



PROVINCIAL  
DEVELOPMENT  
UNIT

New Zealand Government

# **FUNDING AGREEMENT**

**BETWEEN**

**MINISTRY OF BUSINESS,  
INNOVATION AND EMPLOYMENT**

**AND**

**FAR NORTH HOLDINGS LIMITED**

**FOR**

**KAWAKAWA, TE HONONGA PROJECT**

**PART 1: KEY DETAILS**

- 1 **Parties**
- MINISTRY**  
The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (**Ministry**)
- RECIPIENT**  
Far North Holdings Limited company number 849248, having its registered offices at Unit 9b, 15 Baffin Street, Opua 0200, New Zealand (**Recipient**)
- 2 **Funding Start Date** 1 November 2018
- 3 **End Date** Commercial Information
- 4 **Background**
- Through the Provincial Development Unit, the Ministry is responsible for administering the Provincial Growth Fund, which aims to lift productivity potential in New Zealand's provinces.
- The Recipient is a Council Controlled Trading Organisation wholly owned by Far North District Council.
- As the Council's commercial trading vehicle, the Recipient facilitates and creates commercial and infrastructural assets in the Far North District. In doing so, it:
- Operates under good governance;
  - Seeks new business development opportunities;
  - Identifies, collaborates or enters joint venture opportunities;
  - Manages existing assets and brings commercial expertise in property management; and
  - Creates profits for the Far North District Council and improves asset value.
- The Recipient leads the delivery of property and infrastructure assets in its ownership and under its management. These actions contribute to the development of the Far North District.
- The Recipient's primary roles are:
- To plan, manage, operate and develop land, maritime, aviation and public assets within its ownership; or under the terms of any management agreement entered into; and
  - To plan, facilitate and secure commercial outcomes in its area of Influence that support the growth of the Far North District.
- The Recipient intends to develop a cultural tourism 'hub' in Kawakawa, Te Hononga, that will in turn connect visitors to local Maori cultural experiences, in particular Te Ruapekapeka Pa, Kawiti Caves, Marae visits and new whanau, hapu and iwi-led tourism experiences. The tourism hub is also intended to connect visitors with the area's wider tourism initiatives, such as the Cycle Trail, Museum, Bay of Islands Vintage Railway, walking tracks and tours. The Recipient will assume any Project cost short falls and fully underwrites the Project.
- The Project will be managed by the Recipient , with the Project Partnership Group (Kawakawa Hundertwasser Park Charitable Trust, Te Runanga O Ngati Hine, Kawakawa Business and Community Association, Far North District Council,

Northland Regional Council, and the BOIW Community Board) being key stakeholders. The Recipient has sought a funding contribution from the Ministry for the purposes of the Project described below. The Ministry has agreed to contribute funding on the terms and conditions of this Agreement.

Key details of this Agreement are set out in this **Part 1**. The full terms and conditions are set out in **Part 2**. Defined terms and rules of interpretation are set out in **Part 3**.

## 5 **Conditions Precedent**

No Funding is payable under this Agreement until the Ministry has confirmed to the Recipient that it has received, and found to be satisfactory to it in form and substance, the following documents and evidence:

- All Authorisations required for the Project have been obtained, including providing a copy of an extract of the resolution of the Recipient's board confirming entry into this Agreement.
- Receipt of the final developed design for the Project.
- An acceptable tender price for the Project.
- Copy of the construction contract and other material project documents on terms acceptable to the Ministry.
- Confirmation that the construction contract and other material project documents have been executed.
- Confirmation that the full amount of funding required to complete construction has been committed and delivery of a finalised sources and uses statement.
- Evidence that construction insurance arrangements are in place.
- Evidence that the Co-Funding has been committed to the Project as referred to at item 8 below.
- A copy of any other Authorisation or other document, opinion or assurance which the Ministry considers to be necessary or desirable (if it has notified the Recipient) in connection with entry into and performance of the transactions contemplated by this Agreement and the Project.

## 6 **Project**

The Recipient will:

- Develop Te Hononga Interpretive Centre, a cultural tourism hub facility in Kawakawa which will further include:
  - a public library;
  - interpretive/memorial centre;
  - community cultural workshop;
  - a car park with 6-10 coach parks;
  - NZTA approved one-way system;
  - large open town square and Atea on the park; and
  - improved public amenities and community facilities, including 16 toilets and two 24 hour freedom camper toilets and showers, (together, the **Interpretive Centre**).
- leverage off success of existing Hundertwasser toilets (>260,000 visitors p.a.)

and provide improved visitor and community infrastructure;

- capitalise on previous government and regional investment in Hundertwasser Whangarei, Twin Coast Discovery Route, and the cruise ship market.

The Project in itself will be instrumental in the economic/social/cultural regeneration of Kawakawa. The purpose of the Funding is to provide a strategic cultural tourism hub attracting, connecting and encouraging visitors to stay on for other paid local activity, including; the Kawiti Caves, Te Ruapekapeka Pa, Local Marae and cultural tours, the Bay of Islands Vintage Railway, Pou Hereinga Tai Twin Coast Cycle Trail, Twin Coast Discovery Route, and link with visitors to Hundertwasser Whangarei. A previous feasibility study built the case for a regional Hundertwasser experience connecting up Kawakawa and Whangarei and marketing internationally.

Te Hononga “the joining of cultures” combines Maori, European and Hundertwasser and hence acts as the fulcrum connecting the cultural product of Northland.

The Project will be managed by Far North Holdings, with the Project Partnership Group (Kawakawa Hundertwasser Park Charitable Trust, Te Runanga O Ngati Hine, Kawakawa Business and Community Association, Far North District Council, Northland Regional Council, and the BOIW Community Board) being consulted throughout.

- 7 **Funding** The total Funding available under this Agreement is up to **NZD\$2,378,000** plus GST (if any). This is the Maximum Amount Payable.

For Funding Tranches see item 11 below.

