

Link Drive and Hannover Place, Rolleston

Amendments to Agreement for Sale and Purchase dated 20 February 2020

Settlement date: The settlement date is amended to 30 April 2020.

Further Terms of Sale, Schedule 3 and the Tenancy Schedule: The Further Terms of Sale, Schedule 3 and the Tenancy Schedule are amended as shown on the attachment. (N.B: The amendments include the hand-written amendments already included in the Agreement for Sale and Purchase as signed, albeit that some of those hand-written amendments are further amended on the attachment).

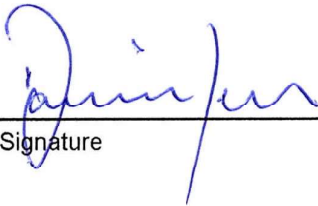
SIGNED for and on behalf of the vendor,
Gibraltar Shelf No. 56 Limited



Signature

Date

SIGNED for and on behalf of the purchaser,
PMG Funds Limited



Signature

Date

3-4-2020

FURTHER TERMS OF SALE

19 CONDITIONS

19.1 Due Diligence

This agreement is conditional upon the purchaser carrying out and completing a due diligence investigation to the satisfaction of the purchaser in all respects, including in respect of the property and its occupants, with the results of such due diligence investigation to be acceptable to the purchaser in its sole and absolute discretion.

The date for fulfilment of the condition in this clause 19.1 is 3 April 2020.

- 19.2 Without limiting its other obligations and warranties under this agreement, the vendor shall promptly provide the purchaser with all information reasonably requested by the purchaser, after the date of this agreement, that the purchaser reasonably considers is relevant to its due diligence investigation, subject to the vendor being in possession of that information.

19.3 Board Approval

This agreement is conditional upon the purchaser's Board of Directors approving the purchaser's entry into this agreement.

The date for fulfilment of the condition in this clause 19.3 is the date that is 2 working days after the date of satisfaction or waiver of the condition in clause 19.1.

19.4 Satisfaction and waiver of conditions

The conditions in clauses 19.1 and 19.3 are inserted for the sole benefit of the purchaser and may, at any time prior to this agreement being avoided, be waived by the purchaser by giving written notice of waiver to the vendor. The satisfaction of the condition in clause 19.1 shall be at the sole and absolute discretion of the purchaser. The satisfaction of the condition in clause 19.3 shall be at the sole and absolute discretion of the purchaser's Board of Directors. The purchaser shall not be required to give reasons for the non-satisfaction of either condition. In consideration for the condition in clause 19.1 being inserted in this agreement for the sole benefit of the purchaser, the purchaser shall pay to the vendor the sum of \$1.00 immediately upon demand being made by the vendor.

20 DEPOSIT

20.1 Payment of deposit

On the date at which both of the conditions in clauses 19.1 and 19.3 have been satisfied and/or waived, such that this agreement is unconditional, the purchaser shall pay the deposit.

- 20.2 The purchaser shall pay the deposit (once payable) to the vendor's solicitors' trust account. The deposit will be immediately released to the vendor.

21 PROVISION OF INFORMATION

21.1 Vendor to provide information

The vendor shall promptly provide all information that is in its possession or control and is reasonably requested by the purchaser at any time from the date of this agreement until settlement, including:

- (a) regular updates as to arrears (and any other tenant defaults);
- (b) monthly management reports;
- (c) information regarding changes to building services; and
- (d) information (in relation to the period ending on the settlement date) that will be required to enable the purchaser to produce building warrants of fitness in respect of the buildings when such warrants are next due.

22 WARRANTIES

22.1 Additional warranties

In addition to the warranties contained in the General Terms of Sale and these Further Terms of Sale, the vendor warrants to the purchaser as provided for in Schedule 3.

22.2 Purchaser acknowledgements

Notwithstanding clause 22.1, the purchaser acknowledges that:

- (a) it will be carrying out its own investigations of the property and, in entering into this agreement, it has not relied on any information provided by the vendor as comprising all of the information that may be relevant to the property;
- (b) it will rely upon its own judgement as to its interpretation and evaluation of any information provided by the vendor in relation to the property; and
- (c) the vendor built the buildings on the property and therefore only third party and manufacturers' warranties that are capable of being assigned or passed over shall be assigned or passed over (as the case may be) to the purchaser on settlement.

For clarity, except as set out in clause 22.2(c), there are no warranties as to materials or workmanship being provided by the vendor however the vendor will comply with its obligations under clause 6.10 (3 month Defects In Construction) of the Development Agreement it has with PGG Wrightson Limited dated 25 November 2019 (**Development Agreement**) and will be responsible for the cost of any remedial work required under the Development Agreement.

