

## Memorandum of Understanding

**Between:** Queenstown Lakes District Council ("Council")  
**And:** Queenstown Lakes Community Housing Trust ("the Trust")  
**Date:** 28<sup>th</sup> June, 2011

### 1. Background

Prior to the creation of the Trust, Council was the sole driver of the affordable housing agenda and was responsible for the formation of the working party which developed the HOPE Strategy. That document became the foundation document for defining the direction and goals for affordable housing in the district and was adopted by Council in June 2005.

One of the recommendations of the HOPE strategy was the creation of a housing trust to implement the HOPE Strategy. That Trust is the Trust.

Council and the Trust recognize each other as partners in addressing the housing issues in the District. In that partnership, it is recognised that the Trust and Council have a common stakeholder – the community. The Trust through its independence is able to operate autonomously and is expected to be both innovative and responsive in delivering housing solutions that meet the needs of the community but at all times being cognizant of broader Council policy.

### 2. Purpose of MOU

There are two main reasons for this agreement:-

#### 2.1 To identify and document those areas where support from Council is crucial for the Trust to meet the housing delivery actions of the HOPE Strategy.

The Trust is advancing its delivery plans on several fronts, which rely on Council:

- i) to contribute operating capital
- ii) to be guarantor for the Trust where needed
- iii) to bring specificity to stakeholder deeds negotiated with developers
- iv) to support development proposals for the use of Council land where it can.
- v) to provide executive officer support to the Trust up to the equivalent of half of a senior policy officer's time.

These commitments will –

- i) enable the Trust to meet its delivery objectives
- ii) satisfy partners that the entity is the primary community housing delivery agency in the District
- iii) provide assurance to trustees that business plans prepared by the Trust and agreed by Council are realistically achievable.

#### 2.2 To clarify and confirm the respective roles of Council and the Trust insofar as affordable housing is concerned.

With its more specific focus and a direct interface to the public, the Trust is recognised as the authority on all matters related to community housing delivery. The MOU is intended to delineate the areas and responsibilities between Council and the Trust to ensure there is no confusion in the market place and that there is a consistent, seamless message being conveyed in all communication related to community housing.

### 3. Nature of the relationship between the parties

- Although they are separate entities, both Council and the Trust share a common stakeholder – the community. Both entities also share a common interest in seeing the goals of the HOPE Strategy successfully implemented, and agree to collaborate in review and amendment of the strategy.
- The Trust's role is specific to affordable housing while Council has a broad policy setting role across the spectrum of community issues including affordable housing.
- It can reasonably be expected that the knowledge base on community housing delivery issues will inevitably be vested in the Trust.
- At all times each organization will endeavour to be supportive of each other to prevent any confusion within the community and convey consistent policies and messages.
- The nature of the ongoing partnership between the parties requires that a working party of three councilors, three trustees and officer meet quarterly or as required to review matters to progress the housing agenda in the District.

### 4. Annual Operating Grant

Council agrees to make provision in its annual plans for a grant of \$50,000 as an annual allocation to the Trust for the next 5 years or until other agreements have been negotiated between the parties.

### 5. Performance Guarantees

In some cases, the backing of the Council may be necessary, to support some of the Trust's activities. Such backing may take the form of assurances or security in the form of guarantees or mortgages of the Trust's performance. Council agrees to accommodate proposals from the Trust provided the Trust is willing to indemnify Council in respect of Council's exposure. The process for the Trust obtaining a guarantee of performance is set out in Appendix 1 to the MOU.

This provision of security has been deployed to assist with the initial Shared Ownership programme. The 2008 MOU between the parties stated:

*"In respect of the proposed pilot program with central government, the grant of \$2m would be provided as a "suspensory loan" for 10 years. ie it remains secured for 10 years before it becomes an unencumbered grant.*

*Council has agreed to guarantee the Trust's performance of its obligations to Housing New Zealand Corporation in respect of the suspensory loan and if required to provide a mortgage security in support of its contingent liability under the guarantee for this loan."*

The parties agree that the conditions requiring this initial security have since been satisfied, and agree to request its removal from HNZN.