- 8 **Co-Funding** The Recipient must have secured Co-Funding to be used for the Project as follows:

Commercial Information	\$ <small>Commercial Information</small> (plus GST if any)
Commercial Information	\$ <small>Commercial Information</small> (plus GST if any)
Commercial Information	\$ <small>Commercial Information</small> (plus GST if any)
Commercial Information	\$ <small>Commercial Information</small> (plus GST if any)
Commercial Information	\$ <small>Commercial Information</small> (plus GST if any)

The above Co-Funding grants are also contributing towards the additional cost of the fit-out of the buildings, and associated infrastructure, not funded under this Agreement.

- 9 **Project Deliverables** The Recipient is to deliver the following deliverables to the satisfaction of the Ministry by the following dates:

Commercial Information	Project Commenced.
Commercial Information	Foundations poured.
Commercial Information	Building frame constructed.

Commercial Information	Building enclosed.
Commercial Information	Internal lining and fit out of the Interpretive Centre completed.
Commercial Information	Fit out of the Interpretive Centre and the demolition of the existing library and formation of the town square.
Commercial Information	Completion of the balance of the Te Hononga Interpretive Centre, being the library, workshop and the respective fit-out of these, parking and landscaping complete.
As required under this Agreement	Reporting.

- 10 **Key Personnel** Andy Nock, Chief Executive, Far North Holdings Limited  
Mark Henwood, Far North Holdings Limited – Project Manager
- 11 **Approved Subcontractors** To be agreed between the parties in accordance with Clauses 3.7 – 3.9 in Part 2.
- 12 **Reporting** The Recipient will provide the Ministry with a monthly report by the last Business Day of each month. The Recipient will provide, within 20 Business Days of completion of the Project, the Post Contract Outcome report.
- Each monthly report** must include the following information:
- (a) Description and analysis of actual progress of the Project against planned progress;
  - (b) Achievement of any of the Deliverables;
  - (c) Images of the progress of the build;
  - (d) A statement of the Funding and any Co-Funding provided, spent and remaining;
  - (e) A costs update (including actual expenditure to date and cost to completion for each Deliverable and the Project);
  - (f) Plans for the next month (not required in the final report following completion of the Project);
  - (g) Any major issues arising or expected to arise with the Project, costs or performance of this Agreement; and
  - (h) Copies of any proposed and published promotional material, media publicity

or other documentation relevant to the Project or the Deliverables.

**The Post Contract Outcome Report** must include the following information:

- (a) an analysis of how the Funding has enabled the Recipient to achieve the key outcomes of the Project;
- (b) an analysis of how the Funding and the Project has brought wider benefits to the region/province;
- (c) detail of the number of jobs that the Project created;
- (d) detail of any training or development schemes that were provided in delivery of the Project and how many people that training and development was provided to;
- (e) detail of environmental sustainability created by the Project;
- (f) detail of better use of iwi assets;
- (g) detail of increased resilience to any proximate infrastructure;
- (h) detail of increased resilience of the regional economy; and

any other information that is notified by the Ministry in writing to the Recipient.

**13 Funding Tranches**

Subject to the Project Deliverables, the Funding will available in the following Funding Tranches for the corresponding Period, as set out in the below table.

Tranche	Period	Funding Amount Available NZD\$ (plus GST, if any)
1	Commencement Date to Commercial Information	Up to \$ <sup>Commercial Information</sup> Foundations poured
2	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Information</sup> Building frame erected
3	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Information</sup> Building enclosed
4	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Information</sup> Internal fit out work and Interpretive Centre (excluding the Library, carparks and landscaping) complete
5	Commercial Information to End Date	Up to \$ <sup>Commercial Information</sup> Library, carpark & landscaping complete

- 14 **Insurance** Recipient must hold (either directly or via the Contractor) construction all risks insurance to full replacement value and public liability insurance to a level that adequately covers relevant identified risks.
- 15 **Special Terms** The contract for construction between Far North Holdings Ltd and the Contractor (*Construction Contract*) cannot be amended by the Recipient in a manner that no longer meets the definition of the Project set out above under item 6 of the Key Details, or amends the commercial terms in the Construction Contract without Ministry consent.
- The Recipient must maintain sufficient Co-Funding to complete the project at all times, given the residual funding available under this Agreement and then expected cost to complete the Project.
- Authorisation* is defined as any consent, authorisation, registration, certificate, licence, permission approval, authority, exemption or waiver required from, by, or with a governmental agency or require by law, including any consent under the Resource Management Act.

16 **Address for Notices**

To the Ministry:

15 Stout Street  
Wellington 6011  
New Zealand

Contact Person: Ward Tuite  
Email: ward.tuite@mbie.govt.nz

To the Recipient:

Unit 9b Baffin Street  
Opua 0200  
New Zealand

Contact Person: Andy Nock  
Email: Commercial Information

**SIGNATURES**

**SIGNED** for an on behalf of the **SOVEREIGN IN RIGHT OF NEW ZEALAND** acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (or his or her authorised delegate) by:

\_\_\_\_\_

Name:

Position:

Date:

**SIGNED** for and on behalf of the **RECIPIENT** by the person named below, being a person duly authorised to enter into obligations on behalf of the Recipient:

\_\_\_\_\_

Name: Andy Nock

Position: CEO

Date:

