

Contract UBS Libor Mortgage

UBS Switzerland AG

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Contracting parties

Frau Anja Muster
Musterstrasse 99
9999 Musterhausen

(hereinafter Borrower¹)

UBS Switzerland AG
Pelikanstrasse 6/9
8001 Zürich

(hereinafter UBS)

Loan amount

500 000 CHF, mortgage no. 02XX-004422XX.H1W 0001.

Purpose

Financing of your property.

Term

3 years from the start of the first fixed-interest rate period. Subject to a notice of termination, the contract automatically expires on the last day of the last fixed-interest rate period.

Term and Fixed-Interest Rate Period

Selected fixed-interest rate period: 3 months

From	Until	Amount	Margin	Interest rate
23 October 2018	23 January 2019	500 000 CHF	X,XX %	X,XX %
24 January 2019	Expiry of contract	500 000 CHF	X,XX %	see General conditions

The interest rate is based upon the 3-month CHF Libor (London Interbank Offered Rate); for the initial fixed-interest rate period X,XX % p.a.

Amortization

1 500 CHF quarterly, respectively at the end of the calendar quarter, first payment on 31 December 2018.

Processing fee

500 CHF one-time payment.

Debits

For loan interest and fees the account CH44 0020 02XX 4422 4001 F shall be debited.

Collateral

Mortgage liens	Rank	Prior charge(s)	Details of property
500 000 CHF paperless mortgage note ('Register-Schuldbrief')	1	no prior charge(s)	Land Register Zürich, no. XXXX, Musterstrasse 99, 9999 Musterhausen, pursuant to the separate document «Collateral Agreement».

All securities shall provide collateral for the overall debt/engagement.

¹ The singular form also includes the plural, and all masculine terms referring to persons refer to persons of both genders.

Interest rates, amortizations and calculations**Interest rates**

The interest rate shall be calculated according to the CHF Libor (London Interbank Offered Rate, base in-terest rate) for the selected fixed-interest rate period plus a UBS margin. The CHF Libor for a fixed-interest rate period corresponding to the selected fixed-interest rate period effective two Swiss banking days prior to the start of the selected fixed-interest rate period shall be applied.

When determining the rate of interest, and for the avoidance of doubt, the CHF Libor may never be less than zero.

Calculation of interests

International practice: effective interest rate = interest rate x exact number of days per month / 360 days.

Fixed-interest rate period

The corresponding CHF Libor for the selected fixed-interest rate period used as basis for fixing the interest rate shall be commercially rounded to two decimal places. If on a particular Swiss banking day the corresponding CHF Libor for a selected fixed-interest rate is not available in London the corresponding CHF Libor of the previous Swiss banking day shall be applicable.

The selected fixed-interest rate period shall in principle commence on the same calendar day of the respective first month and end on the same calendar day of the respective last month. If the end of a selected fixed-interest rate period falls on a day that is not a Swiss banking day, the period shall expire on the following Swiss banking day. In the event such following Swiss banking day falls in a new month, the selected fixed-interest rate period shall expire on the last Swiss banking day of the previous month. In such cases, the term of the expiring fixed-interest rate period and of the subsequent period is amended accordingly.

Maturity

Interest shall be payable at the end of each calendar quarter, and amortizations on the agreed maturity date, even if the day in question is a Saturday, Sunday or public holiday. Interest and amortizations are debited to the designated account. Where interest or capital repayments are delayed, interest on arrears, increased by at least 2% p.a., shall be charged.

Transfer of credit claims and banking secrecy waiver

UBS shall have the right to offer for transfer, or to transfer, in whole or in part, its rights under this Contract, including any collateral provided in respect of the credit facility, such as mortgage notes and/or any other collateral, to any third parties in Switzerland or abroad.

UBS may at any time provide all third parties, including rating agencies, which may be parties to such transfer, with access to all information and data relevant to the transfer, and shall be released in this regard from the statutory obligation to maintain banking secrecy. Insofar as third parties are not subject to Swiss legislation on banking secrecy, information and data shall only be disclosed if the said parties undertake to maintain secrecy.

All purchasers shall be entitled to further assign the rights acquired, provided that each subsequent purchaser also undertakes to maintain secrecy.

Mortgage notes and/or other collateral provided in respect of the credit facility may be transferred only if the rights under this Contract are also transferred at the same time, in whole or in part, or if it is ensured in any other way that the provider of collateral can also exercise against the purchaser of the mortgage note and/or other collateral any right of objection against the respective owner of the credit claim; and that the provider of collateral can, after full repayment of all secured claims, demand delivery of the mortgage note and/or other collateral provided in respect of the credit facility.

