**TERM SHEET**

**DEVELOPMENT AGREEMENT - ŌWAIRAKA DEVELOPMENT – STAGE 4 SUPER LOTS**

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 202[x]

*The purpose of this Term Sheet is to set out a summary of the key commercial terms agreed by the parties for an Agreement for the Super Lot(s) described in this Term Sheet.*

*The parties agree and understand:*

* *that in consideration of the time and expense required to negotiate this document, the Confidentiality and Development Agreement Negotiation provisions of this Term Sheet will be binding;*
* *no other legally binding obligations will be created until an Agreement is executed by all parties;*
* *this Term Sheet should be read, understood and entered into with consideration given to the underlying terms of the Agreement Template, noting not all terms are summarised below.*

*The use of [square brackets] around text means that:*

* *the requested details need to be inserted;*
* *there are different options for you to consider within a clause; or*
* *the whole clause/wording is optional and you need to consider whether to include it or amend it, based on the company’s circumstances.*

*Before finalising your Term Sheet, please check for all square brackets to ensure you have considered the relevant option and ensure that all square brackets have been deleted.*

*Please note:*

* *Clause references in this Terms Sheet correspond to the clauses in the Agreement Template. If required, please refer to those clauses to ensure you make a fully considered offer;*
* *capitalised terms used in this Term Sheet have the meaning given to them in the Agreement Template unless otherwise specified; and*
* *In this Term Sheet “Agreement Template” means the Sale and Development Agreement Template prepared by Kāinga Ora for this development opportunity (available here -* [*https://roskill-im.co.nz/owairaka-stage-4-im*](https://roskill-im.co.nz/owairaka-stage-4-im)*) and “Agreement” means a sale and development agreement to be entered into by the parties prepared in accordance with the terms of this Term Sheet and the Agreement Template.*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Parties | | | | | | | |
| Housing New Zealand Build Limited (“HNZ Build”): | HNZ Build Limited is a wholly owned subsidiary of Kāinga Ora-Homes and Communities (established under the Kāinga Ora-Homes and Communities Act 2019) and, as a result, is a Crown entity for the purposes of the Crown Entities Act 2004. | | | | | | |
| Developer: | Name: [ ]  Company number: [ ] | | | | | | |
| Developer’s GST number: | [ ] | | | | | | |
| Cluster / Super Lot(s) / Land | | | | | | | |
| [Cluster(s) Reference:] | | [Cluster(s) [ ] | | | | | |
| Super Lot(s) Reference: | | [ ] | | | | | |
| Indicative Area(s): | | [ ] | | | | | |
| **Addresses:** | | Address: [ ] | | | | | |
| Legal Description: | | Part\* or all of the Records of Title described in the table below as indicatively marked on the Master Plan:   |  |  |  |  | | --- | --- | --- | --- | | Part / All | Lot | DP | Title | | [Part / All] | [ ] | [ ] | [ ] | | [Part / All] | [ ] | [ ] | [ ] | | [Part / All] | [ ] | [ ] | [ ] |   *\* if the Super Lot(s) are to be subdivided from parent titles please indicate by using a “Part”*  *reference* | | | | | |
| Payments | | | | | | | |
| Purchase Price:  *(Refer clause 11)* | | [insert] plus GST (if any) (calculated at $[ ] per square metre plus GST (if any)) | | | | | |
| GST:  *(Refer clause 36)* | | Zero-rated | | | | | |
| Deposit:  *(Refer clause 11.7)* | | An amount equal to [10]% of the Purchase Price, payable within [ten (10)] Working Days of the date all conditions in the Agreement are satisfied or (if applicable) waived. | | | | | |
| Marketing Contribution:  *(Refer clause Error! Reference source not found.)* | | $40,000 plus GST (one-off payment) | | | | | |
| Milestones | | | | | | | |
| Milestones and Milestone Dates:  *(Refer clause Error! Reference source not found.)*  *Note: Milestone Dates may need to be repeated if separate Milestones for separate Super Lots are required.* | | Milestones | | | | Milestone Dates | |
| Milestone 1: Start Civil Construction | | | | [insert] | |
| Milestone 2: Practical Completion of all of the Homes on [each of the Super Lots] OR[[Super Lot 1] [Super Lot 2] [Super Lot 3]]. | | | | [insert] [  ] months after the date of the Agreement] | |
| [insert and other (if any)] | | | | [insert] | |
| Conditions | | | | | | | |
| Conditions:  *(Refer clause Error! Reference source not found.)* | | Condition | | | | Date for Satisfaction | |
| Kāinga Ora Approval Condition | | | | 20 Working Days after the date of the Agreement. | |
| [Developer Board Approval Condition] | | | | [20 Working Days after the date of the Agreement.] | |
| Developer Suitability Condition | | | | 20 Working Days after the date of the Agreement] | |
| [Due Diligence Condition] | | | | [20 Working Days after the date of the Agreement] | |
| Resource Consent Condition  [for Super Lot [    ]]  *Note: Please provide for multiple condition dates for separate Super Lots where relevant. At this stage, we anticipate this will only apply for 0W-036 forming part of Cluster 8.* | | | | [insert]  Look Forward Date: 31 August 2022  *(refer clause 2.5 of the Agreement Template)* | |
| [Land Use Consent Condition] | | | | [insert  Look Forward Date  31 August 2022  *(refer clause 2.5 of the Agreement Template)*] | |
| Civil Construction Start Condition | | | | The relevant Milestone Date  Look Forward Date: the date 12 months after the date of the Resource Consent issuing  *(refer clause 2.5 of the Agreement Template)* | |
