

DEED OF GUARANTEE & INDEMNITY

Particulars of Guarantee

Deed dated: *01* day of *October* 2011

Given by:

Guarantor(s): QUEENSTOWN LAKES DISTRICT COUNCIL a body corporate under the Local
(I/We) Government Act 2002

Physical address: The Civic Centre, 10 Gorge Road, Queenstown

Postal address: Private Bag 50072, Queenstown 9348

Facsimile: 03 450 2223

Email: services@qldc.govt.nz

In favour of:

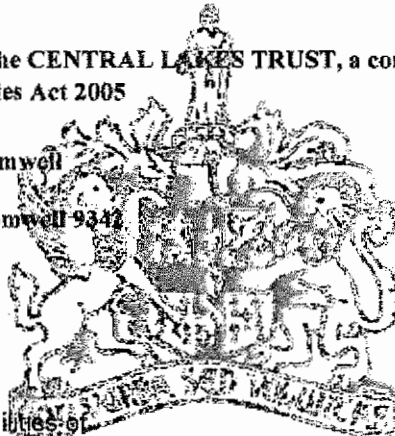
Beneficiary: The Trustees of the CENTRAL LAKES TRUST, a community Charitable Trust registered
(You) under the Charities Act 2005

Physical address: 10 The Mall, Cromwell

Postal address: P O Box 138, Cromwell 9342

Facsimile: 03 443 6265

Email: info@clt.net.nz



In respect of the obligations and liabilities of

Principal Obligor: QUEENSTOWN HOUSING BONDS LIMITED, a duly incorporated Company having its
registered office at Queenstown

Physical address: C/- McCulloch & Partners, Level 2, 11-17 Church Street, Queenstown 9300

Postal address: P O Box 64, Queenstown 9348

Facsimile: 03 442 7032

Email: dcole@xtra.co.nz

In consideration of **You** agreeing to:

provide financial accommodation up to the sum of Six Million Dollars (\$6,000,000.00) to the Principal Obligor pursuant to a Facility Agreement made between the Principal Obligor and the Beneficiary.

at my/our request **I/We hereby unconditionally and irrevocably guarantee to You** the performance of and compliance by the Principal Obligor of its obligations to you details of which are more fully described below, and I/We further indemnify you in accordance with the provisions set out in the General Terms and Conditions with effect from the date of this Guarantee.

A handwritten signature in blue ink, appearing to be 'JWA'.

The terms and conditions that apply to this Guarantee (other than those implied by law) are as set out in:

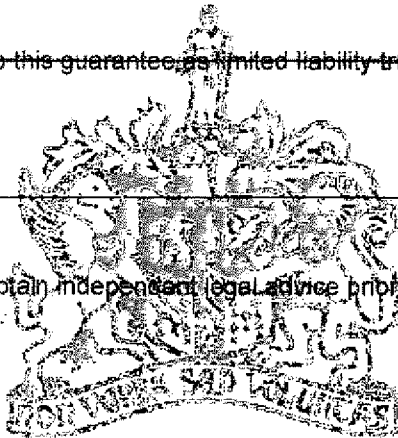
- these Particulars of Guarantee; and
- the General Terms and Conditions.

Description of the obligations of the Principal Obligor to the Beneficiary and the relevant documents under which the obligations arise ("the Guaranteed Obligations") and of the relevant documents:
A Facility Agreement dated the ~~1st~~ day of October 2011 between the Principal Obligor and the Beneficiary wherein at the request of the Guarantor the Beneficiary has agreed to provide financial accommodation to the Principal Obligor up to the sum of Six Million Dollars (\$6,000,000.00) provided that the Guarantors liability under this Guarantee is limited to the sum of Two Million Dollars (\$2,000,000.00).

The following Guarantors enter into this guarantee as limited liability trustees:

INDEPENDENT ADVICE

The Guarantor/s is/are advised to obtain independent legal advice prior to entering into this Guarantee which is a formal legally binding document.



