

[Describe Prompt] DEVELOPMENT – TERM SHEET

Dated

2019

Intent of Term Sheet

This Term Sheet confirms the preliminary agreement reached between the parties as to the intended commercial terms for the proposed sale and purchase and the development of the Superlot/s as described in this Term Sheet. Accordingly, this Term Sheet is solely intended to set forth in writing the mutual intentions of the parties. Whilst it creates binding obligations as to the matters stated here, it is subject to each parties Board approval and the execution of a satisfactory Development Agreement.

PART 1: SPECIFIC TERMS

1	PARTIES:	
1.1	Kāinga Ora	Kāinga Ora – Homes and Communities
1.2	Purchaser	[Describe Prompt]
1.3	Covenantor	[Describe Prompt]
2	SUPERLOT/S:	
2.1	Address	Superlot [Describe Prompt]
2.2	Legal Description	as delineated in red on the attached plan
2.3	Indicative Area	[Describe Prompt] m ² (approximately)
2.4	Title	The Superlot shall be delivered by Kāinga Ora and acquired by the Purchaser in one title.
3	DWELLING DELIVERIES:	
3.1	Total number of Dwellings to be constructed on the Superlot	
3.2	KiwiBuild Homes	<p>The Purchaser agrees to collaborate with Kāinga Ora and any relevant authority and commits to the delivery of not less than [Describe Prompt] KiwiBuild homes. KiwiBuild homes means dwellings that are:</p> <ul style="list-style-type: none">• A minimum of 1 bedroom (including studio and one + study) at or below \$500,000• A minimum of 2 bedrooms at or below \$600,000• A minimum of 3 bedroom at or below \$650,000 <p>an expectation that there will be a spread of Kiwibuild homes across differing sizes and configurations within these price parameters.</p>

		In addition, the Purchaser commits to ensuring that Kiwibuild Homes are marketed and sold in consultation with Kāinga Ora and otherwise in compliance with the terms, conditions and criteria to be met by end purchasers purchasing Kiwibuild Homes.
3.3	Exclusion of Carparks	The parties acknowledge that all dwellings sold exclude carparks. However carparks may be separately available for purchase for some dwellings.
3.4	Homestar Rating	The Purchaser shall incorporate into each Dwelling such design and build requirements as are necessary to achieve a Homestar 6 rating for all Dwellings. The Purchaser shall be responsible for registration of the Dwellings with the Homestar 6 programme and for obtaining the Homestar 6 certification (including being responsible for all costs associated therewith).
3.5	Purchaser Condition/s	This Term Sheet is conditional upon the Purchaser obtaining by
3.6	Location of Services	The Purchaser shall select the location of services & vehicle entry points into the Superlot and advise Kāinga Ora on or before the unconditional date.
4	INNOVATIVE CONSTRUCTION AND DESIGN STRATEGY:	"[Describe typology i.e.:]" Three level walk up apartment buildings with on grade car parking. Apartment urban design / architectural "look and feel" to be different to other dwellings being delivered by the Purchaser in [Describe Prompt] whilst not compromising the quality, durability and low maintenance of envelope materials.
5	PURCHASE PRICE:	\$
5.1	Deposit	10% of the Purchase Price
5.2	Settlement Sum (balance of purchase price)	\$
6	PAYMENT DATES:	
6.1	Deposit	Payable in one sum in full once the conditions in clause 3.5 have being satisfied and practical completion of Kāinga Ora works on the Superlot has been achieved.
6.2	Settlement Date	
7	INITIAL DEVELOPMENT PARTNER MEETING ("DPM") MEMBERS:	Kāinga Ora Representatives: Purchaser Representatives: [Describe Prompt]

8	MILESTONES:	
8.1	Milestone 1:	
9	MAXIMUM MARKETING:	<p>The Purchaser agrees to work collaboratively with Kāinga Ora to agree a marketing plan for the Superlot/s as is considered reasonable and appropriate by the parties for the Superlot/s and having regard to the marketing budget agreed by the parties defined in the base line feasibility.</p> <p>The Purchaser will commit to a minimum of [\$15,000 plus GST] per annum marketing expenditure to promote the housing project it will develop.</p> <p>Kāinga Ora will continue to lead project marketing co-ordination and contribute to marketing expenses for the [Describe Prompt] Development.</p>
10	PURCHASER' GST NUMBER:	[TBC]

PART 2: GENERAL

<p>11 MASTER PLAN:</p>	<p>The Purchaser acknowledges and accepts that Kāinga Ora has a master plan for the [Describe Prompt] Development to create a regeneration of the [Describe Prompt] community, maintaining its sense of place, building on its established and culturally diverse community, delivering new benchmarks for development quality, density and pace of delivery with a focus on innovation and affordability.</p> <p>The Purchaser has been selected through a tender process to acquire the Superlot/s for the purpose of housing redevelopment and sale and that such development of the Superlot/s is in accordance with Kāinga Ora’s ongoing development of housing at [Describe Prompt].</p> <p>The Purchaser further acknowledges and accepts that Kāinga Ora is under no obligation to proceed with the [Describe Prompt] Development in any particular way and it is subject always to Kāinga Ora obtaining such consents as are necessary to it on satisfactory terms. To that end the Purchaser will not interfere, object or raise any opposition to Kāinga Ora’s redevelopment of [Describe Prompt].</p>
<p>12 DEVELOPMENT AGREEMENT:</p>	<p>The parties agree to negotiate with each other for a period of 30 working days (excluding Board approval timeframes) commencing on the date of this Term Sheet to resolve and agree the terms and conditions of a Development Agreement incorporating (inter alia) the relevant terms of this Term Sheet together with such other terms and conditions that the parties may agree.</p> <p>The parties agree that in addition to the matters already specifically referred to herein the Development Agreement will also include Kāinga Ora’s standard requirements in respect of:</p> <ul style="list-style-type: none"> • Objectives of Kāinga Ora • Contributions of the parties • Reliance on skills of the Purchaser • Management of the relationship incorporating the partnering concept • Development partner meeting • Superlot interface meeting • Resource and building consents • Timing and staging of titles • Design Review Process • Insurance • [Describe Prompt] contribution – construction plus • Variation of the Kāinga Ora Master plan • Sales and marketing processes • Sale of Superlot/s within the development • Superlot/s Holding Expenses