## 6. Stakeholder Agreements with Developers

### i) Existing Stakeholder Deeds

Council has entered into a number of stakeholder deeds with developers requiring developers to make a contribution to affordable housing as part of a Plan change request process. Some of these agreements pre-date the formation of the Trust and acknowledge a "trust" as the beneficiary of the developer contributions in the stakeholder contracts.

Under the terms of this Memorandum, Council confirms that the assets to be conferred to the "trust" as mentioned in these agreements will be the Trust in all cases.

### ii) New Stakeholder Deeds

With the creation of the Trust, the parties agree that the process for all future stakeholder deeds negotiated with developers will follow these guidelines:-

- Stakeholder deeds will continue to be contracts between Council and the developer (the applicant).
- Council will agree the quantum level of the contribution to affordable housing by the developer and when the obligation falls due.
- The Trust may specify the form in which the contribution is to be made and negotiate with the developer in advance of a stakeholder deed being negotiated with Council. Any agreement reached between a developer and the Trust will take the form of a non binding Heads Of Agreement that Council will view positively in agreeing the final terms and quantum in its binding stakeholder deed with the developer.
- In all cases the Trust will be specified in future stakeholder negotiated deeds as the entity to receive the developer contributions.

### iii) Council shall be responsible for the enforcement of all contracts to which it is a party in the event of any default by the developer.

## 7. Council owned land

There are two ways in which Council may assist the Trust in meeting the delivery objectives set out in the HOPE Strategy.

- i) Council holds land titles in the district that could be of value to the Trust in developing community housing for long term retention.

While each title needs to be evaluated on its merits, Council agrees in principle that the transfer of some appropriate titles to the Trust will greatly assist a speedy implementation of the community housing agenda and agrees to consider transfer requests presented by the Trust on their merits. The steps to complete a transfer of land are attached as Appendix 2 to this MOU.

- ii) Where the transfer of the title to the Trust may not be possible, Council agrees to consider development proposals from the Trust that include delivery of community housing as well as other uses in the development, whether by joint venture, public-private partnership, or other means.

In both instances, Council accepts that in principle that the use or transfer of land can be at nil value, where the Trust has demonstrated that it is able to enhance community value and retain at least the equivalent of the value of the asset used or transferred within community ownership. The aim of this provision is that such use or transfer is not a loss to the community and should enhance the outcome for all parties.

## 8. Policy matters on affordability housing

Both parties have significant roles to play in the wide range of policy matters that influence housing affordability. This MOU desires to enshrine the principle of open dialogue and collaboration between the Trust and Council, such that as needs arise, the parties have the freedom to determine which agency takes the lead on a given issue.

Some matters require the Council to lead when the issue involves statutory authority vested in the Council. In the case of the District Plan, Annual Plan, Rating Policy and Development Contributions Policy, Council shall be the lead agency when matters relating to community housing arise. As discussed further in Section 9: Communication, the parties agree to share information such that the views of the Trust are included in any Council-lead issue.

Conversely, the Trust has the ability to develop, publish and manage its own policies on affordable housing within the overall guidelines of the HOPE strategy while keeping Council apprised of these insofar as the broader community interests are affected. Three specific areas are noted:

### Eligibility

The Trust agrees that the eligibility guidelines of households that the Trust may assist will be agreed with Council.

### Catchment Areas

The Trust shall have the freedom to deliver affordable housing into the areas of greatest need across the district at the time— whilst still having some regard for the catchment area from where assets may have been derived. This could give rise to timing differences and the Trust should be allowed to redeploy assets from one catchment area to another where the wider interests of the community may be better served at the time.

In summary the parties agree that where principles need to be embedded in wider Council policy, amendments may be initiated by either party in the first instance but will be discussed and agreed between the parties before broader community consultation is sought.

### Tax Status

Regardless of any action by the Charities Commission, Council's commitments as expressed in this MOU remain whether or not the Trust is deemed to be exempt from income tax. Insofar as the Trust Deed requires the Council's consent to be sought for any changes, Council confirms that its expectations are that the Trust remain a public benefit, not for profit and not for loss, where any gain is deployed in fulfilment of the objects of the Trust.

