



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL



Emergency Extraordinary Council Meeting Agenda

Wednesday, 25 March 2020

5:00 PM

Location TBC

Together we Thrive! E ora ngātahi ana!

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- 1 **PRAYER**
- 2 **APOLOGIES**
- 3 **DECLARATIONS OF CONFLICTS OF INTEREST**
- 4 **STANDING ORDERS**

RECOMMENDATION

THAT THE FOLLOWING STANDING ORDERS ARE SUSPENDED FOR THE DURATION OF THE MEETING:

- 21.2 TIME LIMITS ON SPEAKERS
- 21.5 MEMBERS MAY SPEAK ONLY ONCE
- 21.6 LIMITS ON NUMBER OF SPEAKERS
- THAT 22.4 OPTION C UNDER SECTION 22 GENERAL PROCEDURES FOR SPEAKING AND MOVING MOTIONS BE USED FOR THE MEETING.

5 REPORT SECTION

6.1 EMERGENCY EVENTS COMMITTEE

File Number: COU1-1400

Author: Monique Davidson, Chief Executive

Authoriser: Monique Davidson, Chief Executive

Attachments: 1. Emergency Events Committee - Terms of Reference [↓](#) 

PURPOSE

The matter for consideration by the Council is the establishment of a Emergency Events Committee to allow for effective governance and to streamline Council and community decision making in response to the evolving situation with Covid-19.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report Council:

1. Receives the Emergency Events Committee report.
2. Establishes the Emergency Events Committee, in accordance with the Terms of Reference contained in Attachment 1, noting that the Committee will have all the delegated powers, duties and functions of the Council, except those specified in the Local Government Act, and that the Committee will have a quorum of two members.
3. Resolves, with immediate effect, that meetings of Council's other committees and other decision making bodies are suspended until further notice, and decisions that otherwise would have been considered by those decision making bodies will be referred to the Emergency Events Committee for decision, unless the Committee resolves to alter the delegations provided to the Chief Executive and staff.
4. Notes that a further report will be provided to the Emergency Events Committee on the adequacy of the current delegations to staff.

EXECUTIVE SUMMARY

In summary this report recommends to Council that a Emergency Events Committee is established in response to the evolving situation with Covid-19 as we prepare to move into Level 4 of the New Zealand Covid-19 Alert System. The recommended Terms of Reference for the Committee, were it established, are contained in Attachment 1 of this report. The establishment of the Committee is to allow for effective and streamlined Governance of the Central Hawke's Bay District during this time; comparatively requiring 2 members of the Committee to be present to form a quorum, rather than the 5 members required to form quorum at a Council meeting, as is status quo and in adherence with Standing Orders.

BACKGROUND

The World Health Organisation has declared a pandemic as a result of the transmission of the COVID-19 virus across the world. Worldwide more than 330,000 cases have been diagnosed and over 14,500 people have died (as of 23 March 2020). What makes the situation so serious is that there is no vaccine to protect the community and it may take up to a year before one is available.

The Government has developed a four-stage alert system and currently the country is at Level 3 and moving to Alert Level 4 at 11.59 PM, Wednesday, 25th March 2020. At present, there are 155 probable cases in New Zealand, but that number is expected to increase.

DISCUSSION

The key issue is how does the Council continue to function as effectively as it can yet limit risk of virus transmission and keep people safe as possible. In doing so, it must acknowledge a number of

risks, including that staffing levels may be compromised, elected members may be confined to home, and the community's focus will be on more important matters than the ordinary course of Council business.

The Council on 24 March 2020 has closed all community facilities, including libraries, aquatic facilities, community halls and service centres. Alternative service delivery mechanisms will need to be in place for possibly a number of weeks and months.

Having effective governance during this time is important and hence the intention to streamline Council and community decision making.

The recommended Terms of Reference for the Committee, were it established, are contained in Attachment 1 of this report.

The key issue is how does the Council continue to function as effectively as it can yet limit risk of virus transmission and keep people safe as possible. In doing so, it must acknowledge a number of risks, including that staffing levels may be compromised, elected members may be confined to home, and the community's focus will be on more important matters than the ordinary course of Council business.

Legislation

Relevant legislation is the Local Government Act 2002, Schedule.

Local Government Act 2002: Clause 23 Schedule 7. Quorums

- (1) A meeting is duly constituted if a quorum is present, whether or not all of the members are voting or entitled to vote.*
- (2) Business may not be transacted at any meeting unless at least a quorum of members is present during the whole of the time at which the business is transacted.*
- (3) The quorum at a meeting of—*
 - (a) a local authority consists of—*
 - (i) half of the members if the number of members (including vacancies) is even; or*
 - (ii) a majority of members if the number of members (including vacancies) is odd; and*
 - (b) a committee—*
 - (i) is not fewer than 2 members of the committee (as determined by the local authority or committee that appoints the committee); and*
 - (ii) in the case of a committee other than a subcommittee, must include at least 1 member of the local authority.*

Local Government Act 2002: Clause 32 Schedule 7. Delegations

Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—

- (a) the power to make a rate; or*
- (b) the power to make a bylaw; or*
- (c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or*
- (d) the power to adopt a long-term plan, annual plan, or annual report; or*
- (e) the power to appoint a chief executive; or*
- (f) the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
- (g) [Repealed]*
- (h) the power to adopt a remuneration and employment policy.*

(2) Nothing in this clause restricts the power of a local authority to delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority the power to do anything precedent to the exercise by the local authority (after consultation with the committee or body or person) of any power or duty specified in subclause (1).

(3) A committee or other subordinate decision-making body, community board, or member or officer of the local authority may delegate any of its responsibilities, duties, or powers to a subcommittee or to another committee or subordinate decision-making body, community board, or member or officer of the local authority, but, to avoid doubt, if doing so is itself a sub-delegation, the power to so delegate is subject to any conditions, limitations, or prohibitions imposed in connection with the primary delegation.

RISK ASSESSMENT AND MITIGATION

There are many risks facing the Council and the community arising from COVID-19. The most serious relate to objective of limiting the spread of the disease. The major risk relates to actions being taken that increase the likelihood that the health and safety of people is compromised. The Government is seeking the use of self/family isolation and physical distancing as the primary means (along with good hygiene) to limit the rate of disease transmission. The proposal helps reduce the risk.

Risk surrounding decision making, such as decisions not having as much community input as under the business as usual model. This risk can be lessened by receiving 'informal' views of people who are willing and able to proffer a view and for that to be taken into account the relevant decision makers.