| [KiwiBuild Agreement Condition] | | | | [60 Working Days after the date of the Agreement] | |
| [Finance Condition] | | | | [20 Working Days after the date of the Agreement.] | |
| [OIO Condition] | | | | [insert] | |
| Settlement Date[s]: | | In respect of each Super Lot, the date 10 Working Days after the later of:   * the date that HNZ Build advises the Developer that a record of title for the relevant Super Lot has issued from LINZ; * all Conditions have been satisfied or (if applicable) waived; and * the Demolition Works relating to the relevant Super Lot have reached practical completion (as certified by HNZ Build’s project manager). | | | | | |
| Access Licence: | | HNZ Build will grant the Developer an access licence in relation to each Super Lot or part Super Lot (where the Super Lot is to be handed over in stages – refer Super Lot Plans).  The Licence Commencement Date will be the date 10 Working Days after the later of:   * satisfaction of any Conditions; * the date the Demolition Works have reached practical completion (as certified by HNZ Build’s project manager) in relation to the Super Lot or part Super Lot (as applicable); and * the parties have executed and delivered a licence in the form set out in the Agreement Template.   Access to the Super Lot(s) will be granted prior to the Licence Commencement Date for preliminary or investigative works only as per clause 10.1 of the Agreement Template. | | | | | |
| Homes to be built by Developer | | | | | | | |
| Total minimum number of Homes on each Super Lot | | [[Super Lot 1] insert]  [[Super Lot 2] insert]  (Note: this includes the [Affordable Homes], [KiwiBuild Homes] and [Market Homes]) | | | | | |
| Homestar 6: | | Refer clause 5.1(a) and the definition of “Design Guidelines” under clause 1.1 of the Agreement Template. | | | | | |
| Minimum number of Affordable or KiwiBuild Homes on each Super Lot | | Super Lot(s) | % of Affordable or KiwiBuild Homes | | | | Number of Affordable or KiwiBuild Homes |
| [ ] | [ ] | | | | [insert whole numbers] |
| [ ] | [ ] | | | | [insert whole numbers] |
| Market Home Typologies | | | | | | | |
| Market Homes: | | Type | | | Quantity | | |
| [One (including studio and one + study)] | | | [insert] | | |
| [Two] | | | [insert] | | |
| [Three (or more)] | | | [insert] | | |
| Affordable Homes  *(Refer clause 18)]* | | | | | | | |
| Applicable Affordable Home deliverables | | Please include details of any [Build-to-Rent] or [Shared Equity] home deliveries or note [N/A] | | | | | |
| KiwiBuild  *(Refer clause 19Error! Reference source not found.)]* | | | | | | | |
| KiwiBuild Homes: | | Type | | Quantity | | Price Cap | |
| [One (including studio and one + study)] | | [insert] | | $500,000 including GST (if any) | |
| [Two] | | [insert] | | $600,000 including GST (if any) | |
| [Three (or more)] | | [insert] | | $650,000 including GST (if any) | |
| Other Details | | | | | | | |
| HNZ Build Address for Notices: | | 3 Boundary Road, Hobsonville Point, Auckland 0618  Adela.Hadi@kaingaora.govt.nz | | | | | |
| HNZ Build’s GST No.: | | 125-981-623 | | | | | |
| Developer's Address for Notices: | | [insert Developer's address]  [insert Developer's email] | | | | | |
| Developer's GST No.: | | [insert Developer's GST No.] | | | | | |
| Developer’s Insurances: | | * Public Liability: $10,000,000 for any one claim * Contract Works: Full replacement value | | | | | |
| Developer's DPM Representative(s):  *(Refer clause Error! Reference source not found.)* | | [insert the names occupations and contact details of 2 representatives] | | | | | |
| HNZ Build DPM Representative(s):  *(Refer clause Error! Reference source not found.)* | | Name: Adela Hadi  Role: Development Manager  Email: Adela.Hadi@kaingaora.govt.nz  Phone: 021 390 157 | | | | | |
| Developer's Senior Manager:  *(Refer clause 35.5)* | | [insert role/title and contact details] | | | | | |
| HNZ Build Senior Manager:  *(Refer clause 35.5)* | | Name: Andrew Sandlant  Role: Senior Development Manager  Email: Andrew.Sandlant@kaingaora.govt.nz  Phone: 021 226 6382 | | | | | |
| Development Agreement Negotiation: | | The parties agree to act in good faith towards one another and to use reasonable endeavours to enter into an Agreement within 30 working days of the date of this Term Sheet (“Drop Dead Date”). The Agreement will be prepared on the Agreement Template and amended in accordance with the terms of this Term Sheet. | | | | | |
| Drop Dead Date: | | Notwithstanding any other right or remedy HNZ Build may have under this Term Sheet or at law, if for any reason an Agreement has not been entered into by both parties on or before the Drop Dead Date, HNZ Build may terminate this Term Sheet and discontinue negotiations by giving written notice to the Developer. | | | | | |
| Confidentiality: | | 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, will be confidential to the parties and their professional advisers (“Confidential information”). The Confidential Information will not be disclosed to any other person without the prior written agreement of the other party subject always to HNZ Build’s obligations to provide information to Ministers of Government, its parent entity and pursuant to any relevant legislation. | | | | | |
| Proposed Amendments to the Agreement: | | [insert] | | | | | |

**EXECUTION**

|  |  |  |
| --- | --- | --- |
| **SIGNED** on behalf of **HOUSING NEW ZEALAND BUILD LIMITED** by: |  | Signature of authorised signatory    Name of authorised signatory |

|  |  |  |
| --- | --- | --- |
| **SIGNED** on behalf of **[INSERT nAme]** as Developer by: |  | Signature of director/authorised signatory    Name of director/authorised signatory |