### **9. Communication**

Depending on the issue, the community may see both Council and the Trust as the body that speaks on behalf of community housing matters. Any challenges, problems, criticisms of community housing could be directed to either Council or the Trust. Each party's obligation is that all matters of complaint or issues that have the potential to reflect on policies or the wider community are to be alerted to the other party at the earliest possible time when they arise. All correspondence referring to the Trust shall be referred to the Trust before release.

### **10. Confidentiality and Privacy**

While it is the intention of each organization to observe the confidentiality of information that may be shared in the normal course of the relationship, the Trust recognises that Council is a statutory body and may have obligations to disclose information to other parties and to the wider public if requested.

If either party is required by law to disclose any information which has been obtained by them through undertaking the services they shall immediately notify the other party by telephone and in writing.

Both parties to this Agreement shall at all times act in accordance with the Privacy Act 1993, or any subsequent codes of practice developed under the Privacy Act 1993.

### **11. Disputes**

Should any dispute arise under this Agreement, whether concerning the construction or performance of this Agreement or the rights and liabilities of the parties, the parties shall use their best endeavors to resolve the dispute within fifteen working days.

If the parties fail to resolve the dispute, the dispute shall be referred to a mediator acceptable to both parties on terms acceptable to both parties.

### **12. Ongoing agreement**

The nature of the relationship between the parties requires an open and constructive dialogue. Without setting any termination conditions on this agreement it is expected to be reviewed annually or when significant circumstances change that require the agreement to be amended.


This may be initiated by either party at any time.

In the absence of any significant changes being sought by the parties the agreement is to be reviewed by the chairman of the Trust and the CEO of Council every two years.

**13. Other matters**

Agreement is and shall constitute the entire Agreement between the parties and supersedes all previous agreements or understandings between the parties.

Any variations to this Agreement shall only be effective if recorded in writing and signed by both parties.

SIGNED BY: David Cole   
CHAIRMAN

For and on behalf of:  
Queenstown Lakes Community Housing Trust

Date: 21<sup>st</sup> July 2011

SIGNED BY: John Hawson  
CEO

For and on behalf of:  
Queenstown Lakes District Council

Date: 22<sup>nd</sup> July 2011

## Appendix 1:

### Process for the Trust obtaining a guarantee of performance

- i) Proposal to Finance Committee showing:-
  - Why it is important in advancing the Trust's work
  - Potential exposure for Council
  - How risk to Council is mitigated
  - How the Trust plans to indemnify Council
  - When and how the performance guarantee might be lifted
- ii) If approved – ratification by full Council

## Appendix 2:

### Steps to complete a transfer of land

- a) internal consultation with Parks, Engineering, Finance and any relevant community board/ association for any competing use that may already have been identified;
  - i) If a competing use is identified, then to Council to determine the priority use, or
  - ii) if none, then proceed to
- b) legal review to confirm availability for proposed use
  - i) if not legally available for proposed use, process stops
  - ii) if no legal impediments, then proceed to
- c) obtain independent valuation for the land
- d) consult Trust over valuation
  - i) if acceptable, then Trust to prepare a proposal for the terms and conditions it proposes, and detail of the housing development sought, then proceed to
- e) value/cost proposal to Finance Committee for consideration
  - i) if not acceptable to the Committee, then refer matter back to the Trust for reconsideration, or process stops
  - ii) if acceptable to the Committee, then proceed to
- f) Prepare Agreement for Sale and Purchase (ASP)
- g) Full Council for ratification
- h) Execute ASP; complete transaction
- i) Update property register

Note: Property Subcommittee review to occur during Resource Consent process



16 January 2008

**Memorandum of Understanding between  
Queenstown Lakes Community Housing Trust (QLCHT) and  
Queenstown Lakes District Council (QLDC)**

## 1. Background

Prior to the creation of QLCHT, the Council was the sole driver of the affordable housing agenda and was responsible for the formation of the working party which developed the HOPE strategy. That document became the foundation document for defining the direction and goals for affordable housing in the district and was adopted by Council in May 2006.

One of the recommendations of the HOPE strategy was the creation of a housing trust to implement the HOPE strategy. That Trust is the newly formed QLCHT. The new Trust is expected to assume responsibility for all matters relating to affordable housing in the district.