Health and Safety

The risks to workers (staff and elected members), as well as members of the public, need to be at the forefront of decision making. If we cannot provide a safe environment then we cannot function. With COVID-19 risks being potentially life threatening it is important we do all we can to reduce the transmission of the virus.

FOUR WELLBEINGS

The establishment of a Covid 19 Response Committee is in-line with the four wellbeings, and would support the purpose of local government by ensuring the continuation of democratic decision-making at a local level while the Council and community respond to the Covid 19 pandemic.

DELEGATIONS OR AUTHORITY

- The committee will have the power of the Council to make decisions with a lower number required to achieve a quorum.
- The Committee would comprise the Mayor and all Councillors, with a quorum of two members (permitted by the Local Government Act 2002) to enable it to meet and function.
- The delegations of the Committee will include all the powers, duties and functions that the Local Government Act permits a Council to delegate. Some functions must be retained by the Council, such as adopting the Annual Plan and setting rates. It is possible that further emergency legislative amendments will be considered that may relax these requirements.
- While committee delegations remain in place, for avoidance of doubt, the Emergency Events Committee will also have the same delegations as those other decision making bodies.
- It is likely that the quantum of business being transacted by the Committee will be reduced compared to the current activity and there will be further consideration about what decisions are made by the Committee, versus those made by management under delegation.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed as high significance and public interested, however given the circumstances community engagement on this matter is not an option.

OPTIONS ANALYSIS

The Council has three options regarding its governance structures including:

1. Establish a Emergency Events Committee
2. Revert all decision making to the Council.

	<u>Option 1</u>	<u>Option 2</u>
	Establish a Emergency Events Committee	Revert all decision making to the Council.
Financial and Operational Implications	<p>There are no financial implications.</p> <p>Requires 2 members to form a quorum for a meeting to commence, reducing the risk of not achieving a quorum.</p> <p>Requires fewer staff and service resources to support.</p> <p>Physical distancing limits more achievable.</p>	<p>Requires 5 physically present members to form a quorum (note Standing Order 13.8 Member's status: quorum) for a meeting to commence.</p> <p>Increased risk of virus transmission.</p> <p>Greater risk of being unable to achieve a quorum.</p> <p>Compromised staff support may not allow meetings to occur.</p> <p>Physical distancing limits compromised.</p>
Long Term Plan and Annual Plan Implications	<p>There are no implications for the LTP and AP as only Council can adopt a LTP and AP.</p>	<p>There are no implications for the LTP and AP as only Council can adopt a LTP and AP.</p>
Promotion or Achievement of Community Outcomes	<p>No views have been sought, although all elected members have been advised of the proposals and invited to provide any comments they may have.</p> <p>There are wide ranging opportunities for people to contribute to the decision making that effects our District.</p> <p>There are very serious community implications from COVID-19. To support the community to the best of its</p>	<p>No views have been sought, although all elected members have been advised of the proposals and invited to provide any comments they may have.</p>

ability the Council needs to be able to function, and when required, be able to make decisions for the benefit of the District. The proposed approach supports this.		
Statutory Requirements	Two members are required to form a quorum.	5 members are required to form a quorum.

Recommended Option

This report recommends *Option 1. Establish a Emergency Events Committee for addressing the matter.* The proposed model gives the Council the greatest flexibility to make decisions and keep the Council running even at times when staff and elected member attendance may be severely compromised.

NEXT STEPS

The Emergency Events Committee will be established and the first meeting date will be set at the request of the Chief Executive or Mayor.

1. RECOMMENDATION

That having considered all matters raised in the report Council:

1. Receives the Emergency Events Committee report.
2. Establishes the Emergency Events Committee, in accordance with the Terms of Reference contained in Attachment 1, noting that the Committee will have all the delegated powers, duties and functions of the Council, except those specified in the Local Government Act, and that the Committee will have a quorum of two members.
3. Resolves, with immediate effect, that meetings of Council's other committees and other decision making bodies are suspended until further notice, and decisions that otherwise would have been considered by those decision making bodies will be referred to the Emergency Events Committee for decision, unless the Committee resolves to alter the delegations provided to the Chief Executive and staff.
4. Notes that a further report will be provided to the Committee on the adequacy of the current delegations to staff.



**CENTRAL
HAWKE'S BAY**
DISTRICT COUNCIL

Adopted at the Emergency
Extraordinary Council Meeting
held 25 March 2020.

TERMS OF REFERENCE COUNCIL AND COMMITTEES

EMERGENCY EVENTS COMMITTEE

1. Membership

1. Mayor (Chair)
2. All Councillors
- 3.

2. Quorum

4. Any two members.

3. Delegation

The Emergency Events Committee shall enjoy **all** the powers, duties and functions of the Council, except those six listed in clause 32(1) Schedule 7, LGA 2002, (or any other legislative measures that may be implemented by Order of Council).

For the avoidance of doubt, the Committee has **all** the powers currently delegated to the Council's committees. In addition to the current delegations of the Finance and Infrastructure Committee and Strategy and Wellbeing Committee, it shall be responsible for the following matters:

- 3.1 Approve Expenditure not currently provided for the current Long Term Plan and Annual Plan to enable the Council to continue to operate and provide support to the Community to respond to the COVID-19 pandemic.
- 3.2 The Emergency Events Committee has delegation to approve or award contracts beyond the Chief Executive's delegated authority within the parameters of approved Annual Plan and Long Term Plan budgets.
- 3.3 Approve funding for expenditure required to support the Covid-19 Response.
- 3.4 Create, amend and modify currently agreed plans and timetables for community engagement related to the Annual Plan 2020/2021.

- 3.5 Initiate a Special Consultative Procedure, or otherwise consult the community on matters related to the committee's activities and where the proposed consultation is not contrary to an established Council position.
- 3.6 To make any recommendations to the Council it considers appropriate.

4. Meeting Frequency and Support

The meeting will be supported by the Chief Executive, and other staff as required, and will meet at the request of the Mayor, or Chief Executive.

6.2 JOINING THE LOCAL GOVERNMENT FUNDING AGENCY (LGFA) AS A GUARANTOR**File Number:** COU1-1400**Author:** Brent Chamberlain, Chief Financial Officer**Authoriser:** Monique Davidson, Chief Executive**Attachments:** 1. Example LGFA Guarantor Documents [↓](#) **PURPOSE**

The purpose of this report is to inform councillors of the legal requirements in regard to becoming a Local Government Funding Agency (LGFA) guarantor.