**END OF PART 1**

## PART 2: GENERAL TERMS

### FUNDING

- 1.1 The Ministry will pay the Funding (up to the “Maximum Amount Payable” specified in the Key Details) to the Recipient, subject to the terms of this Agreement. The Recipient must use the Funding for the purposes of the Project.
- 1.2 The Recipient can only request payment of the Funding in accordance with this Agreement and to the extent necessary to cover Eligible Costs. The Funding invoiced by the Recipient in respect of any Deliverables carried out during each Funding Period must not exceed the applicable Funding Tranche, unless the Ministry (in its sole discretion) notifies the Recipient in writing otherwise.
- 1.3 The Recipient will submit a Payment Request to the Ministry’s Contact Person, on or before the 13<sup>th</sup> day following the end of the month in which Deliverables were performed (or, if that day is not a Business Day, on or before the next Business Day).
- 1.4 Each Payment Request is to be signed by a director and an authorised signatory of the Recipient and must be in the form set out in the Schedule, and must include:
  - (a) the period covered by the Payment Request and the relevant Funding Tranche;
  - (b) the Deliverables which are the subject of the Payment Request;
  - (c) the amount of Funding payable;
  - (d) the total amount of Funding invoiced by the Recipient for the relevant Funding Tranche;
  - (e) where expenditure on an item is over \$1,000 plus GST (if any), invoices received by the Recipient from third parties in relation to the Eligible Costs;
  - (f) if Co-Funding is provided for in the Key Details, contain a breakdown of the total Eligible Costs incurred and paid for by the Recipient, demonstrating that Co-Funding has or will be applied to satisfy a proportional amount of these Eligible Costs, where applicable, in accordance with clause 2.1(a)(ii);
  - (g) if the Payment Request includes a GST component, contain a valid GST invoice complying with the Goods and Services Tax Act 1985;
  - (h) reaffirmation of each of the warranties under clause 7 of this Agreement; and
  - (i) any other information reasonably required by the Ministry.
- 1.5 The Ministry is not required to pay any Funding in respect of a Payment Request:
  - (a) while the Ministry is not satisfied with the progress of the Project or with any part of the Payment Request;
  - (b) if any Deliverable(s) due by the date of the Payment Request have not been met to the satisfaction of the Ministry;
  - (c) if payment will result in the Funding exceeding the “Maximum Amount Payable” specified in the Key Details;



- (d) if the appropriation from which the Funding is drawn expires or is varied such that the funding available to the Ministry from that appropriation is insufficient to pay the Payment Request;
- (e) while there are one or more Termination Event(s);
- (f) if this Agreement has expired or been terminated; and/or
- (g) while the Recipient is in breach of this Agreement.

1.6 Subject to the terms of this Agreement, the Ministry will pay each valid Payment Request by the 20<sup>th</sup> day of the month after the month the Payment Request is dated.

## 2 CO-FUNDING

2.1 The Recipient must:

- (a) ensure that during the term of this Agreement the Co-Funding:
  - (i) is and remains secured and available to the Recipient to be applied towards the Project on the same terms and conditions approved by the Ministry; and
  - (ii) is applied to Eligible Costs proportionally with Funding provided under this Agreement, where applicable.
- (b) immediately notify the Ministry if it becomes aware of any circumstances that may result in the Co-Funding (or any part of the Co-Funding) not being secured and available to the Recipient to be applied towards the Project.

## 3 RECIPIENT'S RESPONSIBILITIES

3.1 The Recipient will use reasonable endeavours to undertake the Project as described in this Agreement.

### Standards

3.2 In undertaking the Project, the Recipient will comply with all applicable laws, regulations, rules and professional codes of conduct or practice.

3.3 The Recipient will ensure that the Deliverables are carried out:

- (a) promptly with due diligence, care and skill, and in a manner that meets or exceeds Best Industry Practice;
- (b) by appropriately trained, qualified, experienced and supervised persons;
- (c) in accordance with any reasonable directions of the Ministry, notified by the Ministry in writing from time to time.

3.4 The Recipient will ensure that the Deliverables are completed by the "Completion Date" specified in the Key Details.

3.5 The Recipient will receive and manage all Funding in accordance with good financial management practices and to a high standard that demonstrates appropriate use of public funds.

**Key Personnel and Subcontractors**

- 3.6 The Recipient will ensure that the Key Personnel undertake their respective roles in connection with the Project as specified in the Key Details, except as otherwise approved in writing by the Ministry. If any Key Personnel become unavailable to perform their role, the Recipient must promptly arrange replacement Key Personnel reasonably acceptable to the Ministry.
- 3.7 The Recipient may not subcontract any of its obligations under this Agreement except where:
- (a) it has the Ministry's prior written approval (which may be given on any conditions specified by the Ministry);
  - (b) the subcontractors are named as "Approved Subcontractors" in respect of particular roles in the Key Details; or.
  - (c) the subcontract is for less than \$50,000.
- 3.8 The Recipient is responsible for the acts and omissions of any subcontractors.
- 3.9 The Recipient will ensure that all agreements it enters into with subcontractors or any other party in connection with the Project are on an "arm's length" basis, provide value-for-money and do not give rise to any Conflict of Interest. The Recipient must provide the Ministry with reasonable evidence of compliance with this clause 3.9 in response to any request by the Ministry from time to time.

**Reporting, Record Keeping and Audit**

- 3.10 The Recipient will provide the Ministry with the reports (if any) specified in the Key Details, in accordance with the timeframes and reporting requirements set out in the Key Details.
- 3.11 The Recipient will provide the Ministry with any other information about the Project requested by the Ministry within the timeframe set out in the request.
- 3.12 The Recipient shall promptly notify the Ministry if:
- (a) the Recipient (or any of its personnel or subcontractors) becomes aware of, or subject to, a Conflict of Interest;
  - (b) the Recipient becomes aware of any matter that could reasonably be expected to have an adverse effect on the Project, or result in a Termination Event or a breach of any term of this Agreement by the Recipient.
- 3.13 The Recipient will not at any time do anything that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry. The Recipient will keep the Ministry informed of any matter known to the Recipient which could reasonably be expected to have such an effect.
- 3.14 The Recipient will receive and manage all Funding in accordance with good financial management and accounting practices and to a high standard that demonstrates appropriate use of public funds.
- 3.15 The Recipient must keep full and accurate records (including accounting records) of the Project, and retain them for at least 7 years after the last payment of Funding under this Agreement. The Recipient must permit the Ministry (or any auditor nominated by the Ministry) to inspect all records

relating to the Project and will allow the Ministry and/or the auditor access to the Recipient's premises, systems and personnel for the purposes of this inspection.