At the time of this drafting, QLCHT holds no assets or contractual rights to assets, or other resources that might be deployed to begin implementing affordable housing programs.

## 2. Purpose of MOU

There are two main reasons for this agreement:-

### 2.1 To identify and document those areas where support from QLDC is crucial for QLCHT to achieve early progress.

QLCHT is advancing its plans on several fronts but to bring credibility to its mission it relies on Council to deliver on certain undertakings that it has made in the lead up to the Trust being formed. viz:-

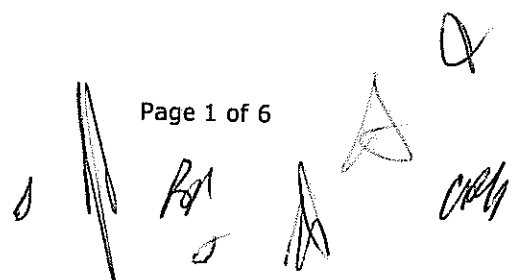
- i) to contribute initial working capital including the provision of security for QLCHT's initial borrowing
- ii) to bring specificity to stakeholder deeds negotiated with developers

These commitments will –

- i) enable QLCHT to meet its early obligations
- ii) satisfy potential partners that the entity is viable  
eg central government pilot program
- iii) provide assurance to trustees that any business plan the Trust adopts is realistically achievable.

### 2.2 To clarify and confirm the respective roles of QLDC and QLCHT insofar as affordable housing is concerned.

With its more specific focus and a direct interface to the public, QLCHT will become recognised as the authority on all matters related to affordable housing. The MOU is intended to delineate the areas and responsibilities between QLDC and QLCHT to ensure there is no confusion in the market place and that there is a consistent, seamless message being conveyed in all communication related to affordable housing.





### 3. Nature of the relationship between the parties

- Although they are separate entities, both QLDC and QLCHT share a common stakeholder – the community. Both entities also share a common interest in seeing the goals of the HOPE strategy successfully implemented.
- QLCHT's role is specific to affordable housing while QLDC has a broad policy setting role across the spectrum of community issues including affordable housing.
- It can reasonably be expected that the knowledge base on community housing issues will inevitably be vested in QLCHT and it will be the community's expectation that all matters relating to affordable housing will fall under QLCHT's domain of responsibility.
- At all times each organization will endeavour to be supportive of each other to prevent any confusion within the community and convey consistent policies and messages.
- The nature of the ongoing relationship between the parties does not obviate the responsibility of QLCHT to report formally to the Council on its activities and performance in accordance with its Trust Deed.

### 4. Delivering on the balance of the HOPE strategy tasks

The guiding principle is that Council should retain leadership for completion of the HOPE tasks allowing the Trust to maintain focus on delivering affordable housing solutions to the community.

As the Trust acquires executive resource it is conceivable that some of the HOPE tasks might be completed by the Trust under contract but that is a matter to be resolved between the parties.

### 5. Initial Capital

QLDC agrees to contribute \$50,000 as an initial grant to QLCHT on or about July 1, 2007. While no further capital contributions have been pledged, Council acknowledges there may be a requirement to make further contributions based on the business plans of the Trust as they may be presented by QLCHT from time to time and on a case by case basis, where the Council may consider it necessary, to provide such assurances or security in the nature of guarantees or mortgages as may be required to permit QLCHT to further its objectives, but subject always to QLCHT indemnifying QLDC in respect of QLDC's liabilities thereunder.

### 6. Stakeholder Agreements with Developers

#### i) Existing Stakeholder Deeds

QLDC has entered into a number of stakeholder deeds with developers requiring developers to make a contribution to affordable housing as part of a Plan change request process. These agreements pre-date the formation of QLCHT and acknowledge a "trust" as the beneficiary of the developer contributions in the stakeholder contracts.