RECOMMENDATION FOR CONSIDERATION

That having considered all matters raised in the report Council:

1. Receive the information.
2. Notes the contents of the report
3. Confirms Council's intention to join LGFA as a guarantor (noting it has already acceded as a borrower in 2016).
4. Delegates authority to the Chief Executive to execute the following documents for the purposes of recommendation 3. above:
 - a. Security Stock Certificate (in relation to the Equity Commitment Deed);
 - b. Security Stock Certificate (in relation to the Guarantee);
 - c. Stock Issuance Certificate;
 - d. Section 118 Chief Executive Certificate; and
 - e. Officer's Certificate.
5. Authorises any two of the Council's elected members to execute the following deeds for the purposes of recommendation 3. above:
 - a. Accession Deed to Equity Commitment Deed; and
 - b. Accession Deed to Guarantee and Indemnity.
6. Delegates authority to the Chief Executive to execute such other documents and take such other steps on behalf of Council is necessary or desirable to execute or take to give effect to recommendation 3. above.

EXECUTIVE SUMMARY

The Council joined the New Zealand Local Government Funding Agency (LGFA) borrowing scheme as a borrower on the 15 July 2016. In order to increase the amount it may borrow through LGFA, Council now wishes to accede to the LGFA programme as a guarantor and thereby guarantee the indebtedness of LGFA. Any council that borrows in aggregate NZ\$20 million or more from LGFA must be a guarantor.

BACKGROUND

If the Central Hawkes Bay District Council wants to borrow more than \$20 million then they will need to become a guarantor.

The benefits are that Council could borrow more than \$20 million and that Council's interest cost would reduce by 0.1% on any new borrowings or refinancing of existing borrowings.

It would also enable the council to access committed standby facilities that LGFA are now offering.

The risk of becoming a guarantor is that the Council may have to make an equity contribution to LGFA if LGFA was at risk of defaulting on its debt. Note that the Council is guaranteeing LGFA's debt and not other councils.

The share of the Councils guarantee is based on rates income. It is estimated that Central Hawkes Bay's share would be 0.36% as at June 2019. This means for every \$100 million of capital LGFA called, the Council would contribute around \$360,000.

The LGFA is a credit rated by Standard & Poors – AA+ (Positive Outlook) and Fitch Ratings – AA+ (Stable Outlook). These ratings are the same as the NZ Governments.

As at 31 December 2019 LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

There are currently 31 shareholders, comprising the New Zealand Government at 20% and 30 councils at 80%.

Any councils wanting to become new shareholders are required to purchase shares from existing council shareholders.

The LGFA's capital structure comprises of (ex 31 December 2019 accounts):

Paid Share Capital	\$25m
Unpaid Share Capital	\$20m
Retained Earnings	\$54m
Borrower Notes	\$166m*
Total	\$265m

* \$256k of these are held by CHBDC as at 31 December 2019

Borrower Notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for (in an amount equal to 1.6% [soon to be lifted to 2.5% as part of emergency measures] of the total borrowing from LGFA by that council).

LGFA will redeem Borrower Notes when the councils' related borrowings are repaid or no longer owed to LGFA.

Currently there are NZ\$166 million of Borrower Notes on issue. CHBDC has \$256k of Borrower Notes linked to its \$16m debt as at 31/12/2019.

The New Zealand Debt Management Office provides LGFA with a committed liquidity facility (fancy term for overdraft type facility).

The facility's maximum amount is set at NZ \$1 billion.

As at 31/12/19 LGFA held \$45m in cash and a further \$303m in deposits

The LGFA borrows through tendered bonds from national and international institutions (\$10.6b borrowed as at 31/12/19) and on lends these to NZ Councils at a small margin (\$10.1b lent as at 31/12/19).

As at 2 September 2019 there are 63 NZ Council borrowers.

There are 52 Guarantors of LGFA. The only non-Guarantors (due to their small amount of borrowing) are Northland and West Coast Regional Councils and Grey, Central Hawkes Bay, Opotiki, Buller, Rangitikei, Stratford, Wairoa, MacKenzie, Clutha and Westland District Councils.

There are 31 shareholders

Auckland Council is limited to a maximum of 40% of LGFA's lending

No more than the greater of NZ\$100 million or 33% of a council's borrowings from LGFA will mature in any 12 month period.

The LGFA has lent 97% of New Zealand local government sector debt.

When a Council borrows from the LGFA it uses its future rating income as a form of security.

The LGFA would work with a defaulting Council to adjust its rates for future years to provide debt repayments and recover its debt over time.

The LGFA would only call on the guarantee once it has exhausted all other avenues, which are:

- It was unable to raise any new funds (issue new bonds)
- It has utilised all its own cash reserves
- It has fully utilised the \$1 billion liquidity facility
- It has called all its uncalled capital (unpaid share capital)
- It has converted borrower notes into equity (which removes the repayment obligation on them)
- The NZ Central Government refuses any further assistance

LGFA has this week added new measures (raising bower notes from 1.6% to 2.5%, raising lending margins by 0.1%, increased the amount of treasury stock held from \$1.5b to \$1.75b to improve liquidity) as a response to the Covid-19 situation and to ensure the guarantee isn't called upon.

DISCUSSION

In order to accede as a guarantor, Council must execute the following legal documents:

- *Accession Deed to Equity Commitment Deed;*
- *Accession Deed to Guarantee and Indemnity;*
- *Security Stock Certificate (in relation to the Equity Commitment Deed);*
- *Security Stock Certificate (in relation to the Guarantee);*
- *Stock Issuance Certificate;*
- *Section 118 Chief Executive Certificate; and*
- *Officer's Certificate.*

Documents in the form of deeds should be executed by two elected members.

South Wairapa District Council has recently moved from a non guarantor borrower to a guarantor. Attached is an example of the documents they prepared to execute the above. Assuming Central Hawkes Bay District Council agrees to become a guarantor, officers will work with Simpson Grierson Solicitors to prepare our own legal documents prior to their execution. Simpson Grierson has extensive LGFA experience, both with Council and with other local authorities.

It is appropriate to have clear authority for the execution of the documents and certificates. It is proposed that authority be specifically delegated to two elected members to sign deeds and to the Acting Chief Executive to sign all other necessary documentation and certificates.

RISK ASSESSMENT AND MITIGATION

The risk of becoming a guarantor is that the Council may have to make an equity contribution to LGFA if LGFA was at risk of defaulting on its debt. Note that the Council is guaranteeing LGFA's debt and not other councils, and the LGFA has implemented additional measures in place to minimise the likelihood of this occurring as part of the Covid-19 situation.

The share of the Councils guarantee is based on rates income. It is estimated that Central Hawkes Bay's share would be 0.36% as at June 2019. This means for every \$100 million of capital LGFA called, the Council would contribute around \$360,000.

