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To the bondholders in:

**ISIN: N00010780497 14 % Hilleren Invest AS Senior Secured Bond Issue
2016/2017**

Oslo, 19 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 the abovementioned bond issue (the "**Bonds**" or the "**Bond Issue**") issued by Hilleren Invest AS (the "**Issuer**").

All capitalized terms used herein shall have the meaning assigned to them in the bond agreement, dated 14 December 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 Issue, the Issuer has spent all proceeds from the Bond Issue and is unable to repay the Bonds on their Maturity Date, being 14 March 2018. Accordingly, the Issuer is asking the Bondholders for certain waivers, in order to continue its operations, hereunder an extension of the Maturity Date until 15 November 2018, postpone all interest payments until the New Maturity Date, and allow the Issuer to assume new debt in the maximum amount of NOK 3,500,000 on super senior priority, ranking ahead of the Bond Issue 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 15.2 of the Bond Agreement, the Issuer has approached the Bond Trustee to convene a Bondholders' Meeting in order to consider the Issuer's request to amend the terms of the Bond Issue as set out below, pursuant to the authority given to the Bondholders' Meeting under Clause 15.1 of the Bond Agreement.

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

- I. The Maturity Date for the Bond Issue is postponed to 15 November 2018 (the **"New Maturity Date"**).
- II. No interest under the Bond Issue shall be paid until the New Maturity Date (however, default interest shall apply on the Outstanding Bonds from the original Maturity Date to the New Maturity Date).
- III. On the New Maturity Date, the Bonds will be repaid at a price equal to 105 % of the Nominal Amount.
- IV. The Issuer shall be allowed to assume a new super senior loan facility in the maximum amount of NOK 3,500,000 on equal or better terms than the Bond Issue and ranking ahead of the Bond Issue in priority, such financing to be used in the following manner:
 - a. Fees for public approval of building project.
 - b. Marketing of the project.
 - c. Accounting and audit.
 - d. Operations.

The expenditures listed in item IIV a-d 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 will have the Bonds repaid at a price equal to 105 per cent of the Nominal Amount and that the Bondholders will receive the default Interest Rate at the New Maturity Date, in accordance with the Bond Agreement clause 8.2.

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-Jørgen Hauge on hauge.kj@gmail.com or +47 411 07 400.

6. The Bond Trustee's remark

The Bond Trustee wants to remind the Bondholders that the Bond Issue is secured by the Property Pledge, the Escrow Account Pledge, the Moldalia Eiendom Share Pledge, The Moldalia Utvikling 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: 6 April 2018 at 1300 hours (Oslo time)

Place: The premises of Nordic Trustee AS
Haakon VII's gate 1, 0160 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 Stagsvold

Enclosed: Bondholder's Form

Attachment 1: Letter from the Issuer to the Bond Trustee dated 19 March 2018

Attachment 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

19 March 2018

Dear Sirs,

14% Hilleren Invest AS Senior Secured Bond Issue 2016/2017
ISIN: NO 0010780497

This letter will explain the delays and plans in developing the project.

Due to the downturn of the housing market in 2017, the project development was reviewed and put on hold in the fall of 2017. We also experienced that housing projects with financing from the Norwegian State Housing Bank (the "Housing Bank") gained more interest in the market. Consequently, we have restructured parts of the project, to be able to offer more houses with financing from the Housing Bank.

The owners had planned to use proceeds from the settlement of the building at Zachariasbryggen to refinance, raise construction financing, as well as general liquidity. Contrary to our expectations, the Zachariasbryggen reappraisal case was accepted to be heard by the Supreme Court, which overturned the reappraisal and returned the case to the Appeal Court for its third round.

~~Consequently, neither the settlement nor the refinancing and capital contribution from the owners were available. The Issuer has reviewed other options for the refinancing without success.~~

The project cost has been priced from the construction firm, Bergen Prosjekt & Sotra Entreprenør AS. The construction of the foundations will be done by Sartor Maskin AS. The marketing of the houses will be taken care of by Kaland & Partners AS. All of the three abovementioned partners are experienced and well reputed in the Bergen housing market.

The project will be organized in two housing co-operatives ("borettslag"). The sales prices have been reviewed by the brokers. The expected pricing shows that the project margins are good. Due to regulations in the building permit, it will be difficult to divide the project in separate steps. Consequently, it must be built in one step, requiring construction financing of 250 MNOK. This will also require corresponding presales of houses, which will take some time to achieve.

In co-operation with the sales brokers and the other partners, we have decided to sell the plots for 29 houses. This will create income during the development phase, and at the same time reduce the need for construction financing, making the requirements for presales easier and faster to achieve. An improvement in the housing market over the last few months adds to this.

The Issuer will need 6-8 months to presell the required number of houses, apply for construction financing and to get the project underway.

The Issuer ask for a 6-8 months postponement of interest payments. The loan can be repaid earlier if the presales and construction financing are in place earlier.

The Issuer is short on liquidity, as the owners have not been able to make the planned capital contributions, due to the delays in the Zachariasbryggen settlement. Therefore, we ask permission for the Issuer's subsidiary Moldalia Utvikling AS to raise 3,5 MNOK on a first preferred mortgage on the property. This financing will be applied towards:

Fees for public approval	MNOK 1,8
Marketing	MNOK 0,6
Accounting & Audit	MNOK 0,5
Operations	MNOK 0,6
<u>Total</u>	<u>MNOK 3,5</u>

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

Yours faithfully,
Hilleren Invest AS


Knut-Jørgen Hauge

Appendix 2 to Summons for Bondholders' Meeting for:

N00010780497		14 % Hilleren Invest AS Senior Secured Bond Issue 2016/2017
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Budget for the Issuer for the period March – November 2018

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

a. Fees for public approval of building project	MNOK 1,8
b. Marketing	MNOK 0,6
c. Accounting & Audit	MNOK 0,5
d. Operations	MNOK 0,6
<u>Total</u>	<u>MNOK 3,5</u>