

Denne melding til obligasjonseierne er kun utarbeidet på engelsk. For informasjon vennligst kontakt Nordic Trustee AS

To the bondholders in:

ISIN: NO0010759376 - 12 % Hilleren Tomteselskap AS Senior Secured
NO0010759384 Callable Bond Issue 2016/2017 (NOK and SEK
Tranche)
NO0010759392 - 20 % Hilleren Tomteselskap AS Junior Secured
NO0010759400 Callable Bond Issue 2016/2017 (NOK and SEK
Tranche)

Oslo, 13 March 2018

Summons to Bondholders' Meeting

1. Introduction

Nordic Trustee AS (the "**Bond Trustee**") acts as trustee for the holders of the bonds (the "**Bondholders**") in all the above mentioned bond issues (the "**Bonds**" or the "**Bond Issues**") issued by Hilleren Tomteselskap AS (the "**Issuer**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreements, both dated 22 March 2016 and made between the Bond Trustee and the Issuer. References to Clauses and paragraphs are references to Clauses and paragraphs in the Bond Agreement.

The information in this summons regarding the Issuer and market conditions are provided by the Issuer, and the Bond Trustee has no factual knowledge of the content herein and expressly disclaims all liability whatsoever related to such information.

2. Background

Following the Bond Issues, the Issuer has spent all proceeds from the Bond Issues and is unable to repay the Bonds on their Maturity Date. Accordingly, the Issuer is asking the Bondholders for certain waivers, in order to continue its operations, hereunder an extension of the Maturity Date until 20 June 2018, postpone all interest payments until the New Maturity Date without any penalty interest being applicable, allow the Issuer access to restricted cash, currently held at a pledged and blocked bank account and allow the Issuer to assume new debt in the maximum amount of NOK 3,000,000 on super senior priority, ranking ahead of the Bond Issues on equal or better terms.

The Issuer has further prepared a letter to the Bond Trustee, attached hereto as Attachment 1.

3. The Proposal

In accordance with Clause 16.2 of the Bond Agreements, the Issuer has approached the Bond Trustee to convene a meeting of Bondholders ("**Bondholders' Meeting**") in order to consider the Issuer's request to amend the terms of the Bond Issues as set out below, pursuant to the authority given to the Bondholders' Meeting under Clause 16.1 of the Bond Agreement.

The Issuer proposes that the Bond Agreement is amended to reflect the following proposed amendments “the **“Proposal”**”:

- I. The Maturity Dates for both Bond Issues are extended to 20 June 2018 (the **“New Maturity Date”**).
- II. No interest under the Bond Issues shall be paid until the New Maturity Date and no penalty interest shall apply on the Bonds prior to the New Maturity Date.
- III. The Issuer shall be allowed to assume a new super senior loan facility in the maximum amount of NOK 3,000,000 on equal or better terms than the Bond Issues and ranking ahead of the Bond Issues in priority;
- IV. The Issuer shall be granted access to NOK 1,515,000 of the secured cash standing to the credit of the Escrow Account, such cash to be used in the following manner:
 - a. completion of accounts
 - b. audit
 - c. complete project planning
 - d. due diligence and independent report from engineer or similar
- V. Prior to the New Maturity Date, the Issuer shall be required to deliver a revised “project plan” to the Bond Trustee, for further distribution to the Bondholders.

The expenditures listed in item IV a-c above shall be used in in the manner set out in the budget attached hereto as Attachment 2, and the Issuer shall within three (3) banking days from so being requested be obliged to deliver satisfactory documentation evidencing proper use to the Bond Trustee.

4. Consideration

In consideration for accepting the Proposal, and a condition for the effectiveness of the Proposal, if approved by the Bondholders, the Issuer shall procure that the Bondholders receive 20 % of the shares of the Issuer (the **“Distributed Shares”**). The Distributed Shares shall be allocated to the Bond Trustee within 15 calendar days from the date of the Bondholders’ Meeting and shall be held by the Bond Trustee (or such other entity assigned by the Bond Trustee) for further distribution to the Bondholders. If the Proposal is accepted, the Bond Trustee will provide the Bondholders with further information on how the Distributed Shares will be allocated to the Bondholders.

Further, if the Proposal is accepted, the Bond Trustee will appoint (at the cost of the Issuer) an independent engineer or similar, to do a due diligence on the viability and economics of the project contemplated under the Bond Issue, and provide the Bond Trustee with a report, which will be distributed to the Bondholders.

5. Further information

For further information on the Proposal, please contact the Bond Trustee on +47 22 87 94 45 or slagsvold@nordictrustee.com or the Issuer att: Knut Jørge Hauge on hauge.kj@gmail.com or 411 07 400.

6. The Bond Trustee’s remark

The Bond Trustee wants to remind the Bondholders that the Bond Issues is secured by the first and second priority Land Mortgage, the Escrow Account Pledge the Share Pledge and certain other securities, and hence, one of the alternatives to accepting the Proposal is to instruct the Bond Trustee to enforce the Security Interest and sell the assets of the Issuer on behalf of the Bondholders.