UBS (and any party acquiring rights as a result of any transfer made in accordance with this clause) may, without having to obtain further consent from the Borrower, assign, along with the transferred rights, any limit obligation agreed under this Contract, and/or any other obligations arising hereunder, to the purchaser in respect thereof.

Any party acquiring such obligations must either be a company affiliated with UBS, or a Swiss or foreign financial institution (bank, insurance company, or similar). UBS shall be released from any obligation to the extent that it transfers the same. In accordance with and pursuant to this provision, UBS shall be also entitled to transfer the Contract as a whole to such a purchaser (transfer of contract). Each purchaser shall be entitled to further transfer the entire Contract to a subsequent purchaser.

Other conditions

Furthermore the following applies for the present financing:

- General Conditions for the UBS Libor Mortgage (see the last page).
- General Terms and Conditions of UBS.
- Disclosure of Client Data.

Copies of the Contract / Existing conditions

Each party receives a copy of this Contract. Any existing conditions are hereby superseded.

Applicable law and place of jurisdiction

This Contract shall be governed by and construed in accordance with substantive Swiss law.

Subject to mandatory jurisdictions provided by law the exclusive place of jurisdiction for all legal proceedings shall be Zurich or the location of the branch holding the account.

This shall also be the place of performance, and the place of debt collection for the Borrower domiciled abroad.

Signatures**UBS Switzerland AG**

Place / Date

Client advisor 1

Client advisor 2

(for UBS Switzerland AG binding with facsimile signatures)

Place / Date

Anja Muster

General Conditions for the UBS Libor Mortgage

Insurance against fire and damage by natural forces

The Borrower undertakes to ensure that property not subject to compulsory insurance is insured against fire and damage by natural forces with an insurance company domiciled in Switzerland for a sum considered by UBS to be adequate, and to inform UBS if a loss occurs. The policy must be presented to UBS on request.

Unavailability of CHF Libor

In the event that the selected CHF Libor is no longer available, the contracting parties agree that UBS will determine the interest rate based on another reference rate that is economically as nearly equivalent as possible. Reference rates deemed to be equivalent are specifically those rates that are calculated for the purpose of the value-neutral conversion of loans that were previously tied to the CHF Libor.

If an economically equivalent reference rate is not available from third parties, and if no recognized premium or discount for the value-neutral conversion from CHF Libor to a replacement rate has been published, UBS will itself establish a corresponding premium or discount, publish it and take it into account when determining the interest rate.

For the avoidance of doubt, it is agreed that also in the event the CHF Libor is discontinued, the reference value (before the margin) that is applied according to the aforementioned provisions can never be less than zero.

Termination

By the Borrower

The Borrower may *ordinarily* terminate this UBS Libor Mortgage – in whole or in part – subject to a notice 10 calendar days prior to the end of the selected fixed-interest rate period, provided that at the same time the Borrower enters into a new mortgage agreement with UBS in the extent of the terminated amount with at least the same residual term beginning from the maturity of the terminated amount of the UBS Libor Mortgage. No processing fees are due for payment upon conclusion of the new mortgage agreement.

The Borrower may *extraordinarily* terminate this UBS Libor Mortgage at any time subject to a term of 10 calendar days' prior written notice. In this case, compensation in the event of an extraordinary termination will be due for payment.

By UBS

UBS may *extraordinarily* terminate this UBS Libor Mortgage subject to a term of 10 calendar days' prior written notice in the event that:

- the Borrower is in arrears in the payment of interest or the agreed-upon amortization;
- the collateral has lost value and no longer provides sufficient cover;
- the property financed by UBS or its rental income is seized.

Compensation in the event of an extraordinary termination will be due for payment. A purchaser of this loan may apply the same grounds for termination as UBS.

Compensation in the event of extraordinary termination

- 1) In the event of an *extraordinary termination* the Borrower or UBS shall pay a compensation to the other party. Such compensation shall be calculated on the basis of the difference between the agreed loan interest rate (minus a deduction in advance by UBS for the risk and administrative costs that no longer apply after the early repayment) and the interest rate obtainable at the time of the termination on an investment in the money market with an equivalent residual term *up to the end of the relevant selected fixed-interest rate period*. If the loan interest rate is higher than the investment rate, the resulting difference shall be charged to the Borrower; if the loan interest rate is less than the investment rate, the resulting difference shall be credited to the Borrower.
- 2) In the event of an *extraordinary termination* the Borrower shall owe UBS in any case the margin (minus an advance deduction for the risk and management costs eliminated after early repayment) on the then current loan amount *for the remaining term of the agreement*. Excluded from this is the extraordinary termination by the Borrower if the property is sold.

The above-mentioned difference amount as well as the margin will become due immediately.

Redemption by a third party

In the event of a later redemption of the mortgage by a third party, UBS shall charge the Borrower 300 CHF for work and expenses incurred.