- 3.16 The Recipient must appoint a reputable firm of chartered accountants as auditors to audit its financial statements in relation to the use of the Funding.

#### **Capital Assets**

- 3.17 If the Recipient uses the Funding to purchase or develop any Qualifying Capital Asset and, at any point during the term of this Agreement or during the 10 years after the End Date, either:
- (a) the Recipient sells or otherwise transfers the Qualifying Capital Asset, without the Ministry's prior written consent; or
  - (b) if the Qualifying Capital Asset will no longer be used for the purpose reasonably intended by the Ministry at the time this Agreement was entered,

then the Recipient must immediately repay to the Ministry an amount equal to the amount of Funding used by the Recipient in the purchase or development of the Qualifying Capital Asset, as determined by the Ministry. The Recipient shall notify the Ministry promptly upon taking any step or action to sell, dispose, transfer or change the purpose of the Project.

#### **Insurance**

- 3.18 The Recipient must effect and maintain insurance that is adequate to cover its obligations under this Agreement, plus any other insurance specified in the Key Details. The Recipient will, on request, provide the Ministry with evidence of its insurance cover required under this clause.

#### **Health and Safety**

- 3.19 Without limiting its other obligations under this Agreement, the Recipient will:
- (a) consult, cooperate and coordinate with the Ministry to the extent required by the Ministry to ensure that the Ministry and the Recipient will each comply with their respective obligations under the Health and Safety at Work Act 2015 as they relate to this Agreement;
  - (b) perform its, and ensure that its Personnel perform their, obligations under this Agreement in compliance with its and their obligations under the Health and Safety at Work Act 2015;
  - (c) comply with all reasonable directions of the Ministry relating to health, safety, and security; and
  - (d) report any health and safety incident, injury or near miss, or any notice issued under the Health and Safety at Work Act 2015, to the Ministry to the extent that it relates to, or affects, this Agreement.

## **4 PROJECT GOVERNANCE**

- 4.1 The Recipient will:
- (i) provide reasonable notice to the Ministry of all project control group meetings as related to the Project.; and

- (ii) provide copies of all documents and notices to be tabled at the Project control group meetings and Board of Directors meetings to the Ministry no later than a reasonable period prior to the meetings, and the minutes of those meetings within a reasonable period after each meeting; and
- (b) The Ministry may appoint observers who will be entitled to attend and speak at all Project management group meetings and Project governance group meetings (but will not be entitled to vote on any matter at those meetings).

## 5 INTELLECTUAL PROPERTY

- 5.1 The Ministry acknowledges that the Recipient and its licensors will retain ownership of all pre-existing intellectual property which they contribute to the Project, and all new intellectual property which they create in the course of the Project.
- 5.2 The Recipient grants a perpetual, irrevocable, world-wide, royalty-free, non-exclusive licence (including the right to sublicense) to the Ministry to use, reproduce, adapt, modify, communicate, broadcast, distribute and publish each Licensed Work.
- 5.3 The Recipient warrants that it has obtained (or will obtain, prior to creation of each relevant work) all rights and permissions necessary to enable the grant and exercise of the licence in clause 5.2 without infringing the intellectual property rights of any third party.

## 6 TERM AND TERMINATION

- 6.1 This Agreement will be effective on and from the Commencement Date, which will be the latest to occur of:
  - (a) the date this Agreement has been signed by both Parties; and
  - (b) the date on which the Ministry has provided written notice to the Recipient that the Conditions Precedent have either been satisfied (in the opinion of the Ministry) or waived by the Ministry.
- 6.2 This Agreement will remain in force until the End Date, unless terminated or extended in accordance with this Agreement ("**the Term**").
- 6.3 The Ministry can terminate this Agreement with immediate effect, by giving notice to the Recipient, at any time while:
  - (a) the Ministry reasonably considers that the Recipient has become or is likely to become, insolvent or bankrupt;
  - (b) the Recipient is subject to the appointment of a liquidator, receiver, manager or similar person in respect of any of its assets;
  - (c) the Recipient has ceased to carry on its operations or business (or a material part of them) in New Zealand; or
  - (d) any one or more of the follow events or circumstances remains unremedied:
    - (i) the Recipient is materially in breach of any obligation, or a condition or warranty, under this Agreement;

- (ii) the Recipient has provided the Ministry with information in connection with or under this Agreement that (whether intentionally or not) is materially incorrect or misleading, and/or omits material information;
- (iii) the Ministry reasonably considers that this Agreement or the Project has caused, or may cause, the Ministry and/or the New Zealand Government to breach any legal obligations (including its international trade obligations);
- (iv) the Recipient has abandoned the Project;
- (v) the Recipient is involved in any intentional or reckless conduct which, in the opinion of the Ministry, has damaged or could damage the reputation, good standing or goodwill of the Ministry, or is involved in any material misrepresentation or any fraud;
- (vi) the Recipient (or any of its personnel or subcontractors) is subject to a Conflict of Interest which cannot be managed to the Ministry's satisfaction; or
- (vii) any change in law, regulations, government policy or other circumstances materially affects the Ministry's ability to perform its obligations under this Agreement.

6.4 However, where the Ministry considers that a Termination Event set out in clause 6.4(d) can be remedied, the Ministry will give notice to the Recipient requesting a remedy, and will not exercise its right of termination unless the relevant event remains unremedied for at least 14 days (or any longer period agreed with the Recipient) after that notice has been provided by the Ministry.