All legal documents will be reviewed by Simpson Grierson.

FOUR WELLBEINGS

the economic benefits are that Council could borrow more than \$20 million and that Council's interest cost would reduce Assuming Central Hawkes Bay District Council agrees to become a guarantor, by 0.1% on any new borrowings or refinancing of existing borrowings.

It would also enable the council to access committed standby facilities that LGFA are now offering.

Currently Council already has \$20m of borrowings from the LGFA and has no ability currently to borrow further funds through LGFA. However Council has been actively prefunding debt, and investing in Term Deposits. Has at 24th March Council is holding \$10m in term deposits which are have staggered maturities over the next six months.

DELEGATIONS OR AUTHORITY

When Council previously (in 2016) joined LGFA it would have consulted with the ratepayers.

A decision to join the LGFA as a guarantor requires authorisation from both members of Council and the Chief Executive.

SIGNIFICANCE AND ENGAGEMENT

In accordance with the Council's Significance and Engagement Policy, this matter has been assessed of some significance but doesn't trigger the need to re consult with the ratepayers.

OPTIONS ANALYSIS

Council has two options

1. To join the LGFA as a guarantor, or
2. To remain a Non-Guarantor LGFA borrower

	<u>Option 1</u>	<u>Option 2</u>
	To join the LGFA as a guarantor	To remain a Non-Guarantor LGFA borrower
Financial and Operational Implications	<p>The benefits are that Council could borrow more than \$20 million and that Council's interest cost would reduce by 0.1% on any new borrowings or refinancing of existing borrowings.</p> <p>It would also enable the council to access committed standby facilities that LGFA are now offering.</p>	<p>Council is unable to borrow further funds from LGFA</p>

Long Term Plan and Annual Plan Implications	Council be able to deliver LTP as planned	This would limit Council's ability to deliver future capital works
Promotion or Achievement of Community Outcomes	Council be able to deliver LTP as planned	This would limit Council's ability to deliver future capital works
Statutory Requirements	Nil	Nil
Consistency with Policies and Plans	Nil	Nil

Recommended Option

This report recommends option 1, to join the LGFA as a guarantor, for addressing the matter.

NEXT STEPS

Assuming Central Hawkes Bay District Council agrees to become a guarantor, officers will work with Simpson Grierson and LGFA to prepare legal documents and arrange for signing.

RECOMMENDATION**RECOMMENDATION FOR CONSIDERATION**

That having considered all matters raised in the report Council:

- 1. Receive the information.**
- 2. Notes the contents of the report**
- 3. Confirms Council's intention to join LGFA as a guarantor (noting it has already acceded as a borrower in 2016).**
- 4. Delegates authority to the Chief Executive to execute the following documents for the purposes of recommendation 3. above:**
 - a. Security Stock Certificate (in relation to the Equity Commitment Deed);**
 - b. Security Stock Certificate (in relation to the Guarantee);**
 - c. Stock Issuance Certificate;**
 - d. Section 118 Chief Executive Certificate; and**
 - e. Officer's Certificate.**
- 5. Authorises any two of the Council's elected members to execute the following deeds for the purposes of recommendation 3. above:**
 - c. Accession Deed to Equity Commitment Deed; and**
 - d. Accession Deed to Guarantee and Indemnity.**
- 6. Delegates authority to the Chief Executive to execute such other documents and take such other steps on behalf of Council as the Chief Executive considers it is necessary or desirable to execute or take to give effect to recommendation 3. above.**



Accession Deed to Equity Commitment Deed

PARTIES

South Wairarapa District Council

Additional Guarantor

New Zealand Local Government Funding Agency Limited

Company

3758024



DEED dated

2019

PARTIES

South Wairarapa District Council

("Additional Guarantor")

New Zealand Local Government Funding Agency Limited

("Company")

INTRODUCTION

- A. Each of the Local Authorities listed in schedule 1 to this deed ("**Guarantors**") is party to an equity commitment deed with the Company ("**EC Deed**") dated 7 December 2011 (as amended and restated on 4 June 2015) (whether as a party to the original EC Deed or by becoming a party pursuant to a deed equivalent to this deed).
- B. The Additional Guarantor is to become a Guarantor under the EC Deed by entering into this deed.

COVENANTS

1. **Definitions:** In this deed, capitalised terms shall have the meanings given to them in the EC Deed unless they are defined in this deed.
2. **Deemed to be a Guarantor:** With effect from the date of this deed, the Additional Guarantor will be deemed to be named as a Guarantor under the EC Deed as if originally included and named in the EC Deed.
3. **Warranties and undertakings:** The Additional Guarantor makes the representations, warranties and undertakings in clause 6.1 and 6.2 of the EC Deed in relation to itself to the Company by reference to the facts and circumstances then existing (and as though each reference in clause 6.1 and 6.2 to Guarantor was to the Additional Guarantor).
4. **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Additional Guarantor acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the EC Deed.
5. **Address for notice:** The initial address, email address and contact person (if any) of the Additional Guarantor for the service of notices is:

Delivery Address: South Wairarapa District Council
19 Kitchener Street
Martinborough 5711

Attention: Group Manager Corporate Support

Email: Jennie.Mitchell@swdc.govt.nz

Postal Address: South Wairarapa District Council
PO Box 6
Martinborough 5741



6. **Governing law:** This deed shall be governed by, and construed in accordance with the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.
7. **No Crown guarantee:** The obligations and liabilities of the Additional Guarantor and Company under this deed and the EC Deed are not guaranteed by the Crown.
8. **Counterparts:** This deed may be signed in any number of counterparts, all of which together constitute one and the same instrument, and any of the parties may execute this deed by signing any such counterpart.