22.3 Exceptions

The warranties in this agreement are given on the basis that they:

- (a) are true and correct only to the best of the vendor's knowledge and belief; and

- (b) will take effect subject to:
 - (i) anything noted or recorded in any publicly available registers (including any such records held by the relevant district land registry and the territorial and regional authorities);
 - (ii) anything noted or recorded in a LIM for the property;
 - (iii) anything that would be apparent on a physical inspection of the property;
 - (iv) any act, matter, or thing disclosed to the purchaser; and
 - (v) the acknowledgements in clause 22.2.

23 LEASES AND MANAGEMENT OF THE PROPERTY

23.1 Leases

The vendor does not warrant the accuracy of the Tenancy Schedule. It is solely for the purchaser to satisfy itself as to the terms and details of the Leases through its due diligence investigations.

23.2 Property sold subject

The property is sold subject to, but with the benefit of, the leases noted in the Tenancy Schedule ("**the Leases**").

23.3 Vendor's obligations

- (a) From the date of this agreement and up to and including the date of settlement, the vendor shall:
 - (i) comply with its obligations under the Leases in respect of the period up to and including the date of settlement;
 - (ii) initiate and carry out any rent reviews or adjustments under the Leases, in full consultation with the purchaser;
 - (iii) manage the property in a reasonable manner;
 - (iv) provide to the purchaser all new material information relating to the administration and management of the Leases and the property (including any tenancy dispute or rent review); and
 - (v) keep the purchaser fully informed regarding any legal proceeding, arbitration or other means of dispute resolution threatened or commenced by the vendor, or by any person against the vendor, in any matter relating to any Lease or the property, and deal with all such matters having regard to the best interests of the purchaser.
- (b) From the date of this agreement, the vendor shall not (except to the extent that the vendor is obliged to under any Lease or at law) without the prior written consent of the purchaser:

- (i) approve any assignment, subletting, renewal, surrender or variation of any Lease;
 - (ii) approve any tenant works;
 - (iii) approve the annual or monthly rent payable on a review of the rent under any Lease or take any material steps in connection with any such rent review;
 - (iv) grant any new Lease of any part of the property;
 - (v) cancel any Lease or take any steps to cancel any Lease;
 - (vi) commence or take any material steps in connection with any legal proceedings, arbitration or dispute resolution in connection with the property;
 - (vii) give any consent or waiver in relation to any application under the Resource Management Act 1991 that directly or indirectly affects the property;
 - (viii) grant or create any easements, covenants, encumbrances or other rights in respect of the property; or
 - (ix) enter into any agreement in relation to the property or the Leases that will subsist beyond the date of settlement.
- (c) In respect of each request for the written consent of the purchaser under clause 23.3(b), the purchaser shall:
- (i) not unreasonably or arbitrarily withhold or delay its consent; and
 - (ii) use all reasonable endeavours to respond to the vendor within sufficient time to enable the vendor to meet any obligations under any Lease or other relevant agreement.

24 GUARANTEES AND WARRANTIES

24.1 Assignment of guarantees/warranties

On settlement, the parties shall enter into a deed prepared by the purchaser's solicitors and approved by the vendor (such approval not to be unreasonably withheld or delayed) assigning to the purchaser the benefit of all guarantees and warranties that are capable of being assigned to the purchaser. Such assignment shall be subject to the consent (where required) of the relevant guarantors/warrantors (which consent the vendor shall diligently pursue as soon as reasonably practicable). Immediately following settlement, the vendor shall serve written notice of the assignment on the relevant guarantors/warrantors.

24.2 **Vendor to hold on trust**

Where any guarantees and warranties are not able to be assigned but are able to be enforced by the vendor after settlement, the vendor shall hold those guarantees and warranties on trust for the purchaser. The vendor shall from time to time, when requested by the purchaser, take all reasonable steps to enforce such guarantees and warranties for the benefit of the purchaser, subject to the purchaser indemnifying the vendor, on each occasion of enforcement, for all costs and expenses that the vendor incurs in so doing.

