

TERMS AND CONDITIONS ATTACHING TO LOANS GRANTED BY ARK RESOURCES LTD (hereafter referred to as “the Company”)

1. SIZE OF LOANS

- a) The size of any loan granted shall not be greater than that stated on the original application form or since amended by notification in writing by the applicant. Any increase so advised shall be accepted only at the discretion of the Directors. Those awaiting loans shall inform the Directors, in writing, of the details of their current mortgage situation upon request.
- b) The applicant shall supply to the Company an appropriate valuation report and a copy of their current rating valuation.
- c) Loans given will be subject to the following lending criteria:
 - i) An acceptable ratio of the loan to the valuation of the residence, normally 95% maximum.
 - ii) The applicant’s ability to meet all commitments. An acceptable ratio of loan commitments to the applicant’s gross income is normally 35% maximum.

2. LOAN REPAYMENTS

- a) The loan will be repayable by regular weekly, fortnightly or monthly installments as agreed with the Directors. If payment is not received, the loan shall be repaid immediately upon written demand from the Company to the borrower.
- b) In principle borrowers are asked to repay as quickly as possible in order to assist others waiting for loans. The standard period within which a loan by the Company must be repaid shall be seven years, but this term may be increased upon advice from Liberty Trust if the applicant has postponed taking the loan or contributed at an increased rate.
- c) Repayments by borrowers shall be the lesser of:
 - i) The repayment rate which they previously paid before their mortgage was refinanced, or
 - ii) Either 35% of gross joint income, or 30% of the gross income of a single income earner.
- d) Repayments are instalments of principal plus payment of fees, costs or interest if applicable.

3. PURPOSE OF MORTGAGE FINANCE

All loans by the Company shall be applied for the purchase or refinancing of the borrower’s residential home, church or rental properties, or for some other purpose approved by the Directors. In the event that the mortgaged property is leased or used for commercial purposes without the approval of the Directors, the Directors shall have the right to recall the loan.

4. SECURITY

The loan shall be secured by a New Zealand or Australian registered mortgage. The intending borrower must agree in the mortgage document that he/she will not enter into a further mortgage on the secured property without the consent of the Company.

5. COSTS OF MORTGAGE REFINANCING

Any legal costs, interest, valuation fees etc. incurred by the Company in refinancing existing or registering new mortgages shall be payable by the borrower. At the discretion of the Directors, these costs may be added to the borrower’s loan. In addition, a once-only administration fee of \$400 is incurred when the loan is provided and may be added to the loan.

6. INSURANCE

- a) The borrower shall insure the property at its full replacement value, noting the Company’s interest in the property, and provide a copy of the insurance policy to the Company.
- b) Every person receiving a loan from the Company is strongly recommended to have in existence or take out sufficient mortgage repayment insurance to indemnify the Company in the event of the death or permanent incapacity of the borrower.

7. SALE AND PURCHASE OF HOME

Should a borrower sell a property that is mortgaged to the Company; the Company may consider transfer of the mortgage securing the loan to a replacement property, subject to satisfactory valuation, and may incur an additional administration fee of \$200.

8. SERVICE OF NOTICE

It shall be the duty of each applicant/borrower to promptly inform the Company in writing of any change in their address or relevant details.

9. IF LOAN NOT IMMEDIATELY REQUIRED

If the applicant does not require finance when offered by the Company, the loan may be either:

- a) Taken up later upon the request of the applicant. At that time the applicant’s request will be given first priority, or:
- b) Given to a nominee of the applicant, providing the loan does not exceed that advised by the applicant previously. The Directors must first approve the nominee’s proposal in the same way as that of the original applicant.

10. TRANSFER OF APPLICATION FOR LOAN

An applicant who has not received a loan may transfer the application to another person, subject to approval by the Directors. Such a transfer and its terms shall otherwise be by arrangement between the transferor and transferee.

11. DISPUTE

In the event of a dispute the Directors shall give serious consideration to any representation from the applicant’s church leadership.

12. GUIDE ONLY

These terms and conditions are intended as a guide only, and in the event that any of these terms or conditions conflict with the provisions of the loan or mortgage document(s), then the loan or mortgage document(s) shall prevail.