7. Non-reliance

The information in this summons has been prepared by the Issuer. The Proposal is put forward to the Bondholders without further evaluation or recommendation by the Bond Trustee. Nothing herein shall constitute a recommendation to the Bondholders by the Bond Trustee. The Bondholders must independently evaluate whether the Proposal is acceptable and vote accordingly.

8. Summons to a Bondholders' Meeting

Bondholders are hereby summoned to a Bondholders' meeting:

Time: 27. mars 2018 at 1300 hours (Oslo time),
Place: The premises of Nordic Trustee AS,
Haakon VIIIs gt 1, 0161 Oslo - 6th floor

Agenda:

1. Approval of the summons.
2. Approval of the agenda.
3. Election of two persons to co-sign the minutes together with the chairman.
4. Request for adoption of proposal:

It is proposed that the Bondholders' meeting resolve the following:

The Bondholders Meeting hereby:

- a) approve the Proposal as set out in section 3 (The Proposal) of the summons for this Bondholders' Meeting; and
- b) irrevocably authorise the Bond Trustee to complete, negotiate, finalise and enter into the necessary agreement(s) in connection with documenting the decisions made the Bondholders' Meeting as well as to carry out any other action in order to effect such decisions.

To approve the above resolution, Bondholders representing at least 2/3 of the Bonds represented in person or by proxy at the meeting must vote in favour of the resolution. In order to have a quorum, at least 5/10 of the voting Bonds must be represented at the meeting. If the proposal is not adopted, the Bond Agreement will remain unchanged.

Please find attached a Bondholder's Form from the Securities Depository (VPS), indicating your bondholding at the printing date. The Bondholder's Form will serve as proof of ownership of the Bonds and of the voting rights at the bondholders' meeting. (If the bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm; (i) the owner of the bonds, (ii) the aggregate nominal amount of the bonds and (iii) the account number in VPS on which the bonds are registered.)

The individual bondholder may authorise the Nordic Trustee to vote on its behalf, in which case the Bondholder's Form also serves as a proxy. A duly signed Bondholder's Form, authorising Nordic Trustee to vote, must then be returned to Nordic Trustee in due time before the meeting is scheduled (by scanned e-mail, telefax or post – please see the first page of this letter for further details).

At the Bondholders' Meeting votes may be cast based on bonds held at close of business on the day prior to the date of the Bondholders' Meeting. In the event that Bonds have been transferred to a new owner after the Bondholder's Form was made, the new Bondholder must bring to the Bondholders' meeting or enclose with the proxy, as the case may be, evidence which the Bond Trustee accepts as sufficient proof of the ownership of the Bonds.

For practical purposes, we request those who intend to attend the bondholders' meeting, either in person or by proxy other than to Nordic Trustee, to notify Nordic Trustee by telephone or by e-mail (mail@nordictrustee.com) within 16:00 hours (4 pm) (Oslo time) the Banking Day before the meeting takes place.

Yours sincerely
Nordic Trustee AS



Olav Slagsvold

Enclosed: Bondholder's Form

Attachement 1: Letter from the Issuer to the Bond Trustee dated 8 March 2018

Attachement 2: budget from the Issuer

Nordic Trustee ASA
P.O. Box 1470 Vika
N-0116 Oslo
Norway

Fax: + 47 22 87 94 10
E-mail: mail@nordictrustee.no

8 March 2018

Dear Sirs,

12 % Hilleren Tomteselskap AS Senior Secured Callable Bond Issue 2016/2017
ISIN NO0010759376 (NOK Tranche)
ISIN NO0010759384 (SEK Tranche)
20 % Hilleren Tomteselskap AS Junior Secured Callable Bond Issue 2016/2017
ISIN: NO0010759392 (NOK Tranche)
ISIN: NO0010759400 (SEK Tranche)

Reference is made to our letter dated 20 February 2018 and our meeting in your offices on 22 February 2018.

The Issuer has reviewed the various options for the Hilleren project along the lines discussed in our meeting.

Development of the project

The Issuer strongly believe that the best solution for all parties is to move forward with the project, utilizing the approvals to start developing 24.000 sq.m.

The Issuer has entered into an agreement with DF Forvaltning AS, a real estate company in Bergen, to take care of rentals and real estate administration. Their experienced staff is knowledgeable and very well connected in the real estate market in the Bergen area.

Rentals

The plan is to develop the property as a local community centre, with common services for community centres, and with a particular focus on health. The ground floor will contain a supermarket and a pharmacy. A sports centre, dentists and other health related activities and offices are planned for the higher floors.

Subject to the realization of this project, the largest group of physicians in the Bergen West area plans to build a medical centre on a neighbouring plot, aiming to create a mutually positive effect for the health-related activities in the building. The plot is owned by the Issuer, and we ask the Bondholders to release the security over this plot. The proceeds will be used to redeem bonds.