25 LEASES BACKS AND TOP UPS

25.1 For the purposes of this clause 25, and clause 26, unless the context requires otherwise:

- (a) **Development Agreement** means the development agreement as defined in clause 22.2;
- (b) **Future Lease Back** means any lease back pursuant to clauses 25.2(e), 25.3(d) or 25.4(b);
- (c) **Hiltons Lease 1** means the lease to Hiltons of Building 1 at 25 Link Drive;
- (d) **Hiltons Lease 2** means the lease to Hiltons of Building 2 at 25 Link Drive;
- (e) **Hiltons Lease 3** means the lease to Hiltons of Building 3 at 31 Link Drive;
- (f) **Lease Back** means any lease back pursuant to clauses 25.2(c), 25.3(b), 25.4(b) or 26.7(b).
- (g) **Lease Back Form** means a lease form:
 - (i) prepared by the purchaser's solicitors, using the Auckland District Law Society Inc. Deed of Lease Sixth Edition 2012 (5) attached to this agreement, completed and amended as required by the relevant provisions of this agreement;
 - (ii) including the following variables and information in the First Schedule:

Rights of renewal:	Nil
Renewal dates:	Not applicable
Rent payment dates:	The 1 st day of each month
Rent review dates:	<i>[As set out in clauses 25.2(c)(v), 25.2(e)(iv), 25.3(b)(v), 25.3(d)(iv) or 25.4(b)(iv), as applicable]</i>
Default interest rate:	12% per annum

Business use:	Any use suitable for the premises and permitted under the relevant District Plan
Landlord's insurance:	<p>(1) Cover for the building against damage and destruction by fire, flood, explosion, lightning, storm, earthquake and volcanic activity, on the following basis:</p> <p>(a) Full replacement and reinstatement (including loss, damage or destruction of windows and other glass);</p> <p>OR, at the Landlord's option</p> <p>(b) Indemnity to full insurable value (including loss, damage or destruction of windows and other glass).</p> <p>(2) Cover for the following additional risks:</p> <p>(a) 24 months indemnity in respect of consequential loss of rent and outgoings;</p> <p>(b) Loss, damage or destruction of any of the Landlord's fixtures, fittings and chattels; and</p> <p>(c) Public liability.</p>
No access period:	9 months

- (h) **PGGW Lease** means the lease to be entered into pursuant to the Development Agreement (it being acknowledged and agreed that while the Development Agreement refers to 31 Link Drive, the new building in question will also be known as 13 Hannover Place);
- (i) **Renewed** includes extended;
- (j) **Retention Fund** has the meaning set out in clause 26.1(a)(iii);
- (k) **Top Up Payments** means any top up payments required pursuant to clauses 25.2(d), 25.3(c) or 25.4(c);
- (l) **Undertaking** has the meaning set out in clause 26.1(a)(iv); and
- (m) Time shall be of the essence in respect of all dates and time periods.

25.2 **Hiltons Lease 1:** The parties acknowledge and agree as follows in relation to Hiltons Lease 1:

- (a) The lease expired on 15 January 2020, and contains no remaining rights of renewal. The Tenant is holding over.
- (b) Notwithstanding that there are no remaining rights of renewal, it is possible that the lease will be renewed (subject, however, to clause 23).
- (c) If, by 20 April 2020, the lease has not been renewed for a term beyond 30 April 2020 then, if required by the purchaser, the vendor (as tenant) will, prior to and as an essential pre-condition of settlement, enter into a lease with the purchaser (as landlord) on the following terms:
 - (i) **Premises:** As described in Hiltons Lease 1
 - (ii) **Term:** 6 years
 - (iii) **Commencement date:** 1 May 2020
 - (iv) **Initial annual rent:** \$385,608.00 plus GST
 - (v) **Rent reviews:** 1 May 2023
 - (vi) **Other terms:** As per the Lease Back Form.
- (d) If, by 20 April 2020, the lease has been renewed for a term beyond 30 April 2020, then the vendor shall pay the purchaser, in accordance with clause 26.6, any and all amounts by which \$385,608.00 exceeds (in relation to any given 12-month period):
 - (i) the GST-exclusive annual rent payable under the renewed lease or any subsequent lease; or
 - (ii) \$0, in relation to any period during which there is no lease in place.Such excess (if any) shall be calculated separately in respect of each year of the 6-year period starting on 1 May 2020 and ending on 30 April 2026. The vendor shall also pay all GST applicable (if any) on these payments.
- (e) If, by 20 April 2020, the lease has been renewed, but for a term expiring prior to 30 April 2026 then, if required by the purchaser, the vendor (as tenant) will, on the later of expiry of the renewed lease or the date on which the tenant ceases to occupy the premises, enter into a lease with the purchaser (as landlord) on the following terms:
 - (i) **Premises:** As described in Hiltons Lease 1
 - (ii) **Term:** A term commencing on the day after the later of expiry of the renewed lease or the date on which the tenant ceases to occupy the premises and ending on 30 April 2026

(iii) **Initial annual rent:**

(a) The GST-exclusive annual rent under the renewed lease immediately prior to the expiry of the renewed lease; or

(b) \$385,608.00;

whichever is higher

(iv) **Rent reviews:**

(A) If the lease starts prior to 1 May 2023:

1 May 2023

(B) If the lease starts on or after 1 May 2023:

Nil

(v) **Other terms:** As per the Lease Back Form.