6.5 On termination or expiry of this Agreement, the Ministry may recover Funding from the Recipient as follows:

- (a) **Misspent Funding.** At any time the Ministry may recover the amount of any Funding that has been spent or used other than in accordance with this Agreement, together with interest on all such amounts calculated at 10% per annum from the date of the misspending to the date the money is repaid.
- (b) **Uncommitted Funding.** On expiry or termination of this Agreement, the Ministry may recover any Funding paid to the Recipient, which the Recipient:
  - (i) has not spent or contractually committed to spend in accordance with this Agreement; or
  - (ii) has spent or contractually committed to spend in accordance with this Agreement but which the Recipient can have refunded or released from that commitment, provided the Recipient must use all reasonable endeavours to obtain such refund or release.
- (c) **Co-Funding not provided.** On expiry or termination of this Agreement, if Co-Funding has not been used for the Project, the Ministry may recover an amount that represents the same proportion of the Funding as the proportion of Co-Funding that has not been used is of the total Co-Funding.
- (d) **Project abandoned.** If the Recipient has abandoned the Project or stated an intention to abandon the Project, and does not within 10 Business Days of being requested to do so by the Ministry demonstrate to the Ministry's satisfaction that the Recipient will proceed with the Project, the Ministry may recover an amount up to the total value of the Funding, provided the

Ministry may not recover under this subclause if the Recipient satisfies the Ministry that it acted on reasonable grounds in deciding to abandon the Project.

- (e) **Excess Funding.** Where the total Funding paid under this Agreement and any other money received by the Recipient to carry out the Project exceeds the funding required to perform the Project, the Recipient must upon request refund to the Ministry the excess amount. The Recipient is not required to refund, under this clause 6.5(e), any amount that exceeds the total amount of Funding.

6.6 Clauses 1.5, 3.2, 3.13, 3.14, 3.15, 3.16, 5, 6, 7, 8, 9, 10, 11, 12 and 13 survive expiry or termination of this Agreement, along with any other parts of this Agreement necessary to give effect to those provisions. Expiry or termination of this Agreement does not affect any accrued rights, including any rights in respect of a breach of this Agreement or Termination Event that occurred before expiry or termination.

## 7 WARRANTIES

7.1 The Recipient warrants that, in the course of its activities in connection with the Project, it will not infringe any intellectual property or other rights of any third party.

7.2 The Recipient warrants that, as at the date of this Agreement:

- (a) all information and representations disclosed or made to the Ministry by the Recipient in connection with this Agreement are true and correct, do not omit any material matter, and are not likely to mislead or deceive the Ministry as to any material matter;
- (b) it has disclosed to the Ministry all matters known to the Recipient (relating to Project, the Recipient or its personnel) that could reasonably be expected to have an adverse effect on the reputation, good standing or goodwill of the Ministry; and
- (c) it is not aware of any material information that has not been disclosed to the Ministry which may, if disclosed, materially adversely affect the decision of the Ministry whether to provide the Funding.

7.3 The Recipient acknowledges that the Ministry has entered into this Agreement in reliance on these warranties.

7.4 The Recipient acknowledges and agrees that the Ministry has made no warranty or representation that any funding or financial support is or will be available to the Recipient in respect of the Project other than the Funding.

## 8 LIABILITY AND INDEMNITY

8.1 The maximum liability of the Ministry under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, is limited to the total amount of Funding paid or payable under this Agreement.

8.2 The Ministry is not liable for any claim under or in connection with this Agreement, whether arising in contract, tort (including negligence) or otherwise, where such claim is or relates to any loss of profit, loss of revenue, loss of use, loss of reputation, loss of goodwill, loss of opportunity (in each case whether direct, indirect or consequential) or any other indirect, consequential or incidental loss or damages of any kind whatsoever.

8.3 The Recipient will indemnify the Ministry against all costs, claims, damages, losses, liabilities and expenses (including legal expenses on a solicitor-client basis) which may arise from:

- (a) any breach of this Agreement by the Recipient;
- (b) the Recipient's, or any of its personnel or subcontractors', negligence, wilful default, fraud or dishonesty; or
- (c) the Recipient, or any of the Recipient's personnel or subcontractors, holding itself or themselves out as acting on behalf of the Ministry.

## 9 **CONFIDENTIALITY**

9.1 Subject to clause 10, each party will keep the other party's Confidential Information in confidence, and will use or disclose that Confidential Information only to the extent necessary to perform its obligations, and/or take the intended benefit of its rights, under this Agreement. However, this will not prohibit:

- (a) either party from using or disclosing any information with the written prior consent of the other party;
- (b) use or disclosure of information that has become generally known to the public other than through a breach of this Agreement;
- (c) either party from disclosing information to its personnel or subcontractors with a need to know, so long as the relevant personnel and subcontractors use the information solely to enable that party to perform its obligations and/or take the intended benefit of its rights under this Agreement, and so long as they are informed of the confidential nature of the information;
- (d) disclosure required by any law, or any compulsory order or requirement issued pursuant to any law; or
- (e) the Ministry from using or disclosing to any third party any Licensed Work, provided that prior to any such disclosure the Ministry removes all information that is commercially sensitive to the Recipient from the relevant work.

9.2 The Recipient acknowledges and agrees that nothing in this Agreement restricts the Ministry's ability to:

- (a) discuss, and provide all information in respect of, any matters concerning the Recipient, the Project or this Agreement with any Minister of the Crown, any other government agency or any of their respective advisors;
- (b) meet its obligations under any constitutional or parliamentary convention (or other obligation at law) of or in relation to the New Zealand Parliament, the New Zealand House of Representatives or any of its Committees, any Minister of the Crown, or the New Zealand Auditor-General, including any obligations under the "no surprises" policy advised by Ministers of the Crown; and
- (c) publicise and report on the awarding of the Funding, including the Recipient's and any of its subcontractor's names, the amount and duration of the Funding and a brief description of the Project, on websites; in media releases; general announcements and annual reports.

9.3 The Recipient acknowledges that:

- (a) the contents of this Agreement; and
- (b) information provided to the Ministry,

may be official information in terms of the Official Information Act 1982 and, in line with the purpose and principles of the Official Information Act 1982, this Agreement and such information may be released to the public unless there is good reason, in terms of the Official Information Act 1982, to withhold it.