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Under the terms of this Memorandum, QLDC confirms that the assets to be conferred to the "trust" as mentioned in these agreements will be QLCHT in all cases.

ii) New Stakeholder deeds

With the creation of QLCHT, the parties agree that the process for all future stakeholder deeds negotiated with developers will follow these guidelines:-

- Stakeholder deeds will continue to be contracts between QLDC and the developer (the applicant).
- QLDC will agree the quantum level of the contribution to affordable housing by the developer and when the obligation falls due.
- QLCHT may specify the form in which the contribution is to be made.
- In all cases QLCHT will be specified in future stakeholder negotiated deeds as the entity to receive the developer contributions.

iii) QLDC shall be responsible for the enforcement of all contracts in the event of any default by the developer.

## 7. Council owned land

The HOPE strategy has specified a goal of 2306 affordable houses by the year 2016.

This is a calculation based on the current problem extrapolated by the anticipated population growth in the community. No modeling has been done to determine the level of capital and resources necessary to deliver on this substantial number so it remains of academic value only.

Nevertheless, it indicates the considerable level of assets QLCHT will require in order to simply contain the present affordability problem. In this regard access to assets will be a key prerequisite to QLCHT delivering on its goals. There are two ways in which Council may assist the Trust.

i) QLDC holds land titles in the district that could be of value to the Trust in developing some affordable housing for long term retention.

While each title needs to be evaluated on its merits, QLDC agrees in principle that the transfer of some appropriate titles to QLCHT will greatly assist a speedy implementation of the affordable housing agenda and agrees to consider transfer requests presented by QLCHT on their merits.

ii) In respect of the proposed pilot program with central government, the grant of \$2m would be provided as a "suspensory loan" for 10 years. ie it remains secured for 10 years before it becomes an unencumbered grant.

Council has agreed to guarantee QLCHT's performance of its obligations to Housing New Zealand Corporation in respect of the suspensory loan and if required to provide a mortgage security in support of its contingent liability under the guarantee for this loan.

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## 8. Policy matters on affordability housing

By its very focus and presence in the market place, QLCHT will become over time, the repository of knowledge and expertise on all matters related to affordable housing in the district.

As such QLCHT needs the ability to develop, publish and manage its own policies on affordable housing within the overall guidelines of the HOPE strategy while keeping QLDC appraised of these insofar as the broader community interests are affected.

Two examples are worth highlighting:-

### Plan Change 24

While the guidelines for Plan Change 24 are appropriately followed through by Council, it is likely that future updates/amendments to policy will be initiated by the Trust in the first instance.

*(eg: updating/amending eligibility criteria; issuing guidelines to developers)*

### Catchment Areas

Current policy requires the Trust to deliver a corresponding level of affordable housing into the same catchment area from where assets have been derived.

*(eg stakeholder agreements in Cardrona require that any cash or sections received must be reinvested in Cardrona)*

The Trust holds the view that rather than being constrained in this way, it must have the freedom to deliver affordable housing into the areas of greatest need across the district at the time— whilst still having some regard for the catchment area from where assets may have been derived. This could give rise to timing differences and the Trust should be allowed to redeploy assets from one catchment area to another where the wider interests of the community may be better served at the time.

In summary the parties agree that where principles need to be embedded in wider Council policy, amendments may be initiated by either party in the first instance but will be discussed and agreed between the parties before broader community consultation is sought.

## 9. Communication

The community will expect QLCHT to be the body that speaks on behalf of affordable housing matters. Any challenges, problems, criticisms of affordable housing will be directed to QLCHT. Accordingly clear guidelines on all communication to the community and to the media on matters that refer to "affordable housing" are to be observed.

QLDC obligation -

Correspondence, surveys, media releases and other communication emanating from Council that are issued to QLCHT stakeholders and refer to "affordable housing" should as a courtesy be referred to the Trust before release.

QLCHT obligation -

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All matters of complaint or issues that have the potential to reflect on policies or the wider community are to be alerted to QLDC at the earliest possible time when they arise.

## 10. Confidentiality and Privacy

- 10.1 While it is the intention of each organization to observe the confidentiality of information that may be shared in the normal course of the relationship, QLCHT recognises that Council is a statutory body and may have obligations to disclose information to other parties and to the wider public if requested.
- 10.2 If either party is required by law to disclose any information which has been obtained by them through undertaking the services they shall immediately notify the other party by telephone and in writing.
- 10.3 Both parties to this Agreement shall at all times act in accordance with the Privacy Act 1993, or any subsequent codes of practice developed under the Privacy Act 1993.