25.3 **Hiltons Lease 2:** The parties acknowledge and agree as follows in relation to Hiltons Lease 2:

(a) The lease expired on 15 January 2020, and contains no remaining rights of renewal. The Tenant is holding over. Notwithstanding that there are no remaining rights of renewal, it is possible that the lease will be renewed (subject, however, to clause 23).

(b) If, by 20 April 2020, the lease has not been renewed for a term beyond 30 April 2020 then, if required by the purchaser, the vendor (as tenant) will, prior to and as an essential pre-condition of settlement, enter into a lease with the purchaser (as landlord) on the following terms:

(i) **Premises:** As described in Hiltons Lease 2

(ii) **Term:** 6 years

(iii) **Commencement date:** 1 May 2020

(iv) **Initial annual rent:** \$320,760.00 plus GST

(v) **Rent reviews:** CPI rent review on 1 May 2022 and market rent review on 1 May 2023

(vi) **Other terms:** As per the Lease Back Form.

(c) If, by 20 April 2020, the lease has been renewed for a term beyond 30 April 2020, then the vendor shall pay the purchaser, in accordance with clause 26.6, any and all amounts by which \$320,760.00 exceeds (in relation to any given 12-month period):

(i) the GST-exclusive annual rent payable under the renewed lease or any subsequent lease; or

(ii) \$0, in relation to any period during which there is no lease in place.

Such excess (if any) shall be calculated separately in respect of each year of the 6-year period starting on 1 May 2020 and ending on 30 April 2026. The vendor shall also pay all GST applicable (if any) on these payments.

(d) If, by 20 April 2020, the lease has been renewed, but not for a term beyond 30 April 2026 then, if required by the purchaser, the vendor (as tenant) will, on the later of the expiry of the renewed lease and the date on which the tenant ceases to occupy the premises, enter into a lease with the purchaser (as landlord) on the following terms:

(i) **Premises:** As described in Hiltons Lease 2

(ii) **Term:** A term commencing on the day after the later of the expiry of the renewed lease and the date on which the tenant ceases to occupy the premises and ending on 30 April 2026

(iii) **Initial annual rent:**

(a) The GST-exclusive annual rent under the renewed lease immediately prior to the expiry of the renewed lease; or

(b) \$320,760.00;

whichever is higher

(iv) **Rent reviews:**

(A) If the lease starts prior to 1 May 2022:

(i) CPI rent review on 1 May 2022

(ii) Market rent review on 1 May 2023

(B) If the lease starts on or after 1 May 2022 but before 1 May 2023:

Market rent review on 1 May 2023

(C) If the lease starts on or after 1 May 2023:

Nil

(v) **Other terms:** As per the Lease Back Form.

25.4 **Hiltons Lease 3:** The parties acknowledge and agree as follows in relation to Hiltons Lease 3:

(a) The lease is scheduled to expire on 18 May 2021, and contains 3 rights of renewal, each for a term of 5 years.

(b) If, by 18 May 2021, that right of renewal has not been exercised then, if required by the purchaser, the vendor (as tenant) will enter into a lease with the purchaser (as landlord) on the following terms:

- (i) **Premises:** As described in Hiltons Lease 3
 - (ii) **Term and commencement date:** A term starting on 19 May 2021 and ending on 30 April 2026
 - (iii) **Initial annual rent:**
 - (a) The GST-exclusive annual rent under the lease immediately prior to 19 May 2021; or
 - (b) \$311,750.00;

whichever is higher
 - (iv) **Rent reviews:** CPI rent review on each anniversary of the commencement date
 - (v) **Other terms:** As per the Lease Back Form.
- (c) The vendor shall pay the purchaser, in accordance with clause 26.6, any and all amounts by which \$311,750.00 exceeds (in relation to any given 12-month period):
- (i) the GST-exclusive annual rent payable under the lease, any renewal of the lease, or any subsequent lease; or
 - (ii) \$0, in relation to any period during which there is no lease in place.

Such excess (if any) shall be calculated separately in respect of each year of the 6-year period starting on 1 May 2020 and ending on 30 April 2026. The vendor shall also pay all GST applicable (if any) on these payments.