EXECUTED AS A DEED**Additional Guarantor****SOUTH WAIRARAPA DISTRICT COUNCIL**

by:

Signature of Elected Member_____
Signature of Elected Member_____
Name of Elected Member_____
Name of Elected Member**Company****NEW ZEALAND LOCAL GOVERNMENT****FUNDING AGENCY LIMITED** by:_____
Signature of director_____
Signature of director_____
Name of director_____
Name of director



**SCHEDULE 1
EXISTING GUARANTORS**

1. Ashburton District Council
2. Auckland Council
3. Bay of Plenty Regional Council
4. Canterbury Regional Council
5. Christchurch City Council
6. Far North District Council
7. Gisborne District Council
8. Gore District Council
9. Hamilton City Council
10. Hastings District Council
11. Hauraki District Council
12. Hawke's Bay Regional Council
13. Horowhenua District Council
14. Hurunui District Council
15. Hutt City Council
16. Invercargill City Council
17. Kaipara District Council
18. Kapiti Coast District Council
19. Manawatu District Council
20. Manawatu-Wanganui Regional Council
21. Marlborough District Council
22. Masterton District Council
23. Matamata-Piako District Council
24. Nelson City Council
25. New Plymouth District Council
26. Otorohanga District Council
27. Palmerston North City Council
28. Porirua City Council
29. Queenstown-Lakes District Council
30. Rotorua District Council
31. Ruapehu District Council
32. Selwyn District Council
33. South Taranaki District Council
34. Tararua District Council
35. Tasman District Council
36. Taupo District Council
37. Tauranga City Council



38. Thames-Coromandel District Council
39. Timaru District Council
40. Upper Hutt City Council
41. Waikato District Council
42. Waikato Regional Council
43. Waimakariri District Council
44. Waipa District Council
45. Waitomo District Council
46. Wellington City Council
47. Wellington Regional Council
48. Western Bay of Plenty District Council
49. Whakatane District Council
50. Whanganui District Council
51. Whangarei District Council



Accession Deed to Guarantee and Indemnity

PARTIES

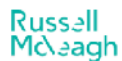
South Wairarapa District Council

Additional Guarantor

TEL Security Trustee (LGFA) Limited

Security Trustee

3758028



DEED dated

2019

GRANTED

South Wairarapa District Council

("Additional Guarantor")

IN FAVOUR OF

TEL Security Trustee (LGFA) Limited

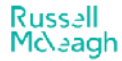
("Security Trustee")

INTRODUCTION

- A. Each of the Local Authorities listed in schedule 1 to this deed ("**Guarantors**") is party to a guarantee and indemnity ("**Guarantee**") dated 7 December 2011 in favour of the Security Trustee (whether as a party to the original Guarantee or by becoming a Guarantor pursuant to a deed equivalent to this deed).
- B. The Additional Guarantor is to become a Guarantor under the Guarantee by entering into this deed.

COVENANTS

- 1. **Definitions:** In this deed, capitalised terms shall have the meanings given to them in the Guarantee unless they are defined in this deed.
- 2. **Deemed to be a Guarantor:** With effect from the date of this deed, the Additional Guarantor will be deemed to be named as a Guarantor under the Guarantee as if originally included and named in the Guarantee.
- 3. **Guarantee:** The Additional Guarantor guarantees to the Security Trustee, for the benefit of the Guaranteed Creditors, the due payment or delivery by the Principal Debtor of the Principal Debt. The provisions of the Guarantee shall apply to the guarantee given by the Additional Guarantor under this deed in the same manner, and to the same extent, as if the same had (with all necessary modification) been set out in full in this deed.
- 4. **Representations and warranties:** The Additional Guarantor makes the representations and warranties in clause 9.1 of the Guarantee in relation to itself to the Security Trustee by reference to the facts and circumstances then existing (and as though each reference in clause 9.1 to Guarantor was to the Additional Guarantor and each reference to the Transaction Documents included this deed).
- 5. **Attorney:** The Additional Guarantor irrevocably appoints the Security Trustee and every officer of the Security Trustee, individually, to be the attorney of the Additional Guarantor ("**Attorney**") (with full power to delegate the Attorney's powers to any person for any period and to revoke any such delegation) to, on behalf of the Additional Guarantor, do anything which, in the Attorney's opinion, is desirable to protect the Security Trustee's or any other Guaranteed



Creditor's interests under this deed and/or the Guarantee, and the Additional Guarantor hereby ratifies anything done by the Attorney or any delegate in accordance with this clause 5.

6. **Implied provisions:** For the purposes of section 14 of the Property Law Act 2007, the Additional Guarantor acknowledges that this deed is, and for all purposes and at all times shall be construed as being, supplemental to the Guarantee.
7. **Address for notice:** The initial address, facsimile number and contact person (if any) of the Additional Guarantor for the service of notices is:
- Delivery Address: South Wairarapa District Council
19 Kitchener Street
Martinborough 5711
- Attention: Group Manager Corporate Support
- Fax: 06 306 9373
- Postal Address: South Wairarapa District Council
PO Box 6
Martinborough 5741
8. **Governing law:** This deed shall be governed by, and construed in accordance with the laws of New Zealand, and the parties hereby submit to the non-exclusive jurisdiction of the courts of New Zealand.
9. **No Crown guarantee:** The obligations and liabilities of the Additional Guarantor under this deed and the Guarantee are not guaranteed by the Crown.

EXECUTED AS A DEED

Additional Guarantor

SOUTH WAIRARAPA DISTRICT COUNCIL

by:

Signature of Elected Member

Signature of Elected Member

Name of Elected Member

Name of Elected Member



**SCHEDULE 1
EXISTING GUARANTORS**

1. Ashburton District Council
2. Auckland Council
3. Bay of Plenty Regional Council
4. Canterbury Regional Council
5. Christchurch City Council
6. Far North District Council
7. Gisborne District Council
8. Gore District Council
9. Hamilton City Council
10. Hastings District Council
11. Hauraki District Council
12. Hawke's Bay Regional Council
13. Horowhenua District Council
14. Hurunui District Council
15. Hutt City Council
16. Invercargill City Council
17. Kaipara District Council
18. Kapiti Coast District Council
19. Manawatu District Council
20. Manawatu-Wanganui Regional Council
21. Marlborough District Council
22. Masterton District Council
23. Matamata-Piako District Council
24. Nelson City Council
25. New Plymouth District Council
26. Otorohanga District Council
27. Palmerston North City Council
28. Porirua City Council
29. Queenstown-Lakes District Council
30. Rotorua District Council
31. Ruapehu District Council
32. Selwyn District Council
33. South Taranaki District Council
34. Tararua District Council



35. Tasman District Council
36. Taupo District Council
37. Tauranga City Council
38. Thames-Coromandel District Council
39. Timaru District Council
40. Upper Hutt City Council
41. Waikato District Council
42. Waikato Regional Council
43. Waimakariri District Council
44. Waipa District Council
45. Waitomo District Council
46. Wellington City Council
47. Wellington Regional Council
48. Western Bay of Plenty District Council
49. Whakatane District Council
50. Whanganui District Council
51. Whangarei District Council

SECURITY STOCK CERTIFICATE

Stock Certificate No: 11

SOUTH WAIRARAPA DISTRICT COUNCIL
(the Council)

Principal Office: South Wairarapa District Council
19 Kitchener Street
Martinborough 5711

Stock Transfer Office: Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND
(the Registrar and Paying Agent)

Obligations under the Equity Commitment Deed and related Accession Deed

Security Stock Certificate

The Security Stock referred to in this Certificate is Security Stock constituted and secured by a debenture trust deed (**Trust Deed**) dated 10 March 2016 between the Council and Trustees Executors Limited and is issued with the benefit and subject to the provisions of the Trust Deed, the conditions endorsed on and/or otherwise applicable to such Stock and this Certificate, including the further conditions (included in the term **Conditions**).