## 11. Disputes

- 11.1 Should any dispute arise under this Agreement, whether concerning the construction or performance of this Agreement or the rights and liabilities of the parties, the parties shall use their best endeavors to resolve the dispute within fifteen working days.
- 11.2 If the parties fail to resolve the dispute, the dispute shall be referred to a mediator acceptable to both parties on terms acceptable to both parties.

## 12. Ongoing agreement

The nature of the relationship between the parties requires an open and constructive dialogue. Without setting any termination conditions on this agreement it is expected to be reviewed annually or when significant circumstances change that require the agreement to be amended.

This may be initiated by either party at any time.

In the absence of any significant changes being sought by the parties the agreement is to be reviewed by the chairman of the Trust and the CEO of Council on an annual basis.

## 13. Other matters

- 13.1 Agreement is and shall constitute the entire Agreement between the parties and supersedes all previous agreements or understandings between the parties.
- 13.2 Any variations to this Agreement shall only be effective if recorded in writing and signed by both parties.

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SIGNED by )

**DENNIS LOUIS PEZARO** )

In the presence of: )



Scott Fyfe  
Witness Signature

Scott Fyfe  
Witness Full Name

10 Gorge Road, Queenstown  
Witness Address

Senior Policy Analyst  
Witness Occupation

SIGNED by )

**JOHN ARTHUR HARRINGTON** )

In the presence of: )



Scott Fyfe  
Witness Signature

Scott Fyfe  
Witness Full Name

10 Gorge Road, Queenstown  
Witness Address

Senior Policy Analyst  
Witness Occupation



SIGNED by )

**BARRY JAMES PAUL ROBERTSON** )

Barry James Paul Robertson

In the presence of: )

Scott Figenbow  
.....  
Witness Signature

Scott Figenbow  
.....  
Witness Full Name

10 Gorge Road, Queenstown  
.....  
Witness Address

Senior Policy Analyst  
.....  
Witness Occupation

SIGNED by

**DAVID ALLAN COLE**

David Allan Cole

In the presence of:

Scott Figenbow  
.....  
Witness Signature

Scott Figenbow  
.....  
Witness Full Name

10 Gorge Road, Queenstown  
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Witness Address

Senior Policy Analyst  
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Witness Occupation


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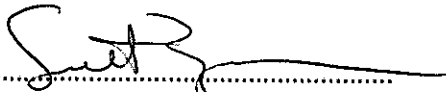
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SIGNED by )

**BRETT GOULD** )

In the presence of: )

  
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Witness Signature

Scott Fitzgibbon  
.....  
Witness Full Name

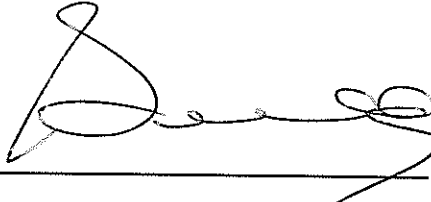
10 Gage Road, Queenstown  
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Witness Address

Senior Policy Analyst  
.....  
Witness Occupation

SIGNED by )

**BRIAN PATRICK DONNELLY** )

In the presence of: )

  
\_\_\_\_\_

  
.....  
Witness Signature

TERRACE GEORGE FOSTER  
.....  
Witness Full Name

16 CHELMSFORD AVE  
GLENDOWIE AUCKLAND  
.....  
Witness Address

PROJECT MANAGER  
.....  
Witness Occupation

X



The COMMON SEAL of )  
**QUEENSTOWN-LAKES DISTRICT COUNCIL** )  
 was hereunto affixed in the presence of: )

*Chris Gendles*  
 \_\_\_\_\_  
 Mayor  
*Valley [Signature]*  
 \_\_\_\_\_  
 Chief Executive Officer





DATED

16 January 2007 2008

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**DENNIS LOUIS PEZARO, JOHN ARTHUR HARRINGTON  
BARRY JAMES PAUL ROBERTSON,  
DAVID ALLAN COLE, BRETT GOULD  
AND  
BRIAN PATRICK DONNELLY**