EXECUTED as a deed
The Common Seal of Queenstown Lakes District Council was

hereunto affixed
SIGNED by the Guarantor *
in the presence of:

[Signature]
Witness Signature

Shelley Dawson
Witness Name

Governance Team Leader
Witness Occupation

Queenstown
Witness Address

Vanessa van Uden
Signature of Guarantor

Vanessa van Uden - Mayor
Print Full Name
(for a company specify position:
Director/Attorney/Authorised Signatory)

Debra Lawson
Signature of Guarantor

Debra Lawson - Chief Executive Officer
Print Full Name
(for a company specify position:
Director/Attorney/Authorised Signatory)



[Handwritten initials]

SIGNED by the Guarantor*
in the presence of:

Witness Signature

Witness Name

Witness Occupation

Witness Address

Signature of Guarantor

Print Full Name
(for a company specify position:
Director/Attorney/Authorised Signatory)

Signature of Guarantor

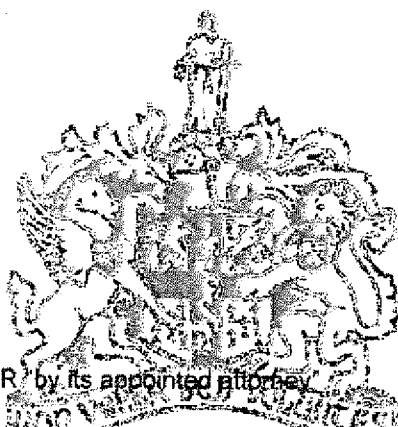
Print Full Name
(for a company specify position:
Director/Attorney/Authorised Signatory)

* If appropriate, add:

"by its director(s)" OR "by its appointed attorney"

Note: Signing by a company – to ensure that this document binds the company as a deed, it must be signed in accordance with section 180 of the Companies Act 1993.
If two directors sign, no witnessing is necessary.
If only one director or a director and authorised signatory(ies) or attorney(ies) sign, signatures must be witnessed.

Note: If this Guarantee constitutes a Consumer Credit Contract as defined by the Credit Contracts and Consumer Finance Act 2003 the initial disclosure statement required to be given to you by the Act is made up of the information in these Particulars of Guarantee, the General Terms and Conditions and any Relevant Document.



A handwritten signature in black ink, appearing to be 'Jill A'.

General Terms and Conditions

1. Guarantee and indemnity

1.1 Guarantee

Each Guarantor unconditionally and irrevocably guarantees to the Beneficiary the due performance of and compliance by the Principal Obligor with the Guaranteed Obligations.

1.2 Payment

Each Guarantor unconditionally and irrevocably undertakes that if, for any reason, the Principal Obligor does not pay when due any guaranteed indebtedness, each Guarantor will pay the guaranteed indebtedness immediately on demand. The guaranteed indebtedness means all indebtedness of the Principal Obligor to the Beneficiary arising out of the Guaranteed Obligations.

1.3 Obligations joint and several

Unless limited by the terms of the Guarantee, the respective obligations of each Guarantor pursuant to clause 1.1 or 1.2 are joint and several unlimited obligations.

1.4 Indemnity

Notwithstanding anything contained in this Guarantee or any other document, should the Guaranteed Obligations or any part of them not be recoverable by the Beneficiary from any Guarantor, or any of the Guaranteed Obligations not be enforceable against any Guarantor:

- (1) whether by reason of:
 - (a) any legal or other limitation, disability or incapacity of or affecting any Principal Obligor, any Guarantor or the Beneficiary; or
 - (b) any Principal Obligor or any Guarantor ceasing to be legally liable to pay the Guaranteed Obligations or any part thereof or to perform any of the Guaranteed Obligations by reason of any law relating to insolvency, liquidation or otherwise; or
 - (c) any law, judgment or order of any court postponing or reducing or otherwise affecting payment of the Guaranteed Obligations or any part thereof or performance of any of the Guaranteed Obligations; or
 - (d) any other fact or circumstance whatsoever; or
- (2) whether or not any transaction relating to the Guaranteed Obligations has been declared void from the beginning or has been subsequently avoided; or
- (3) whether or not any matter or fact having or causing a material adverse effect has been or ought to have been within the knowledge of the Beneficiary,

then each Guarantor, as a separate and additional liability under this Guarantee, indemnifies the Beneficiary in respect of the Guaranteed Obligations in respect of any loss suffered by the Beneficiary directly or indirectly as a result of any failure by any Principal Obligor to perform any of the Guaranteed Obligations, and each Guarantor as a principal debtor shall pay to the Beneficiary on demand, and in the manner specified in such demand, a sum equal to the amount of the Guaranteed Obligations or such part thereof and the terms of these General Terms and Conditions shall (with all necessary modifications) apply as far as possible to this indemnity.