## 10 PUBLICITY

- 10.1 Before making any media statements or press releases regarding this Agreement and/or the Ministry's involvement with the Project, the Recipient will consult with the Ministry, and will obtain the Ministry's prior approval to any such statements or releases.
- 10.2 The Recipient will refer any enquiries from the media or any other person about the terms or performance of this Agreement to the Ministry's Contact Person.
- 10.3 The Recipient will acknowledge the Ministry as a source of funding in all publications and publicity regarding the Project, provided that the Recipient must obtain the Ministry's approval of the form and wording of the acknowledgement prior to including the acknowledgement in the publication or publicity (as the case may be).
- 10.4 The Recipient does not have the right to enter into any commitment, contract or agreement on behalf of the Ministry or any associated body, or to make any public statement or comment on behalf of the Ministry.

## 11 DISPUTES

- 11.1 In the event of any dispute, controversy or claim arising out of or in connection with this Agreement, or in relation to any question regarding its existence, breach, termination or invalidity (in each case, a *Dispute*), either party may give written notice to the other specifying the nature of the Dispute and requesting discussions under this clause (*Dispute Notice*). As soon as reasonably practicable following receipt of a Dispute Notice, the parties will meet (in person, or by audio or video conference) and endeavour to resolve the Dispute by discussion, negotiation and agreement.
- 11.2 A party must not commence any proceedings in connection with a Dispute unless at least 40 days have elapsed since the issue of a corresponding Dispute Notice, and that party has used reasonable endeavours to comply with this clause. However, nothing in this clause will prevent either party from seeking urgent interim relief from a court (or other tribunal) of competent jurisdiction.

## 12 CONTACT PERSONS

- 12.1 All matters or enquiries regarding this Agreement will be directed to each party's Contact Person (set out in the Key Details).
- 12.2 Each party may from time to time change the person designated as its Contact Person on 10 Business Days' written notice to the other Party.



13 **GENERAL**

13.1 Each notice or other communication given under this Agreement (each a notice) will be in writing and delivered personally or sent by post or email to the address of the relevant party set out in the Key Details or to any other address from time to time designated for that purpose by at least 10 Business Days' prior written notice to the other party.

- (a) Receipt: A notice under this Agreement is deemed to be received if:
- (b) Delivery: delivered personally, when delivered;
- (c) Post: posted, 5 Business Days after posting or, in the case of international post, 7 Business Days after posting; and
- (d) Email: sent by email:
  - (i) If sent between the hours of 9am and 5pm (local time) on a Business Day, at the time of transmission; or
  - (ii) If subclause (i) does not apply, at 9am (local time) on the Business Day most immediately after the time of sending,

provided that an email is not deemed received unless (if receipt is disputed) the party giving notice produces a printed copy of the email which evidences that the email was sent to the email address of the party given notice.

13.2 Each of the parties agrees to execute and deliver any documents and to do all things as may reasonably be required by the other party to obtain the full benefit of this Agreement according to its true intent.

13.3 No legal partnership, employer-employee, principal-agent or joint venture relationship is created or evidenced by this Agreement.

13.4 This Agreement constitutes the sole and entire understanding with respect to the subject matter hereof and supersedes all prior discussions, representations and understandings, written or oral.

13.5 No amendment to this Agreement will be effective unless agreed in writing and signed by both parties.

13.6 The Recipient may not assign or transfer any of its contractual rights or obligations under this Agreement, except with the Ministry's prior written approval.

13.7 The Ministry may assign or transfer any of its contractual rights or obligations under this Agreement without the Recipient's prior approval. The Ministry may at any time disclose to a proposed assignee or transferee any information which relates to, or was provided in connection with, the Recipient, the Project or this Agreement.

13.8 No failure, delay or indulgence by any party in exercising any power or right conferred on that party by this Agreement shall operate as a waiver. A single exercise of any of those powers or rights does not preclude further exercises of those powers or rights or the exercise of any other powers or rights.

13.9 The exercise by a party of any express right set out in this Agreement is without prejudice to any other rights, powers or remedies available to a party in contract, at law or in equity, including any

rights, powers or remedies which would be available if the express rights were not set out in this Agreement.

- 13.10 This Agreement is not intended to confer any benefit on or create any obligation enforceable at the suit of any person not a party to this Agreement.
- 13.11 Any provision of this Agreement that is invalid or unenforceable will be deemed deleted, and will not affect the other provisions of this Agreement, all of which remain in force to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision.
- 13.12 This Agreement is to be governed by the laws of New Zealand, and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.
- 13.13 This Agreement may be executed in any number of counterparts (including scanned and emailed copies). So long as each party has received a counterpart signed by each of the other parties, the counterparts together shall constitute a binding and enforceable agreement.

*END OF PART 2*

### PART 3: DEFINITIONS AND CONSTRUCTION

#### Defined terms

In this Agreement, unless the context requires otherwise:

*Approved Subcontractor* means an “Approved Subcontractor” specified in the Key Details.

*Best Industry Practice* means that degree of skill, care and foresight and operating practice that would reasonably and ordinarily be expected of a skilled and competent supplier of services engaged in the same type of undertaking as that of the Recipient or any contractors (as applicable) under the same or similar circumstances as those contemplated by this Agreement;

*Business Day* means any day not being a Saturday or Sunday, means any day not being a Saturday or Sunday or public holiday within the meaning of section 44 of the Holidays Act 2003.

*Co-Funding* means the “Co-Funding” or any part of the Co-Funding (as the context requires), described in the Key Details.

*Commencement Date* has the meaning given in clause 6.1 of Part 2.

*Conditions Precedent* means the conditions precedent set out in the Key Details.