**("the Trustees")**

**QUEENSTOWN LAKES DISTRICT COUNCIL**

**("the Council")**

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**INDEMNITY**

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**MACALISTER TODD PHILLIPS**  
Barristers, Solicitors, Notaries  
Queenstown/Alexandra/Wanaka/Cromwell

Ph: (03) 441 0125 - Fax: (03) 442 8116

Email: [queenstown@mactodd.co.nz](mailto:queenstown@mactodd.co.nz)

P O Box 653  
**QUEENSTOWN**

**INDEMNITY**

THIS DEED is made the 16<sup>th</sup> day of January 2008 ~~2007.~~

BY **DENNIS LOUIS PEZARO** of Wanaka, Medical Practitioner, **JOHN ARTHUR HARRINGTON** of Arrowtown, Company Director, **BARRY JAMES PAUL ROBERTSON** of Queenstown, Company Director, **DAVID ALLAN COLE** of Queenstown, Company Director, **BRETT GOULD** of Queenstown, Solicitor and **BRIAN PATRICK DONNELLY** of Auckland, Executive Director (jointly and severally "the Trustees")

AND **QUEENSTOWN LAKES DISTRICT COUNCIL** a body corporate under the Local Government Act 2002 ("the Council")

## WHEREAS:

- A. By Deed dated the 15<sup>th</sup> day of January 2007 certain Charitable trusts were declared known as the QUEENSTOWN LAKES COMMUNITY HOUSING TRUST ("the Trust")
- B. The Trustees are the current trustees of the Trust.
- C. The Council has entered into a Memorandum of Understanding with Trustees dated the     day of                     2007 ("the MOU") wherein Council has agreed to provide financial and other support to the trust to assist the Trust in attaining its objectives including but not limited to the provision of capital and the provision of security for the Trust's borrowings and the enforcement of contracts.
- D. The Trustees have agreed to indemnify the Council against all liabilities the Council may sustain or incur directly or indirectly arising out of the discharge of its obligations under the MOU or otherwise in relation to the implementation by the Trust of the affordable housing programme in the Queenstown Lakes District.

Handwritten signatures of the parties involved in the deed, including the Trustees and the Council representative.

## AGREEMENT:

1. In pursuance of the premises and in consideration of the Council executing the MOU and at the request of the Trustees providing such other assurances and support to the Trust as may be required to from time to time pursuant to the terms of the MOU the Trustees DO HEREBY JOINTLY AND EACH OF THEM DO TH SEVERALLY UNDERTAKE AND AGREE TO INDEMNIFY and to keep indemnified the Council from and against all actions, proceedings, damages, costs, claims, demands, payments, losses and expenses (including legal expenses) whatsoever that the Council may pay, suffer, incur or sustain at law or in equity as a result of the Council having entered into the MOU or into any contract or relationship arising out of it.
  
2. Notwithstanding anything elsewhere herein contained or implied the Trustees enter into and execute this deed and hereby covenant as trustees of the Trust solely (but not further or in the Trustee's personal capacity or otherwise) and with the intent to bind only the person or persons for the time being filling the office of trustee and in that person's or those persons capacity as trustee and not personally during that person's or those persons holding that office and not thereafter and the liabilities and obligations of the Trustees under this deed will at all times and for all purposes be construed not as an unlimited personal liability or obligation but only as a liability or obligation to pay moneys and perform and observe all covenants and conditions out of and so far as will extend the interest of the Trust in the trust assets property and funds in and belonging to the Trust and coming into the hands of the Trustees in the normal course of execution of the Trust or failing to come into the hands of the Trustees by their wilful neglect or default and properly applicable to the purpose to the intent that any suit or proceedings against the Trustees in respect of these presents and any judgment order or decree against them shall be limited to such capacity of trustee and any execution in relation to them will at all times and for all purposes be limited to the share and interest of the Trustees in the Trust property and funds in and belonging to the Trust in the ordinary course of administration.
  