2. Nature of guarantee obligations

2.1 Liability as principal debtor

As between each Guarantor and the Beneficiary (but without affecting the obligations of the Principal Obligor) each Guarantor is liable under this Guarantee as a sole and principal debtor and not merely as a surety.

2.2 No discharge

No Guarantor is to be discharged, nor are any obligations of the Guarantor to be affected, by anything which, but for this clause, would or might have discharged a Guarantor or affected the Guarantor's obligations, including:

- (1) any time, indulgence, waiver or consent whenever given to the Principal Obligor or another person; or
- (2) an amendment to the Guaranteed Obligations or to another security interest, guarantee, indemnity or other agreement (whether or not that amendment might increase the liability of a Guarantor under these General Terms and Conditions or otherwise); or
- (3) the making of, or failure to make, a demand on the Principal Obligor or another person for payment; or
- (4) the failure to obtain, or the failure of a person to execute or otherwise be bound by, the Guaranteed Obligations or another security interest, guarantee, indemnity or other agreement; or
- (5) the enforcement of, or failure to enforce, the Guaranteed Obligations or another security interest, guarantee, indemnity or other agreement; or
- (6) the release of a party from the Guaranteed Obligations or a security interest, guarantee, indemnity or other agreement; or
- (7) the dissolution, amalgamation, change in status, constitution or control, reconstruction or reorganisation, death, bankruptcy or insolvency of any party or another person (or the commencement of steps to effect the same); or
- (8) the illegality, invalidity, unenforceability of, or defect in, a provision of the Guaranteed Obligations or a party's obligations; or any of them for any reason whatsoever, and whether or not known to the Beneficiary; or
- (9) any other matter or thing whatsoever.

The Beneficiary shall be under no liability to any Guarantor in respect of any of these matters, even if that Guarantor's rights of subrogation or otherwise may be prejudiced as a result.

2.3 Continuing guarantee

A Guarantor's obligations under this Guarantee

- (1) are by way of continuing security, notwithstanding intermediate payments, settlement of accounts or payments or any other matter or thing whatsoever;
- (2) are in addition to, and are not to be merged in and are without prejudice to, any security interest, guarantee, indemnity or other agreement, whenever in existence, in favour of any person, whether from a Guarantor or otherwise; and
- (3) are to remain in full force and effect until the execution by the Beneficiary of an unconditional discharge of the obligations of a Guarantor under this Guarantee.

2.4 Unconditional discharge of guarantee

If, in the opinion of the Beneficiary:

- (1) the Principal Obligor has paid and performed and complied with all the Guaranteed Obligations; and
- (2) the Beneficiary is under no obligation to make available any further credit, advance or facility under any relevant document in respect of any Guaranteed Obligations; and
- (3) each Guarantor has discharged all its obligations under these General Terms and Conditions; and
- (4) there is no reasonable possibility that all or any portion of the Guaranteed Indebtedness received or recovered by the Beneficiary from the Guarantor or any other person will or may have to be refunded or repaid under any applicable law (including, without limitation, any law relating to preferences or insolvency),

the Beneficiary will, at the request and cost of the Guarantor, execute a discharge of the obligations of the Guarantor under this Guarantee.

Any discharge or any composition or arrangement which a Guarantor may effect with the Beneficiary will be deemed to be made subject to the condition that it will be void if a payment or security interest which the Beneficiary may previously have received or may later receive from a Guarantor or another person in respect of Guaranteed Obligations is set aside under applicable law or proves to have been, for whatever reason, invalid. In that case:

- (5) that payment or security interest will be deemed not to have discharged or affected the obligation of that Guarantor in respect of which that payment or security interest was made, given or received; and
- (6) the Beneficiary and each Guarantor will be deemed to be restored to the position in which each would have been, and will be entitled to exercise all the rights which each would have had, if that payment or security interest had not been made or given.

