may issue a notice terminating this Agreement ("Termination Notice")

and all moneys payable under this Agreement shall immediately become due and payable (whether the due date has arisen or not).

9.2 Upon the receipt of a Termination Notice, the Lessee must immediately pay the Lessor as liquidated damages the present value of the remaining rentals discounted at the implicit interest rate the Lessor used to calculate the rental payments, and return the equipment to the Lessor.

9.3 If the Lessee does not return the Equipment within 5 working days of the date of service of a Termination Notice or at any time the Lessor considers the Equipment to be at risk (within the meaning of the Credit (Repossession) Act 1997), then (subject to the provisions of the Act, the Credit (Repossession) Act 1997, and the Property Law Act 1952) the Lessor may take and keep possession of all or part of the Equipment and may exercise any or all of its powers of enforcement.

9.4 To exercise the rights of repossession and enforcement, the Lessee irrevocably gives the Lessor its managers or its representatives leave and licence without needing to give any notice to enter upon the address where the Equipment is stored and, if necessary, break into any buildings occupied by the Lessee where the Equipment may be or may be supposed to be held and, as the agent of the Lessee, to enter upon any other land, buildings or premises which the Lessee might enter upon and where the Equipment may be or may be supposed to be held and to search for, remove and take possession of the Equipment without being liable in any way to the Lessee or anyone claiming under the Lessee for so doing, including any claims for consequential loss or damage.

9.5 The costs of the Lessor of and incidental to enforcing or attempting to enforce its rights under this Agreement or the Act shall be payable by the Lessee and may be recovered by the Lessor as a debt due. Furthermore, the Lessee shall repay to the Lessor any costs incurred (including legal and administrative costs) in relation to the recovery of any overdue payment. Such costs shall include default administration fees for each default by the Lessee or Guarantor as charged by the Lessor from time to time.

9.6 The exercise of the Lessor's rights and remedies under this clause 10 shall include, and be subject to, the provisions of the Act, the Credit (Repossession) Act 1997, and the Property Law Act 1952, unless lawfully excluded in this Agreement.

10. Attorney

The Lessee irrevocably appoints the Lessor and its agents, managers and directors, severally to be the attorney of the Lessee (each an "Attorney") in the name of and as the act of the Lessee and at its expense in all things, do anything which the Lessee agrees to do under the provisions of this Agreement or which, in the Attorney's opinion, is necessary or expedient to give effect to any right, power or remedy conferred on the Lessor by this Agreement, by law or otherwise. Each Attorney may:

10.1 delegate its powers (including this power of delegation) to any person for any period, and revoke a delegation; and

10.2 exercise or concur in exercising its powers even if the Attorney has a conflict of duty in exercising its powers or has a direct or personal interest in the means or result of that exercise of powers. The Lessee hereby ratifies and agrees to ratify anything done by its Attorney or any delegate in accordance with this clause.

11. Renewal

30 days prior to the expiry of the Lease Period, the Lessee shall give the Lessor notice of the Lessee's intention to either:

11.1 Return the Equipment to the Lessor in good working order and repair; or

11.2 Negotiate with the Lessor for an extension of the Lease Period at a fair market rental. In the event that the Lessee does not give notice of either option, the Lessee's Obligations under this Agreement shall continue to apply notwithstanding the expiry of the Lease Period without prejudice to the Lessor's rights and remedies under this Agreement.

12. Costs

The Lessee agrees that:

12.1 The costs of all taxes and stamp duties in connection with this Agreement are payable by the Lessee;

12.2 Any expenses incurred by the Lessor in connection with enforcement with this Agreement shall be payable by the Lessee;

12.3 The Lessee indemnifies the Lessor for any loss or damage to the Equipment;

12.4 The Lessee indemnifies the Lessor for any death or damage to any person or property arising directly or indirectly from the Equipment or its use;

12.5 The Lessee indemnifies the Lessor for any intellectual property claim brought against the Lessor as the result of the Lessor's ownership of the Equipment or its use.

13. General

13.1 Notices under this Agreement shall be given and served in accordance with the Act or Section 38 of the Credit (Repossession) Act 1997, as applicable. The Lessee must immediately notify the Lessor of any change to the Lessee or Guarantor's business address, postal address, or other contact details.

13.2 The Lessor has the full right of assignment of its right, title and interests under this Agreement, and all the rights and powers of the Lessor under this Agreement may be exercised by any assignee of this Agreement as fully and effectually as they might have been exercised by the Lessor. Subject to the Act, and the Credit (Repossession) Act 1997, unless consented to by the Lessor in writing, the Lessee may not assign its rights and interests under this Agreement. The Lessee agrees

13.3 If the Lessor makes any indulgence or concession to the Lessee under this Agreement, this shall not waive or be deemed to waive any of the Lessor's rights, or operate or be deemed to operate as a variation of this Agreement. No waiver by the Lessor shall be effective unless in writing and signed by an authorised signatory of the Lessor.

13.4 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any relevant jurisdiction, that illegality, invalidity or unenforceability shall not affect the ability of the Lessor to enforce the provisions (or, as the case may be, the remaining provisions) of this Agreement, nor shall such affect or impair the legality, validity or enforceability of those provisions under the law of any other jurisdiction.