- 25.5 For the purposes of calculating any Top Up Payments, no account shall be taken of any cancellation or any other termination of any lease.
- 25.6 Where any Top Up Payments are required, the vendor shall also pay the purchaser all applicable GST.
- 25.7 **PGGW Lease:** The parties acknowledge and agree as follows in relation to the PGGW Lease:
- (a) Notwithstanding that the Tenancy Schedule records a lease commencement date of 1 July 2019, the lease commencement date has not been fixed, but is a variable date (as set out in the definition of 'Commencement Date' in clause 1.1 of the Development Agreement) that depends, in part, on the timing of the issue of a code compliance certificate for the building works to be carried out by the vendor pursuant to the Development Agreement ("**the PGGW CCC**").
 - (b) Clause 2.1.6 of the Development Agreement provides for a rent holiday for a period of 2 months from the lease commencement date ("**the Rent Holiday**").

- (c) Subject to the Rent Holiday, the annual rent payable from the lease commencement date is \$353,190.00 plus GST, as recorded in clause 2.1.4 of the Development Agreement.
- (d) (deleted – see clause 33)
- (e) If the lease commencement date is a date that is earlier than the settlement date, or is the settlement date itself, then on the settlement date the vendor, as an essential condition of settlement, shall pay the purchaser an amount that is equivalent to the rent that would have been payable, but for the Rent Holiday, for the period starting on the day after the settlement date and ending on the last day of the Rent Holiday period (both days included).
- (f) If the lease commencement date is a date that is after the settlement date, then on the settlement date the vendor, as an essential condition of settlement, shall pay the purchaser \$58,865.00, being 2 months' rent at the initial rate payable under the lease (ignoring the Rent Holiday). See also clause 25.7(h).
- (g) The intention of clauses 25.7(e) and (f) is that the vendor shall account to the purchaser, on settlement, for the rent that is not payable to the purchaser, by the tenant under the lease, because of the Rent Holiday.
- (h) If the PGGW CCC has not been issued by the settlement date, then once the lease commencement date has been established the vendor shall, in addition to the obligations set out in clauses 25.7(f) and 33.1(b), pay to the purchaser:
 - (i) rent (at the rate of \$353,190.00 plus GST per annum) for the period starting on the day after the settlement date and ending on the day immediately prior to the lease commencement date (both days included); and
 - (ii) outgoings (at the rate of \$20.00 plus GST per annum per square metre of the rentable area of the premises subject to the lease) for the period starting on the day after the settlement date and ending on the day immediately prior to the lease commencement date (both days included).
- (i) The intention of clause 25.7(h) is that the vendor shall account to the purchaser for the rent and estimated outgoings that the purchaser will forego (otherwise than because of the Rent Holiday) if the lease commencement date is a date later than the settlement date.
- (j) The vendor shall pay to the purchaser all GST payable in relation to the amounts payable by the vendor pursuant to this clause 25.7.

26 RETENTION FUND AND UNDERTAKING

26.1 The parties acknowledge and agree that:

- (a) the vendor's obligations to pay:
 - (i) rent and outgoings under any Leases Back or Future Leases Back;
 - (ii) Top Up Payments; and
 - (iii) any amounts payable to the purchaser pursuant to clause 26.10;

are to be partly secured by way of a sum of money ("**the Retention Fund**").

The Retention Fund shall be equivalent to the total of the following amounts:

- (A) The net rent (and the applicable GST) payable under each of the Leases for the 14-month period starting on 1 May 2020, ignoring any rent reviews that may occur during that period. Such sum shall be calculated on the assumption that as at 1 May 2020:
 - (aa) Hiltons Lease 1 has been renewed for a term expiring no earlier than 30 April 2021, at an initial annual rent of no less than \$385,608.00 plus GST; and
 - (bb) Hiltons Lease 2 has been renewed for a term expiring no earlier than 30 April 2021, at an initial annual rent of no less than \$320,760.00 plus GST.
- (B) The outgoings (and the applicable GST) payable under each of the Leases for the 14-month period starting on 1 May 2020. Such sum shall be calculated on the assumption that as at 1 May 2020:
 - (aa) Hiltons Lease 1 has been renewed for a term expiring no earlier than 30 April 2021;
 - (bb) Hiltons Lease 2 has been renewed for a term expiring no earlier than 30 April 2021; and
 - (cc) the outgoings under each of the Leases, for the 14-month period starting on 1 May 2020, are payable at the rate of \$20.00 plus GST per annum per square metre of the rentable area of the relevant premises.