3. Notices

The following applies to all notices between the parties to this Guarantee, whether authorised by this Guarantee or by the general law:

- (1) All notices must be served in writing.
- (2) All notices may be served by any means prescribed by law or by one of the following means:
 - (a) Where the party is an individual by personal delivery to the physical address of the party detailed in the Particulars of Guarantee; or
 - (b) Where the party is an incorporated company, then in accordance with the provisions of section 387 of the Companies Act 1993.
- (3) If a party changes its physical address and contact details from those specified in the Particulars of Guarantee that party shall forthwith notify the other parties of such change and the new physical address contact details.

4. Expenses

4.1 Enforcement expenses

Each Guarantor will pay on demand all costs and expenses (including all taxes and legal expenses on a solicitor/client basis) sustained or incurred by the Beneficiary as a result of the exercise of, or in protecting or enforcing or otherwise in connection with, its rights under this Guarantee.

5. Time of the essence

Time shall be deemed to be of the essence in relation to any matter or thing required to be done by the Guarantor including but without limitation the payment of any money or the performance of any obligation under this Guarantee.

6. Assignment

6.1 Benefit of this Guarantee

This Guarantee is binding upon all parties and their respective successors and, in the case of the Beneficiary, its assignees or transferees.

6.2 No assignment or novation by Guarantor

The Guarantor may not assign any rights or novate any obligations or otherwise deal with this Guarantee without the prior written consent of both the Beneficiary and the Principal Obligor and then only on such terms and conditions as either the Beneficiary or Principal Obligor may impose as a condition of its consent.

7. Trustee Guarantors

7.1 If any person enters into this Guarantee as trustee of a trust, then that person warrants that:

- (1) that person has power to enter into this Guarantee under the terms of the trust;
- (2) this guarantee is being given for the benefit of and in the interests of the trust;
- (3) all of the persons who are trustees of the trust have approved entry into this Guarantee;
- (4) that person has properly signed this Guarantee in accordance with the terms of the trust;
- (5) that person has the right to be indemnified from the assets of the trust and that right has not been lost or impaired by any action of that person including entry into this Guarantee.

7.2 If that person has no right to or interest in any of the assets of the trust except in that person's capacity as trustee of the trust, that person's liability under this deed shall not be personal and unlimited but shall be limited to an amount equal to the value of the assets of the trust that are available to meet that person's liability unless the right of that person to be indemnified from the assets of the trust has been lost and in which case that person's liability under this guarantee shall be personal and unlimited.



[Handwritten signature]
382654-62

Dated 2011

Between
Queenstown Lakes District Council

Guarantor

and
The Trustees of the Central Lakes Trust

Beneficiary

and
Queenstown Housing Bonds Limited

Principal Obligor



DEED OF GUARANTEE & INDEMNITY

Guarantor's Solicitor:

Beneficiary's Solicitor:

Macalister Todd Phillips
Solicitors
11-17 Church Street
P O Box 653
QUEENSTOWN

Heidi Bendikson

From: John Troon [JTroon@mactodd.co.nz]
Sent: Friday, 20 January 2012 12:24
To: Heidi Bendikson
Subject: RE: Guarantee

Yes that's fine Heidi. My copy was dated 01 October. Can you send me a copy of the amended document please Heidi.

Regards,
John.

From: Heidi Bendikson [mailto:heidi.bendikson@andersonlloyd.co.nz]
Sent: Friday, 20 January 2012 12:21 PM
To: John Troon
Subject: Guarantee

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Good morning John,

Thank you for the Guarantee. The Facility Agreement has been dated 12 October 2011 (see attached). Could you please confirm that we may change the date of the Facility Agreement noted on the Guarantee to 12 October 2011 (it currently says 1st of October).

Thanks

Regards,

Heidi Bendikson
Solicitor

P: 03 450 0726
E: heidi.bendikson@andersonlloyd.co.nz

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Queenstown 9300, New Zealand
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F: 03 450 0799

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Anderson Lloyd is proud to be one of the two Canterbury sponsors of Off the Wall: World of Wearable ArtSM - Up Close Exhibition at Canterbury Museum. This fantastic exhibition runs until 18 March 2012 and like Anderson Lloyd celebrates innovation, ingenuity and creativity. Anderson Lloyd is proud to be supporting the regeneration of the Arts in Canterbury.