13.5 In consideration of the lease of the Equipment by the Lessor to the Lessee, the Guarantor guarantees to the Lessor, and indemnifies the Lessor against loss incurred by the Lessor from a breach in the due and punctual payment of the moneys owed to the Lessor by the Lessee and the observance and performance of the Lessee's obligations under this Agreement. The Guarantor is liable under this guarantee and this Agreement as if it were the sole principal Lessee and not merely a surety. The Guarantor agrees that no indulgence, granting of time, waiver or forbearance to sue or any other thing whereby the Guarantor would be released as a surety or otherwise shall in any way release the liability of the Guarantor under this Agreement. The guarantee under this clause 14.5 is in addition to and not in substitution for or in replacement of any guarantee and indemnity granted by the Guarantor.

13.6 In this Agreement unless the context requires otherwise, the following terms shall have the following meanings:

"Act" is defined in clause 1, and references to the Act or any section of the Act or any other legislation shall include any successor or substituted legislation or section.

"Agreement" means this Agreement and includes any variation or modification of this Agreement. "Lessee and Guarantor" includes each and every person, jointly and severally, named as such, their executors and administrators and assigns.

"Equipment" means the equipment specified in the Lease Schedule. "Lessor" includes the successors and assignees of the Lessor, and the representatives and agents of the Lessor. "Termination Notice" is defined in clause 9.1

WHAT COULD HAPPEN IF YOU FAIL TO MEET YOUR COMMITMENTS:

Security interest:

The creditor has an interest in the property listed below or on the dealer / vendor invoice attached to secure performance of your obligations under the contract, or the payment of money payable under the contract, or both. **If you fail to meet your commitments under the contract, then to the extent of the security interest, the creditor may be entitled to repossess and sell this property.**

Default interest charges and default fees:

In the event of a default in payment and while the default continues you must pay the default interest charges. In the event of a breach of the contract or on the enforcement of the contract, the default fees specified below are payable. Your credit contract may allow the creditor to vary these fees and charges. The following credit fee(s) and charge(s) (which are not included in the initial unpaid balance) are, or may become, payable under, or in connection with, the contract. (Please also refer to Clause 3 of the Terms and Conditions)
Default interest is 30%. Default interest becomes payable from overdue date.

Schedule of Fees:

Default Fees:

- Overdue Account Reminder Letter Fee:	\$1.00
- Overdue Account 2nd Reminder Letter Fee:	\$5.00
- Overdue Account 3rd Reminder Letter Fee:	\$5.00
- Dishonoured Payment Fee: (Per Dishonour)	\$20.00
- Repossession Authorisation Fee:	\$40.00
- Termination of Account Fee:	\$50.00

In the Event of Repossession, the following charges may apply:

- Statement of Account After Sale Fee:	\$50.00
- Post Repossession Letter Fee:	\$40.00
- Notice of Demand Letter Fee:	\$25.00
- Administration Default Fee:	\$25.00
- Storage Fee:	\$37.50
- Trace Fee:	\$120.00

FULL REPAYMENT

If you pay the unpaid balance in full before the final payment is due (**full prepayment**), you may be required to pay a fee or charge to compensate the creditor for any loss resulting from the full prepayment. The creditor may have suffered a loss if the creditor's current interest rate is lower than the interest rate applying to your original consumer credit contract. You may also have to pay the creditor's administrative costs relating to the full prepayment.

Administrative costs/fees: \$25.00 closure administration fee. (Waived if balance outstanding less than \$500.00 or Term remaining less than 12 months)

RIGHT TO CANCEL:

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 contract have been disclosed to you

How to cancel:

If you want to cancel this contract you must give written notice to the creditor.

*You must also-

return to the creditor any advance and any other property received by you under the contract (but you cannot do this if you have taken possession of any goods or if you bought any property at an auction or if the contract is for the sale of services that have been performed); or

pay the cash price of the property or services within 15 working days of the day you give notice.

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

Time limits for cancellation:

If the disclosure documents are handed to you directly you must give notice that you intend to cancel within 3 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 5 working days after the electronic communication is sent.

If the documents are mailed to you, you must give the notice within 7 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 contract the creditor can change you –

the amount of any reasonable expenses the creditor had to pay in connection with the contract and its cancellation (including legal fees and fees for credit reports, etc); and interest for the period from the day you received the property or services until the day you either pay the cash price for the property or services or return the property to the creditor.

Interest for the period from the day you received the advance until the day you repay the advance.

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.

Credit Reporting Privacy Code 2004

I understand that Gilrose Finance Company Ltd have asked me for personal information about me so as to use Baycorp Advantage's credit reporting service to credit check me. I understand that:

- Baycorp Advantage will give you information about me for that purpose.
- You will give my personal information to Baycorp Advantage, and that Baycorp Advantage will hold that information on their systems and use it to provide their credit reporting service.
- When other Baycorp Advantage customers use the Baycorp Advantage credit reporting service, Baycorp Advantage may give the information to those customers.
- If I default in my payment obligations to you, information about that default may be given to Baycorp Advantage, and Baycorp Advantage may give information about my default to other Baycorp Advantage customers.