The plan is to enter into tenancy contracts for the higher floors in the expected nine months construction period for the foundation/basement, and that the construction can run in a continuous process.

Subject to agreement with the Bondholders, we aim to speed up the building process and shorten the time to profit, by deviating from the previous plan of a project in co-operation with Bergen municipality for healthcare and support for seniors. The reason is that this will require formal changes to the building approvals. The process of formal approval appears to take more time than we believe we have at hand.

Construction

Construction is planned in phases, with phase 1 involving the foundation/basement and the ground floor (for shopping). Assuming that an agreement can be reached with the Bondholders and that construction financing is secured, construction is planned to start this summer. The phased construction provides flexibility in the construction phase, and we believe it is important to commence construction in order to initiate the project and thereby initiate interest from further tenants. With a nine months construction period for the foundation/basement, we expect the foundation/basement and ground floor to be completed by 2Q 2019, and that phase two with the remaining floors will be built in a continuous process.

The nine months construction period also provides time for securing tenants for the higher floors before the building of these floors commences. In the event that tenancy contracts have not been entered into at the end of phase 1, the construction flexibility mentioned above, also offers the alternative of building the higher floors when tenancy contracts for these floors have been agreed. If so, this phase will be divided into sub-phases. The top floor will be built with a garden separating two building bodies, offering a pleasant environment.

The foundation/basement will be built by Sartor Maskin AS, while Lars Jønsson AS and Bergen Prosjekt og Sotra Entreprenør AS will be the companies responsible for construction of the building. They are all experienced and well reputed companies, with whom we have co-operated on previous projects.

Forward sale of sections

In order to reduce the risk and subject to agreement with the Bondholders and secured construction financing, the Issuer plan to sell the sections forward in parallel to entering into tenancy contracts. Subject to satisfactory pricing, this will secure the profit before the start of construction. Preliminary discussion with possible construction financiers have indicated that this will also be a requirement for the construction financing.

Financial implications and topics for the Bondholders to decide

The Issuer's prime goal is to secure repayment of the Bondholders' investment. However, the same investment and its security is now blocking further development of the project, as no construction financing will be available with the Bonds in place. We expect construction financing to be available only subject to first priority mortgage of the property, and no servicing of the Bonds.

In order to complete the planning and enabling the construction financing, inter alia accounting and audit, the Issuer ask for a release of the 1 MNOK of the 2 MNOK liquidity

buffer, and that room for additional financing of up to 3 MNOK on first priority is provided by the Bondholders.

We further ask that interest and costs on the Bonds are frozen from original Maturity, which then becomes the basis for the later conversion of Bonds to shares.

As important information required for the decisions to be made, is not available at this time, we also ask that a proposal for the terms of the refinancing is to be put forward only after the terms and conditions of the construction financing are known.

Time schedule

A bondholders' meeting must be summoned, with a bondholders' meeting to be held before Easter 2018, to approve the proposals above.

Subject to availability of 5 MNOK for the Issuer, the Issuer completes the planning and invites offers for the total project cost in April-May 2018.

The terms and conditions for the construction financing to be available no later than 20 June 2018.

A proposal for the refinancing of the Issuer to be prepared no later than 25 June 2018, for the Bondholders' meeting to decide. In order to avoid unneeded delays, such decision to be made in a Bondholders' meeting no later than 30 June 2018, and notwithstanding the participation of the Bondholders' meeting, in accordance with the Bond Agreement clause 16.4.2.

We ask that the Bondholders nominate a representative to follow the progress of the process mentioned above.

Consequence for Bondholders

The Issuer is aware that the shares of the Issuer are pledged and that the property is mortgaged in favour of the Bondholders, and that the Bondholder may choose to take over the project at this time. The Issuer believe this will be the least profitable alternative for all parties. We believe that working with the Issuer to complete the project will be give the best result for everybody and asks for such co-operation.

We look forward to your view on the proposals above and expect to hear from you shortly.

Yours faithfully,

Hilleren Tomteselskap AS


Knut-Jørgen Hauge

Appendix 2 to Summons for Bondholders' Meeting for:

NO0010759376	-	12 % Hilleren Tomteselskap AS Senior Secured Callable Bond Issue
NO0010759384		2016/2017 (NOK and SEK Tranche)
NO0010759392	-	20 % Hilleren Tomteselskap AS Junior Secured Callable Bond Issue
NO0010759400		2016/2017 (NOK and SEK Tranche)

Budget for the Issuer for the period March – June 2018

In order to perform its operations, complete the preparations of the construction project and seek to secure construction financing, the Issuer sees the following items as necessary:

Architect	NOK	400,000
Accounting and audit	NOK	200,000
Nordic Trustee, fees	NOK	450,000
DNB, VPS Service	NOK	40,000
Legal fees	NOK	225,000
<u>Other operational costs</u>	<u>NOK</u>	<u>200,000</u>
<u>Total</u>	<u>NOK</u>	<u>1,515,000</u>