3. The Trustees will not without first obtaining the written consent of Council permit:
  - (i) the terms of the Trust to be changed;
  - (ii) any of the Trust's assets to be disposed of other than for the purposes of the Trust;
  - (iii) the Trust's capital to be distributed other than for the purposes of the Trust;

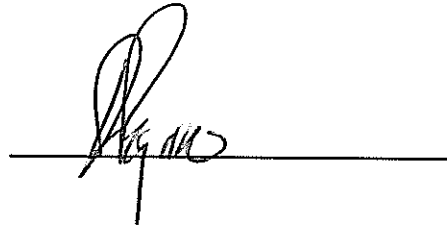
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- (iv) the Trust to be wound up;
- (v) a new Trustee to be appointed.

4. Notwithstanding any other term of this deed, if a new trustee is to be appointed and Council has agreed to that appointment the Trustees shall ensure that the new trustee signs such documents as Council may require so as to ensure that the indemnities herein remain on foot and fully enforceable against the Trustees and the new Trustee.

IN WITNESS WHEREOF this deed was executed on the day and year first hereinbefore appearing.

SIGNED by )  
**DENNIS LOUIS PEZARO** )  
 In the presence of: )



Scott  
 Witness Signature

Scott + Ferguson  
 Witness Full Name

10 Barge Road - Queenston  
 Witness Address

Senior Policy Analyst  
 Witness Occupation

9  
 CR4

SIGNED by )

JOHN ARTHUR HARRINGTON )

In the presence of: )

Scott Figschou  
Witness Signature

[Signature]

Scott Figschou  
Witness Full Name

10 Gorge Road, Queenston  
Witness Address

Senior Policy Analyst  
Witness Occupation

SIGNED by )

BARRY JAMES PAUL ROBERTSON )

In the presence of: )

Scott Figschou  
Witness Signature

[Signature]

Scott Figschou  
Witness Full Name

10 Gorge Road, Queenston  
Witness Address

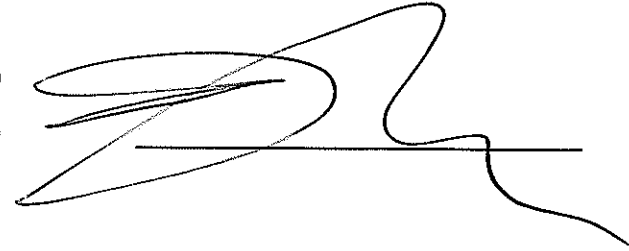
Senior Policy Analyst  
Witness Occupation

9  
CR4

SIGNED by

DAVID ALLAN COLE

In the presence of:

)  
)  
) 

Scott Fyenshow  
Witness Signature

Scott Fyenshow  
Witness Full Name

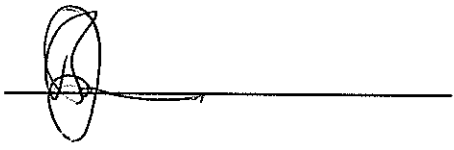
10 Gorge Road  
Witness Address

Senior Policy Analyst  
Witness Occupation

SIGNED by

BRETT GOULD

In the presence of:

)  
)  
) 

Scott Fy  
Witness Signature

Scott Fyenshow  
Witness Full Name

10 Gorge Road, Owenston  
Witness Address

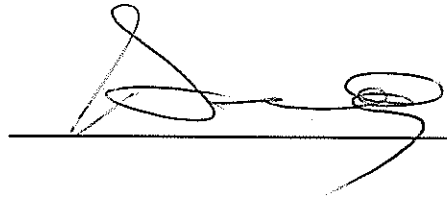
Senior Policy Analyst  
Witness Occupation



SIGNED by )

**BRIAN PATRICK DONNELLY** )

In the presence of: )



*[Handwritten Signature]*

Witness Signature

**TERRACE GEORGE FOSTER**

Witness Full Name

**AUCKLAND**

Witness Address

**PROJECT MANAGER**

Witness Occupation

The COMMON SEAL of )

**QUEENSTOWN-LAKES DISTRICT COUNCIL** )

was hereunto affixed in the presence of: )



*[Handwritten Signature]*

Mayor

*[Handwritten Signature]*

Chief Executive Officer