The Retention Fund is to be held in the vendor's solicitors' trust account on interest-bearing deposit, and accompanied by an undertaking to be given by the vendor's solicitors on settlement ("**the Undertaking**").

Notwithstanding any other provision of this agreement, on the date that is 14 months after the settlement date, the Retention Fund is to be reduced to an amount that would have been the amount had the references in this clause 26.1(a) to a 14-month period been references to a 12-month period. The sum representing this reduction in the Retention Fund is to be released to the vendor on the date 14 months after the settlement date.

- (b) Except as set out in this clause 26, the Retention Fund is not to be used for payment of rent and outgoings under any Leases Back or Future Leases Back, or for Top Up Payments.
- (c) The Undertaking shall be in the following form:

We irrevocably undertake to pay, in cleared funds, to [the purchaser] and its successors and assigns, all moneys due to be paid by the vendor named in the agreement for sale and purchase of real estate dated [] ('the Agreement') pursuant to clauses 25 and 26 of that Agreement, and to do so at the times for payment respectively stipulated in the Agreement, provided that we have first received, from the payee (in relation to each such payment):

- written confirmation that the relevant payment is due; and
- (where relevant) a valid tax invoice for any GST component of the relevant payment (which tax invoice may be, where appropriate, a perpetual tax invoice).

26.2 Ten days prior to settlement the vendor shall submit, for the purchaser's consideration, the amount that the vendor proposes as the quantum of the Retention Fund (calculated as set out above) and such supporting information as the purchaser may reasonably require.

26.3 On settlement, the vendor shall require its solicitors to:

- (a) retain from the amount paid by the purchaser on settlement an amount equal to the Retention Fund;
- (b) hold the Retention Fund as stakeholder for the vendor and the purchaser for their respective rights and interests;
- (c) apply the Retention Fund (and all accrued interest) only on the terms set out in this agreement; and
- (d) provide the Undertaking to the purchaser.

This clause 26.3 is an essential pre-condition of settlement.

26.4 On written request of the purchaser but no more than twice in any 12-month period, the vendor will provide a certificate from the vendor's accountant recording that the net asset position of the vendor is not less than the amount of the Retention Fund and the vendor can meet its obligations under this agreement.

26.5 All amounts payable by the vendor to the purchaser pursuant to the Leases Back will be payable as and when required pursuant to the terms of the Leases Back.

- 26.6 Where, in relation to any particular tenancy, any Top Up Payments are required, the vendor shall pay monthly Top Up Payments (including the applicable GST) to the purchaser on the first day of each month, commencing on the first day of the month following settlement (together with payment for any broken period of less than one month, if applicable) until the end of the relevant Top Up Payment period. On each anniversary of settlement, the parties shall calculate:
- (a) the Top Up Payments (if any) made by the vendor in relation to the 12-month period then ended; and
 - (b) the Top Up Payments (if any) actually required in relation to the 12-month period then ended, having regard to clauses 25.2(d), 25.3(c) and 25.4(c).

If there is any difference between the amounts set out in clauses 26.6(a) and (b), then the parties shall, within 10 working days, make between them whatever financial adjustment as is necessary so that the correct amount of Top Up Payments has been made in relation to the relevant 12-month period.

- 26.7
- (a) During the term of any Lease Back the vendor has the ability to present a suitable tenant to the purchaser. If the purchaser deems the proposed tenant and the relevant lease terms to be suitable, in its sole discretion acting reasonably, the purchaser shall enter into a lease with the proposed tenant and release the vendor from its obligations under the relevant Lease Back, provided that such release shall not apply to any default by the vendor prior to the start of the new lease.
 - (b) If the term of the lease to the proposed tenant is less than the balance of the Lease Back term then the vendor will lease the premises for the remainder of the Lease Back term. By way of example, for a Lease Back term of 6 years, if at the end of year 2 of the Lease Back, the purchaser enters into a lease with a proposed tenant for a term of 2 years, the vendor will enter into a lease with the purchaser for the last 2 years of the Lease Back term.
 - (c) For the avoidance of doubt any obligation to make Top Up Payments under this agreement will continue to be payable by the vendor on the terms of this agreement.
 - (d) The parties acknowledge and agree that the tenant under any Lease Back or Future Lease Back may assign or sublease, subject to complying with the provisions of clause 33 of the Lease Back Form.