THIS IS TO CERTIFY THAT

1. New Zealand Local Government Funding Agency Limited (**Holder**) will, upon registration of the Stock pursuant to the Trust Deed, be the registered Holder of Security Stock (**Stock**) in a nominal amount equal to the aggregate amount, from time to time, of the liabilities, advances and other accommodation or obligations referred to in clause 2 of this Certificate;
2. **SUBJECT** to the provisions of clause 3 of this Certificate, the Stock is issued by way of continuing security for the due payment and satisfaction to the Holder of all liabilities of the Council to the Holder in respect of:
 - (a) the Accession Deed to Equity Commitment Deed between the Council and the Holder dated on or about the date of this Certificate; and
 - (b) the Equity Commitment Deed between various local authorities and the Holder dated 7 December 2011 (as amended, supplemented or restated from time to time),

(each an **Agreement** and together the **Agreements**) whether incurred before or after the issue of the Stock and whether matured or not and whether incurred by the Council alone, or jointly, or jointly and severally with others and whether as principal or surety and whether absolute or contingent and shall include, but not by way of limitation,

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liabilities in respect of any indemnities granted by the Council pursuant to the Agreements;

3. **THE** Stock is issued on the special condition that at any date (**Relevant Date**) the Priority Total Amount relating to the Stock is not more than:

(a) the lesser of:

(i) the aggregate amount (as finally determined) of all the liabilities, advances and other accommodation or obligations referred to in clause 2 of this Certificate at the Relevant Date, including capitalised interest owing at the Relevant Date but excluding any interest accrued pursuant to the terms of the Agreements and owing at the Relevant Date; and

(ii) the nominal amount of the Stock,

(such lesser amount being referred to in this Certificate as the **Priority Principal Amount**); and

(b) as interest, all interest (for the avoidance of doubt excluding capitalised interest) accrued pursuant to the terms of the Agreements and payable to the Holder on the amount referred to in paragraph 3(a)(i) above (up to the Priority Principal Amount) but excluding any interest accrued pursuant to the Agreements which has been due and owing since a date more than six months prior to the Date of Enforcement,

AND upon any distribution of the money available to Stockholders pursuant to the provisions of clause 15 of the Trust Deed the Stock shall entitle the Holder to payment *pari passu* with the other Stockholders in respect only of their Priority Principal Amount together with interest calculated pursuant to the provisions of paragraph (b) above **PROVIDED ALWAYS** that any amounts owing to the Holder in respect of which this Stock is issued but which do not form part of the Priority Total Amount shall rank for payment subsequent to the Priority Total Amounts of the other Stockholders but *pari passu* with any amounts referred to in the equivalent to this proviso in Security Stock Certificates held by other Stockholders (and as consistent with clause 6.3.1(c) of the Trust Deed);

all in accordance with the Trust Deed (including the Conditions).

GIVEN by or on behalf of the Council this day of 2019

SIGNED for and on behalf of
SOUTH WAIRARAPA DISTRICT COUNCIL

Acting Chief Executive

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

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NOTES:

- (1) The Holder is entitled to the benefit of, is bound by, and is deemed to have notice of, all the provisions of the Trust Deed (including the Conditions) (which may be inspected at the Principal Office of the Council).
- (2) This Certificate must be surrendered to the Council or the Registrar before transfer of the whole or any part of the Stock can be registered.
- (3) All sums specified in this Certificate relate to New Zealand currency.
- (4) Words and expressions used in this Certificate and in the Conditions shall have the same definition as in the Trust Deed unless otherwise defined or the context otherwise requires.

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CONDITIONS

1. **SUBJECT** as herein provided, the Holder of the Stock is entitled *pari passu* and rateably with the holders of all other Stock constituted by the Trust Deed to the benefit of, and is subject to, the provisions of the Trust Deed (including the Conditions).
2. **EVERY** Holder will be recognised by the Council, the Paying Agent and the Registrar as entitled to its Stock and to the Principal Money and interest payable thereon free from any equity, security interest, set-off or cross-claim or counter-claim between the Council and the original or any intermediate holder of the Stock (not being the Holder).
3. **THE** Stock may, to the same extent as the debts, liabilities, advances or other accommodation or obligations to which it relates, be transferred in accordance with the Trust Deed by an instrument in writing in the usual or common form, and the following provisions shall apply:
 - (a) every instrument of transfer must be executed by the transferor in the manner required by the Council or the Registrar or as required by the FMC Act and the transferor shall be deemed to remain the owner of the Stock until the name of the transferee is entered in the Register (as defined in the Trust Deed) in respect thereof;
 - (b) every instrument of transfer must be left at the registered office of the Registrar for registration accompanied by any Certificate in respect of the Stock to be transferred and such other evidence as the Council or the Registrar may require to prove the title of the transferor or its right to transfer the Stock. Upon being satisfied as to the due execution of the transfer, and the due compliance with the provisions of any Act relating to stamp duties, the Registrar will register the transfer in accordance with the Registrar and Paying Agency Agreement (as defined in the Trust Deed) and will recognise the transferee as the Holder entitled to the amount of Stock comprised in the transfer;
 - (c) all instruments of transfer which shall be registered will be retained by the Council or the Registrar, but any instrument of transfer which the Registrar may decline (on reasonable grounds) to register shall be returned to the person who has delivered the same together with the reasons for such non-registration;
 - (d) the Registrar shall not be obliged to, but may, register any transfer of Stock during the period between the Registrar's close of business on the Record Date immediately preceding the date for repayment of the Principal Money (or any part of the Principal Money) or payment of interest and the date for repayment of the Principal Money (or any part of the Principal Money) or payment of interest, or the period between the Registrar's close of business on the date 14 days before any meeting (inclusive of the date on which such meeting is held) of Holders is convened in accordance with the Trust Deed and the date of such meeting. For the purposes of these Conditions, **Record Date** means the tenth day before the relevant date for payment of any Principal and/or interest in respect of any Stock or, if such day is not a business day then such day as determined by the Paying Agent in accordance with its usual practice;
 - (e) no fee shall be charged by the Council for the registration of a transfer;
 - (f) the Council, the Trustee, the Paying Agent and the Registrar will recognise only the Holder as the absolute owner thereof and, except as ordered by a court of competent jurisdiction or by statute, shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Stock may be subject. The receipt of such Holder, or in the case of joint Holders

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the receipt of any of them, of the Principal Money and the interest from time to time accruing due in respect thereof or for any other money payable in respect thereof, or the compliance with the payment directions of the Holders or any one of joint Holders, shall be a good discharge to the Council, the Trustee, the Paying Agent or to the Registrar, as the case may be, notwithstanding any notice it may have whether express or otherwise of the right, title, interest (including security interest) or claim of any other person to or in respect of such Stock, interest or money. No notice of any trust express, implied or constructive, nor of any security interest, shall be entered on the Register in respect of any Stock,

provided that the requirements for transfer in paragraphs (b), (c) and (d) shall not apply to the extent that the Council and the Registrar agree a different method of transfer either with the Trustee or, in respect of a particular transfer, with the relevant transferor and transferee.