	<ul style="list-style-type: none"> • Developable area approved by Auckland Council • Security • Covenantors • Termination • Dispute Resolution • All other material matters raised by the Kāinga Ora Board at the time of approving this Term Sheet or the Development Agreement (or any draft thereof)
<p>13 EARLY ACCESS:</p>	<p>Kāinga Ora will grant the Purchaser a licence to occupy on its usual terms to allow early access to the blocks for the purpose of erecting show homes or to commence construction of the Apartment Buildings/Dwellings.</p>
<p>14 Kāinga Ora AND PURCHASER RESPONSIBILITIES:</p>	<p>It is intended that Kāinga Ora will deliver, as soon as reasonably practical:</p> <ul style="list-style-type: none"> • The subdivision to create the title to the Superlot/s Stormwater, wastewater, water, power, telecommunications and fibre services to the boundary edge of the Superlot/s having sufficient capacity for the number of Dwellings contemplated herein • Removal of contaminated material in the [Describe Prompt] Development to a standard necessary to meet relevant authority consenting standards for residential / commercial activities as appropriate and the provision of a validation report to the Purchaser evidencing such works. • The demolition and removal of all above ground structures to a depth of 150mm, but excluding trees specified by Kāinga Ora to remain (in its sole discretion) and further excluding all below ground structures unless such works form part of the remediation works or fall within the removal of any existing significant contamination as described below or falls within the works described in 3.5 of this Term Sheet • Marketing and advertising strategy for the sale and marketing of the [Describe Prompt] Development, the Superlot/s and any dwellings located thereon. • Liaison and reporting with and to the Crown's Ministries • Establish Affordable Housing parameters and criteria and contribute toward innovation through design • Establish and maintain the Kāinga Ora OSH system as to Kāinga Ora's obligations • Administer documentation relating to the Design Review Process • Engage the members of the Design Review Process as required • Master planning of the [Describe Prompt] Development to facilitate delivery of project objectives for the Superlot/s <p>It is intended the Purchaser will obtain and/or deliver:</p>

	<ul style="list-style-type: none"> • Construct the Apartments as set out herein • Master plan design of the apartments and subdivision & integrated housing design to achieve delivery of project objectives • Obtain all necessary consents and pay all required development contributions and Infrastructure Growth Charges to obtain the subdivision of the Purchaser's development in to Residential Titles • Market the project in collaboration with Kāinga Ora • Monitor and report to Kāinga Ora as required on project status including dwelling delivery and construction status on a monthly basis and separately affordable housing delivery reporting on a monthly basis. • Implement the project OSH system objectives <p>It is acknowledged by the parties that the intended obligations set out herein are based on more detailed assumptions discussed between the parties and set out in correspondence between the parties.</p>
15 CONFIRMATIONS:	<p>This Term Sheet is subject to the following confirmations:</p> <ul style="list-style-type: none"> (a) The approval of the Kāinga Ora board of directors; and (b) The approval of the Purchaser's board of directors; and (c) The execution of a Development Agreement.
16 NON ASSIGNMENT:	<p>The Purchaser acknowledges and agrees that this term sheet and the entry therein by Kāinga Ora is personal to the Purchaser and the Purchaser shall not assign, transfer or otherwise dispose of or alienate the benefits and obligations of this term sheet.</p>
17 CONFIDENTIALITY:	<p>This term sheet and all information and documentation exchanged by the parties in respect of this proposed transaction both before and after signing this term sheet shall be confidential to the parties and shall not be disclosed to any other person without the prior written agreement of the other party subject always to Kāinga Ora's obligations to provide information to Ministers of Government, its parent entity and pursuant to any relevant legislation.</p>
18 GST:	<ul style="list-style-type: none"> (a) The Purchaser warrants to Kāinga Ora and Kāinga Ora warrants to the Purchaser that each of the parties is (and any nominee of them) or will be by the Settlement Date, registered for GST purposes and that the supply of the Superlot/s is a zero rated supply for the purposes of the GST Act. (b) The Purchaser warrants to Kāinga Ora that:

		<p>(i) it will intend to use the Superlot/s for making taxable supplies, partially or wholly; and</p> <p>(ii) will not intend to use the Superlot/s as a principal place of residence of the Purchaser or a person associated with the Purchaser.</p> <p>(c) If it transpires for any reason that any GST is payable in respect of the supply and/or Kāinga Ora is liable to account for GST then Kāinga Ora shall furnish to the Purchaser a tax invoice for the GST payable and the Purchaser shall pay to Kāinga Ora such GST on the settlement date.</p>
19	GOOD FAITH:	The parties acknowledge and agree that they will act in good faith towards one another in negotiating the Development Agreement.
20	Definitions	The capitalised words used herein have the definitions attributed to them in the Development Agreement.
21	NZ LAW:	This Term Sheet shall be construed in accordance with and governed by the Laws of New Zealand.

PART 3: EXECUTION

Kāinga Ora – Homes and Communities:

Director

Print Name

Director

Print Name

[Describe Prompt]

As Purchaser:

Director

Print Name

[Describe Prompt]

As Covenantor:

Covenantor

Print Name