

16 September 2020

Queenstown Lakes District Council
PO Box 50072
Queenstown

Attention Mike Theelen

Dear Mike

REQUEST FOR ROLLOVER OF CLT LOAN GUARANTEE AND INDEMNITY

As you are aware QLCHT and QLDC reconfirmed and strengthened our aligned goals and strategies through the signing of a new Relationship Framework Agreement last year.

Within this agreement clause 3.10 notes that *“QLDC support may, from time to time, be necessary to support the Trust’s activities, including by way of written assurances or security in the form of guarantees of QLCHT’s performance of obligations it incurs to third parties. QLDC may continue to provide performance guarantees on terms and conditions agreed in relation to any request by QLCHT that QLDC do so.”*

You will recall QLDC currently provides a guarantee to Central Lakes Trust on the repayment of interest to a maximum amount of \$2m over a \$4m loan QLCHT drew down on in November 2016. QLCHT provides an indemnity back to Council for the \$2m.

This loan is due for expiry in November 2021, and we have sought a request from CLT to roll the outstanding principal of \$3,617,900 over for another five years. CLT has approved this request subject to QLCHT securing the rollover of the \$2m QLDC guarantee for the term of the loan.

We now request that QLDC approves this guarantee under the same conditions as 2016, including QLCHT providing an indemnity back to Council on the guarantee.

We welcome any questions you may have for the Trust regarding this proposal.

Kind regards,



Julie Scott
Executive Officer