*Confidential Information* of a party (*Owner*), means any information in the possession or control of another party (*Holder*) that:

- (a) was originally acquired by the Holder in connection with this Agreement through disclosures made by or at the request of the Owner; and/or
- (b) was originally acquired by the Holder in connection with this Agreement through any access to, or viewing, inspection or evaluation of, the premises, facilities, documents, systems or other assets owned or controlled by the Owner; and/or
- (c) is derived from information of a kind described in paragraph (a) or (b) above;

but excludes any information which the Holder can show:

- (d) was lawfully acquired by the Holder, entirely independently of its activities in connection with this Agreement, and is free of any other obligation of confidence owed to the Owner; and/or
- (e) has been independently developed by the Holder without reference to the Owner’s Confidential Information, and without breaching any other obligation of confidence owed to the Owner.

Notwithstanding the foregoing, the terms of this Agreement are Confidential Information of which each Party is both an Owner and a Holder.

*Conflict of Interest* means any matter, circumstance, interest or activity of the Recipient, its personnel or subcontractors, or any other person with whom the Recipient has a relationship that:

- (a) conflicts with:
  - (i) the obligations of the Recipient (or its personnel or subcontractors) to the Ministry under this Agreement; or

- (ii) the interests of the Recipient in relation to this Agreement and/or the procuring of the Project; or
- (b) otherwise impairs or might appear to impair the ability of the Recipient (or any of its personnel or subcontractors) to diligently and independently carry out the Project in accordance with this Agreement.

*Deliverable* means a deliverable to be provided by the Recipient to the Ministry, as set out in the Key Details.

*Eligible Costs* means the actual costs reasonably incurred by the Recipient:

- (a) on or after the Funding Start Date and no later than the End Date;
- (b) in good faith for the purpose of carrying out the Project or for purposes incidental to the Project, including all internal costs, disbursements and expenses incurred by the Recipient for such purposes (and to the extent the Recipient is carrying out any other activities) reasonably and proportionately allocated towards such purposes); and
- (c) to the extent that the expenditure relates to work performed by parties not at 'arm's length', that expenditure is assessed at reasonable market value, and contains no unacceptable overhead and no element of 'in group profit'.

*End Date* means the "End Date" specified in the Key Details.

*Funding* means the funding or any part of the funding (as the context requires) payable by the Ministry to the Recipient in accordance with the terms of this Agreement, as described in the Key Details.

*Funding Start Date* means the "Funding Start Date" specified in the Key Details.

*Key Details* means Part 1 of this Agreement.

*Key Personnel* means the "Key Personnel" specified in the Key Details.

*Licensed Work* means all reports, documents, information and other materials provided by the Recipient to the Ministry under or in connection with the Project or this Agreement.

*Payment Request* means a request submitted to the Ministry by the Recipient seeking payment of Funding substantially in the form set out in the Schedule to this Agreement.

*Project* means the "Project" described in the Key Details.

*Qualifying Capital Asset* means a capital asset (as determined in accordance with generally accepted accounting practice, as defined in the Financial Reporting Act 2013) purchased or developed by the Recipient using no less than \$50,000 of Funding.

*Recipient* means the Recipient specified in the Key Details.

*Termination Event* means any one or more of the events or circumstances set out in clause 6.3.

### **Construction**

In the construction of this Agreement, unless the context requires otherwise:

*Currency*: a reference to any monetary amount is to New Zealand currency;

*Defined Terms:* words or phrases appearing in this Agreement with capitalised initial letters are defined terms and have the meanings given to them in this Agreement;

*Documents:* a reference to any document, including this Agreement, includes a reference to that document as amended or replaced from time to time;

*Inclusions:* a reference to “includes” is a reference to “includes without limitation”, and “include”, “included” and “including” have corresponding meanings;

*Joint and Several Liability:* any provision of this Agreement to be performed or observed by two or more persons binds those persons jointly and severally;

*Parties:* a reference to a party to this Agreement or any other document includes that party's personal representatives/successors and permitted assigns;

*Person:* a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate;

*Precedence:* if there is any conflict between the different parts of this Agreement, then unless specifically stated otherwise, Part 2 will prevail over the Key Details, and the Key Details will prevail over any Attachments;

*Related Terms:* where a word or expression is defined in this Agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings;

*Statutes and Regulations:* a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;

*Writing:* a reference to “written” or “in writing” includes email and any commonly used electronic document format such as .DOC or .PDF.

*END OF PART 3*

**Schedule: Payment Request**

To: MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

Dated: [•]

PAYMENT REQUEST NO. [•]

1. We refer to the Funding Agreement dated [•] between [x] as recipient (**Recipient**) and The Sovereign in right of New Zealand, acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment (**Ministry**) (the **Agreement**). Terms defined in the Agreement have the same meaning in this Payment Request.
2. This is a Payment Request for the purpose of clause 1.4 of the Agreement.
3. The Deliverables which are the subject of this Payment Request are:  
  
*[insert description of Deliverables].*
4. The amount of Funding requested is \$[x] excluding GST if any.
5. The Funding requested in this Payment Request is required to meet the following Eligible Costs that have been incurred by us:  
  
*[include breakdown description of Eligible Costs].*
6. Invoices/statements and accounts evidencing the above Eligible Costs are attached.  
  
*\*Note that for any Eligible Costs that are more than \$1,000 (on an individual basis or when grouped by supplier or subject matter) a copy of the original invoices received from third parties in relation to the Eligible Costs must be provided.*
7. That each of the items referred to in paragraph 6 are Eligible Costs for the purpose of the Agreement have been paid or are currently due and payable or will become payable within 30 days of the date of this Payment Request.
8. [Co-Funding will be used to meet the following Eligible Costs that have been incurred by us:  
  
*[include breakdown description of Eligible Costs that Co-Funding will meet]*
9. *[Include valid GST invoice if relevant].*
10. We confirm that:
  - (a) no Termination Event is subsisting; and
  - (b) each of the warranties set out in the Agreement are correct as at the date of this Payment Request.