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SECURITY STOCK CERTIFICATE

Stock Certificate No: 10

SOUTH WAIRARAPA DISTRICT COUNCIL
(the **Council**)

Principal Office: South Wairarapa District Council
19 Kitchener Street
Martinborough 5711

Stock Transfer Office: Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND
(the **Registrar** and **Paying Agent**)

Obligations under the Guarantee and Indemnity and related Accession Deed

Security Stock Certificate

The Security Stock referred to in this Certificate is Security Stock constituted and secured by a debenture trust deed (**Trust Deed**) dated 10 March 2016 between the Council and Trustees Executors Limited and is issued with the benefit and subject to the provisions of the Trust Deed, the conditions endorsed on and/or otherwise applicable to such Stock and this Certificate, including the further conditions (included in the term **Conditions**).

THIS IS TO CERTIFY THAT

1. TEL Security Trustee (LGFA) Limited (**Holder**) will, upon registration of the Stock pursuant to the Trust Deed, be the registered Holder of Security Stock (**Stock**) in a nominal amount equal to the aggregate amount, from time to time, of the liabilities, advances and other accommodation or obligations referred to in clause 2 of this Certificate;
2. **SUBJECT** to the provisions of clause 3 of this Certificate, the Stock is issued by way of continuing security for the due payment and satisfaction to the Holder of all liabilities of the Council to the Holder in respect of:
 - (a) the Accession Deed to Guarantee and Indemnity granted by the Council in favour of the Holder dated on or about the date of this Certificate; and
 - (b) the Guarantee and Indemnity granted by various local authorities in favour of the Holder (for the benefit of any Guaranteed Creditor as defined in the Guarantee and Indemnity) dated 7 December 2011 (as amended, supplemented or restated from time to time),

(each an **Agreement** and together the **Agreements**) whether incurred before or after the issue of the Stock and whether matured or not and whether incurred by the Council alone, or jointly, or jointly and severally with others and whether as principal or surety and whether absolute or contingent and shall include, but not by way of limitation,

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liabilities in respect of any indemnities granted by the Council pursuant to the Agreements;

3. **THE** Stock is issued on the special condition that at any date (**Relevant Date**) the Priority Total Amount relating to the Stock is not more than:

(a) the lesser of:

(i) the aggregate amount (as finally determined) of all the liabilities, advances and other accommodation or obligations referred to in clause 2 of this Certificate at the Relevant Date, including capitalised interest owing at the Relevant Date but excluding any interest accrued pursuant to the terms of the Agreements and owing at the Relevant Date; and

(ii) the nominal amount of the Stock,

(such lesser amount being referred to in this Certificate as the **Priority Principal Amount**); and

(b) as interest, all interest (for the avoidance of doubt excluding capitalised interest) accrued pursuant to the terms of the Agreements and payable to the Holder on the amount referred to in paragraph 3(a)(i) above (up to the Priority Principal Amount) but excluding any interest accrued pursuant to the Agreements which has been due and owing since a date more than six months prior to the Date of Enforcement,

AND upon any distribution of the money available to Stockholders pursuant to the provisions of clause 15 of the Trust Deed the Stock shall entitle the Holder to payment pari passu with the other Stockholders in respect only of their Priority Principal Amount together with interest calculated pursuant to the provisions of paragraph (b) above **PROVIDED ALWAYS** that any amounts owing to the Holder in respect of which this Stock is issued but which do not form part of the Priority Total Amount shall rank for payment subsequent to the Priority Total Amounts of the other Stockholders but pari passu with any amounts referred to in the equivalent to this proviso in Security Stock Certificates held by other Stockholders (and as consistent with clause 6.3.1(c) of the Trust Deed);

all in accordance with the Trust Deed (including the Conditions).

GIVEN by or on behalf of the Council this day of 2019

SIGNED for and on behalf of
SOUTH WAIRARAPA DISTRICT COUNCIL

Acting Chief Executive

Witness:

Signature of witness

Full name of witness

Occupation of witness

Address of witness

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NOTES:

- (1) The Holder is entitled to the benefit of, is bound by, and is deemed to have notice of, all the provisions of the Trust Deed (including the Conditions) (which may be inspected at the Principal Office of the Council).
- (2) This Certificate must be surrendered to the Council or the Registrar before transfer of the whole or any part of the Stock can be registered.
- (3) Words and expressions used in this Certificate and in the Conditions shall have the same definition as in the Trust Deed unless otherwise defined or the context otherwise requires.