26.8 From the point in time at which the maximum liability of the vendor to pay:

- (a) rent and outgoings under any Leases Back or Future Leases Back; and
- (b) Top Up Payments;

can be quantified at a sum that is less than the Retention Fund, then the vendor shall apply the Retention Fund towards payment of:

- (c) rent and outgoings under any Leases Back or Future Leases Back; and
- (d) Top Up Payments;

as and when the relevant amounts become due, provided that if after that point in time it is established that any particular component of the Retention Fund will no longer be required (because, for example, one of the Leases Back is surrendered) then the relevant amount (and the interest accrued on that amount) shall be released from the Retention Fund and paid out to the vendor.

26.9 Once the final amount payable to the purchaser from the Retention Fund is due in relation to any one or more of:

- (a) the Leases Back;
- (b) the tenancies subject to the Top Up Payments;

the interest accrued on that part of the Retention Fund attributable to the relevant Lease Back, or tenancy subject to the Top Up Payments (as the case may be), shall be payable to the purchaser. The parties acknowledge and agree that the intention of clause 26.8 and this clause 26.9 is that interest on the Retention Fund shall follow the application of the Retention Fund.

26.10 (a) If, during the 14-month period immediately following settlement, there is default, by any tenant under any of the Leases, Lease Backs or Future Lease Backs, in payment of rent and/or outgoings due under any of the Leases, Lease Backs or Future Lease Backs, then the vendor shall, within 5 working days after written demand is made by the purchaser, pay the unpaid amounts (and any applicable GST) to the purchaser.

(b) If, following the expiry of the 14-month period immediately following settlement, there is default, by the vendor, in payment of:

- (i) rent and/or outgoings under any of the Lease Backs or Future Lease Backs; or
- (ii) Top Up Payments;

then the vendor shall, within 10 working days after written demand is made by the purchaser, pay the unpaid amounts (and any applicable GST) to the purchaser.

(c) For the purposes of this clause 26.10(c), the term "**Rent**" means rent and outgoings. The vendor shall, in its absolute discretion, be entitled prior to the settlement date, to agree a rent abatement with any of the Tenants due to the inability of the Tenants to access their premises during the coronavirus epidemic national lockdown and/or State of Emergency (Rent Abatement). The term "Rent Abatement" also applies where there is any contractual entitlement of a Tenant, under its Lease, to an abatement of rent. If there is any Rent Abatement which will be in effect after the settlement date, the vendor shall pay to the purchaser the difference between the full rent that would have been payable by the relevant Tenant pursuant to its Lease (but for the Rent Abatement) and the rent payable as at that time due to the Rent Abatement for the period between the settlement date and the date on which the Rent Abatement ceases (Rent Difference). For the avoidance of doubt the vendor's obligation to pay the Rent Difference only applies to any Rent Abatement period that commenced before settlement and does not apply to any further

rent abatement agreed to by the purchaser. The parties acknowledge and agree that Rent Abatement does not constitute "default" as referred to in clause 26.10(a).

27 VENDOR'S SETTLEMENT OBLIGATIONS

27.1 Delivery of documentation

On the date of settlement, the vendor shall hand to the purchaser, or to the purchaser's building manager or such other representative of the purchaser, as the purchaser directs:

- (a) original executed copies of the Leases to the extent that they are held by or on behalf of the vendor (or copies if the originals have been lost) including deeds of lease, deeds of variation, deeds of consent, deeds of rent review, deeds of renewal, deeds of assignment and other material documentation relating to the Leases within the possession and/or control of the vendor (including all relevant bank guarantees);
- (b) letters to all tenants under the Leases signed by or on behalf of the vendor, advising that the property has been sold and that they are to pay all rent and outgoings and any other amounts to the purchaser from the date of settlement;
- (c) copies of the compliance schedule and current building warrants of fitness held at the property and all associated reports, service records and manuals relating to:
 - (i) the buildings; and
 - (ii) the vendor's fixtures and fittings;
- (d) copies of guarantees and warranties held by the vendor; and
- (e) duly executed deeds of assignment to be given under clause 24.1, or any other relevant provision of this agreement.

27.2 The vendor shall use all reasonable endeavours to ensure that all documentation referred to in clause 27.1 is fully executed by all relevant parties prior to settlement, and that all outstanding Leases are completed as required and fully executed by all relevant parties prior to settlement.

28 GENERAL

28.1 Public announcements

Prior to the date upon which this agreement becomes unconditional, neither party shall make any public announcements nor communicate the existence of this agreement or of its terms (including the purchase price) to any third party, other than:

- (a) its legal advisers, consultants and financiers who have a "need to know" in relation to this agreement; or

- (b) where necessary, to comply with any applicable law or the requirements of any regulatory body, the rules of any stock exchange or its obligations under this agreement;

without the prior written approval of the other party to this agreement. Such approval shall not be unreasonably or arbitrarily withheld or delayed.