Except to the extent otherwise agreed in writing by the Ministry, all those items forming part of the Eligible Costs identified in the previous Payment Request as due or becoming due and payable, have been paid in full.

By and on behalf of the Recipient by

*[insert name of Recipient]*

---

Director

---

Authorised Officer



## Funding Agreement Variation

### Development Phase Funding Agreement (the Agreement)

---

**Title:** Kawakawa, Te Hononga Project

between

**Ministry:** The Sovereign in Right of New Zealand acting by and through the Chief Executive of the Ministry of Business, Innovation and Employment

and

**Recipient:** Far North Holdings Limited, company number 849248, having its registered offices at Unit 9b, 15 Baffin Street, Opuia 0200, New Zealand

**Date Executed:** 04 September 2018

**PDU ID:** R01.00088

**Variation Number:** 1

**Project Description:** To develop a cultural 'hub' – the Te Hononga Interpretive Centre, in Kawakawa, that will connect visitors to local Maori cultural experiences, in particular Te Ruapekapeka Pa, Kawiti Caves, Marae visits and new whanau, hapu and iwi-led tourism experiences. The hub will also connect visitors to the area's wider tourism initiatives such as the Cycle Trail, Museum, Bay of Islands Vintage Railway, walking tracks and tours. Facilities will include a library, memorial centre, cultural workshop, improved public amenities (including sites for freedom camping) and car park for coaches. The Centre will leverage off the existing success of the Hundertwasser toilets and its further investment.

**Reason for Variation:** The project has been delayed due to inclement weather Privacy of natural persons Commercial Information. In addition, the building has only been partially closed to date and the payment schedule needs to reflect this with payments split and full payment of that deliverable becoming available once this condition has been met (i.e. full enclosure of the building).

### Variation

---

In accordance with Part 2, Clause 13.5 of the Agreement, the parties agree to vary the Agreement.

The scope of the Variation is set out in the attached Schedule of Changes. The Variation is effective from the Effective Date stated in the Schedule of Changes.

Subject to the changes made by this Variation the terms and conditions of the Agreement will continue in full force and effect.

Words used but not defined in this Variation have the same meaning as they do in the Agreement.

This Variation is governed by New Zealand law and the courts of New Zealand shall have non-exclusive jurisdiction in any proceedings relating to it.

This Variation may be executed in two or more counterparts (including electronic copies) each of which shall be deemed to be an original, but all of which together shall constitute one instrument. No counterpart is effective until each party has executed at least one counterpart.

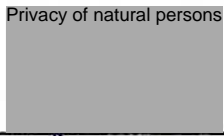


**Acceptance**

---

**Signed for and on behalf of  
the Ministry:**

Privacy of natural persons

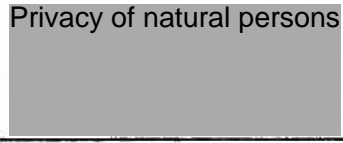


**Signature**

**Name:** Nicki Sutherland  
Manager  
**Position:** Regional Development (North)  
**Date:** 15-10-19

**Signed for and on behalf of  
the Recipient:**

Privacy of natural persons



**Signature**

**Name:** A. Nock  
**Position:** Chief Executive  
**Date:** 14.10.19.

## Schedule of Changes

**Effective Date:** Upon the signing of this funding agreement variation by both parties.

### Changes to the Agreement

---

#### Changes to Part 1: Key Details

##### 1. Change to End Date

1.1 The End Date as stated in Part 1, Clause 3 is amended to 13 August 2020.

##### 2. Change to Project Deliverables

2.1 The table at Part 1, Clause 9 is deleted and replaced with the following table (*changes are shown in italics*):

#### Project Deliverables

The recipient is to deliver the following deliverables to the satisfaction of the Ministry by the following dates:

<b>Completion Date</b>	
Commercial Information	Project commenced
Commercial Information	Foundations poured
Commercial Information	Building frame constructed
Commercial Information	<i>Building partially enclosed</i>
Commercial Information	<i>Building fully enclosed</i>
Commercial Information	Internal lining of the Interpretive Centre completed ( <i>excluding the Library, carparks and landscaping</i> )
Commercial Information	Fit out of the Interpretive Centre completed and the demolition of the existing library and formation of the town square
Commercial Information	Completion of the balance of the Te Hononga Interpretive Centre, being the library, workshop and the respective fit-out of these, parking and landscaping completed.
As required under this Agreement	Reporting

### 3. Change to Funding Tranches

3.1 The table at Part 1, Clause 13 is deleted and replaced with the following table (*changes are shown in italics*):

Tranche	Period	Funding Amount Available NZD\$ (plus GST, if any)
1	Commencement Date to Commercial Information	Up to \$ <sup>Commercial Informa</sup> Foundations poured.
2	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Informa</sup> Building frame constructed.
3	Commercial Informa to Commercial Information	Up to \$ <sup>Commercial Informa</sup> Building partially enclosed.
4	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Informa</sup> Building fully enclosed.
5	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Informa</sup> <i>Internal lining of the Interpretive Centre completed (excluding the Library, carparks and landscaping).</i>
6	Commercial Information to Commercial Information	Up to \$ <sup>Commercial Informa</sup> <i>Fit out of the Interpretive Centre completed and the demolition of the existing library and formation of the town square.</i>
7	Commercial Information	Up to \$ <sup>Commercial Informa</sup> <i>Completion of the balance of the Te Hononga Interpretive Centre, being the library, workshop and the respective fit-out of these, parking and landscaping completed.</i>

### Changes to Part 3: Definitions

#### 1. Addition to Defined Terms

1.1 *Completion Date* is the date that the relevant Project Deliverable is to be completed by the Recipient, described in the Key Details, and includes any amendment to the date which may be agreed in writing (including by email but only when the Ministry's Contact Person expressly confirms in writing that they have received approval of the change from the correct Ministry delegation holder) between the Parties from time to time.