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CONDITIONS

1. **SUBJECT** as herein provided, the Holder of the Stock is entitled *pari passu* and rateably with the holders of all other Stock constituted by the Trust Deed to the benefit of, and is subject to, the provisions of the Trust Deed (including the Conditions).
2. **EVERY** Holder will be recognised by the Council, the Paying Agent and the Registrar as entitled to its Stock and to the Principal Money and interest payable thereon free from any equity, security interest, set-off or cross-claim or counter-claim between the Council and the original or any intermediate holder of the Stock (not being the Holder).
3. **THE** Stock may, to the same extent as the debts, liabilities, advances or other accommodation or obligations to which it relates, be transferred in accordance with the Trust Deed by an instrument in writing in the usual or common form, and the following provisions shall apply:
 - (a) every instrument of transfer must be executed by the transferor in the manner required by the Council or the Registrar or as required by the FMC Act and the transferor shall be deemed to remain the owner of the Stock until the name of the transferee is entered in the Register (as defined in the Trust Deed) in respect thereof;
 - (b) every instrument of transfer must be left at the registered office of the Registrar for registration accompanied by any Certificate in respect of the Stock to be transferred and such other evidence as the Council or the Registrar may require to prove the title of the transferor or its right to transfer the Stock. Upon being satisfied as to the due execution of the transfer, and the due compliance with the provisions of any Act relating to stamp duties, the Registrar will register the transfer in accordance with the Registrar and Paying Agency Agreement (as defined in the Trust Deed) and will recognise the transferee as the Holder entitled to the amount of Stock comprised in the transfer;
 - (c) all instruments of transfer which shall be registered will be retained by the Council or the Registrar, but any instrument of transfer which the Registrar may decline (on reasonable grounds) to register shall be returned to the person who has delivered the same together with the reasons for such non-registration;
 - (d) the Registrar shall not be obliged to, but may, register any transfer of Stock during the period between the Registrar's close of business on the Record Date immediately preceding the date for repayment of the Principal Money (or any part of the Principal Money) or payment of interest and the date for repayment of the Principal Money (or any part of the Principal Money) or payment of interest, or the period between the Registrar's close of business on the date 14 days before any meeting (inclusive of the date on which such meeting is held) of Holders is convened in accordance with the Trust Deed and the date of such meeting. For the purposes of these Conditions, **Record Date** means the tenth day before the relevant date for payment of any Principal and/or interest in respect of any Stock or, if such day is not a business day then such day as determined by the Paying Agent in accordance with its usual practice;
 - (e) no fee shall be charged by the Council for the registration of a transfer;
 - (f) the Council, the Trustee, the Paying Agent and the Registrar will recognise only the Holder as the absolute owner thereof and, except as ordered by a court of competent jurisdiction or by statute, shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Stock may be subject. The receipt of such Holder, or in the case of joint Holders

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the receipt of any of them, of the Principal Money and the interest from time to time accruing due in respect thereof or for any other money payable in respect thereof, or the compliance with the payment directions of the Holders or any one of joint Holders, shall be a good discharge to the Council, the Trustee, the Paying Agent or to the Registrar, as the case may be, notwithstanding any notice it may have whether express or otherwise of the right, title, interest (including security interest) or claim of any other person to or in respect of such Stock, interest or money. No notice of any trust express, implied or constructive, nor of any security interest, shall be entered on the Register in respect of any Stock,

provided that the requirements for transfer in paragraphs (b), (c) and (d) shall not apply to the extent that the Council and the Registrar agree a different method of transfer either with the Trustee or, in respect of a particular transfer, with the relevant transferor and transferee.

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Unless otherwise defined or the context otherwise requires, terms with a defined meaning in the Trust Deed shall have the same meaning where used in this Certificate.

Dated: **2019**

Acting Chief Executive
South Wairarapa District Council

Officer's Certificate

TO: New Zealand Local Government Funding Agency Limited

AND TO: TEL Security Trustee (LGFA) Limited

I, Jennie Mitchell, a duly authorised officer of South Wairarapa District Council (**Council**), hereby certify that all necessary regulatory or statutory authorisations, consents, approvals and licences in relation to:

- a) the Council's entry into the Accession Deed to Equity Commitment Deed (**ECD Accession Deed**) dated on or about the date of this certificate between the Council and New Zealand Local Government Funding Agency Limited (**LGFA**) and the Equity Commitment Deed;
- b) the Council's entry into the Accession Deed to Guarantee and Indemnity (**Guarantor Accession Deed**) dated on or about the date of this certificate granted by the Council in favour of TEL Security Trustee (LGFA) Limited and the Guarantee; and
- c) the issuance of Security Stock and Security Stock Certificates in respect of the Council's obligations under:
 - i. the ECD Accession Deed and the Equity Commitment Deed; and
 - ii. the Guarantor Accession Deed and the Guarantee,

have been obtained and are current and satisfactory.

Words and expressions defined in the Multi-Issuer Deed dated 7 December 2011 (as amended and restated on 4 June 2015) between LGFA and various local authorities and subsequently acceded to by the Council have the same meanings in this certificate.

DATED: 2019

SIGNED:

Jennie Mitchell
Acting Chief Executive
South Wairarapa District Council

CHIEF EXECUTIVE CERTIFICATE

I, Jennie Mitchell, the Acting Chief Executive of South Wairarapa District Council (**Council**)
certify as follows:

1. RESOLUTIONS

1.1 The Council has, by all necessary resolutions duly passed (**Resolutions**):

- (a) approved the transactions contemplated by the documents referred to in the schedule to this certificate (**Documents**), or delegated sufficient authority to the person(s) who has approved those transactions to give that approval; and
- (b) authorised execution of the Documents by the Council, or delegated sufficient authority to the person(s) who authorised execution of the Documents to give that authorisation.

1.2 The Resolutions remain in full force and effect.

2. COMPLIANCE WITH THE ACT

For the purposes of section 118 of the Local Government Act 2002 (**Act**), in entering into the Documents and performing its obligations under the Documents, and all other documentation contemplated by or entered into in connection with the Documents, the Council has complied with the Act.

3. DUE EXECUTION

The Documents have been properly executed by the Council.

This certificate is given by me in my capacity as Chief Executive of the Council in good faith on behalf of the Council and I shall have no personal liability in connection with the issuing of this certificate.

Dated: 2019

Jennie Mitchell
Acting Chief Executive
South Wairarapa District Council

SCHEDULE
"Documents"

Words and expressions defined in the Multi-Issuer Deed dated 7 December 2011 (as amended and restated on 4 June 2015) between New Zealand Local Government Funding Agency Limited and various local authorities ("**Multi-Issuer Deed**") have the same meanings in this certificate.

1. Accession Deed to Equity Commitment Deed dated on or about the date of this certificate between the Council and New Zealand Local Government Funding Agency Limited and the Equity Commitment Deed (as amended and restated on 4 June 2015).
2. Accession Deed to Guarantee and Indemnity dated on or about the date of this certificate granted by the Council in favour of TEL Security Trustee (LGFA) Limited and the Guarantee.
3. Security Stock Certificate in favour of New Zealand Local Government Funding Agency Limited in relation to the Council's obligations under the Accession Deed to Equity Commitment Deed and the Equity Commitment Deed (as amended and restated on 4 June 2015).
4. Security Stock Certificate in favour of TEL Security Trustee (LGFA) Limited as Security Trustee in relation to the Council's obligations under the Accession Deed to Guarantee and Indemnity and the Guarantee.
5. Stock Issuance Certificate in respect of the issue of Security Stock evidenced by the above Security Stock Certificates.

6 PUBLIC EXCLUDED BUSINESS

Nil

7 DATE OF NEXT MEETING

RECOMMENDATION

THAT the next meeting of the Central Hawke's Bay District Council be held on 9 April 2020.

8 TIME OF CLOSURE