28.2 Purchaser relies on own judgement

The purchaser acknowledges that the purchaser has entered into this agreement in reliance on the purchaser's own judgement and, apart from the vendor's express warranties or representations set out in this agreement, not in reliance on any warranties or representations made by or on behalf of the vendor.

28.3 Entire agreement

This agreement constitutes the entire understanding and agreement of the parties relating to this agreement, and supersedes and extinguishes all prior agreements.

28.4 Amendments

No amendment to this agreement shall be effective unless it is in writing and signed by the vendor and the purchaser.

28.5 Partial invalidity

The illegality, invalidity or unenforceability of a provision of this agreement under any law shall not affect the legality, validity or enforceability of that provision under any other law, or the legality, validity or enforceability of any other provision.

28.6 Further assurances

The vendor and the purchaser shall each sign, execute and do all deeds, schedules, acts, documents and things as may be reasonably required by the other to effectively carry out, and give effect to, the terms and intentions of this agreement.

29 SETTLEMENTS INTERDEPENDENT

29.1 Settlement of the sale of each of the properties that constitute 'the property' for the purposes of this agreement shall not take place independently of settlement of the sale of the other of the properties.

29.2 Any cancellation of this agreement shall apply to each of the properties subject to this agreement.

30 ASSIGNMENT

30.1 The vendor acknowledges and agrees that the purchaser may, after settlement, assign its rights under this agreement subject to the purchaser providing the vendor with a signed deed of assignment from the purchaser's assignee in a form acceptable to the vendor acting reasonably.

31 RISK AND INSURANCE

31.1 Clauses 5.2(1) and 5.2(2) of the General Terms of Sale are amended to read as follows:

- (1) if the destruction or damage has been sufficient to render the property untenable and it is untenable on the settlement date, or if the destruction or damage has, in relation to any one or buildings on the property (each, a "**Building**") either demolished that Building or so damaged that Building that it is uneconomic to repair that Building, the Purchaser may:
 - (a) complete the purchase at the purchase price, less a sum equal to any insurance moneys received or receivable by or on behalf of the Vendor in respect of such destruction or damage, provided that no reduction shall be made to the purchase price if the Vendor's insurance company has agreed to reinstate for the benefit of the Purchaser to the extent of the Vendor's insurance cover; or
 - (b) cancel this agreement by serving notice on the Vendor, in which case the Vendor shall immediately return to the Purchaser the deposit and any other moneys paid by the Purchaser, and neither party shall have any right or claim against the other arising from this agreement or its cancellation;
- (2) if the property is not untenable on the settlement date, and if clause 5.2(1) does not otherwise apply in relation to any Building, the Purchaser shall complete the purchase at the purchase price less a sum equal to the amount of the diminution in value of the property which, to the extent that the destruction or damage to the property can be made good, shall be deemed to be equivalent to the reasonable cost of reinstatement or repair.

32 DEFINITIONS

32.1 Definitions

In this agreement, unless the context requires otherwise:

- (a) **Building** means the buildings and all other improvements situated on the property.
- (b) **Lease** means any current tenancy, lease, agreement to lease, licence to occupy or other right of occupation (including oral arrangements) in relation to the whole or any part of the property. The term Lease also includes any document, letter, deed or agreement recording, varying or relating to such tenancy, lease, licence to occupy or other right of occupation, and the PGGW Lease. See also clause 23.2.
- (c) **Purchaser** includes any post-settlement assignee of the Purchaser's rights under this agreement.
- (d) **Tenancy Schedule** means the Tenancy Schedule that is attached to this agreement.

- (e) The singular includes the plural, and vice versa.

33 CODE COMPLIANCE CERTIFICATES

33.1 The parties acknowledge and agree as follows:

- (a) There are outstanding Code Compliance Certificates (each a “**CCC**”) in relation to the following Building Consents:
 - (i) 181802 (Stage 1 of the warehouse extension at 13 Hannover Place / 31 Link Drive);
 - (ii) 191065 (Stage 2 of the warehouse extension at 13 Hannover Place / 31 Link Drive);
 - (iii) 191760 (Stage 3 of the warehouse extension at 13 Hannover Place / 31 Link Drive); and
 - (iv) 141086 (site works for a new grain store).
- (b) If, in relation to any particular CCC, the CCC has not been issued by the settlement date, then:
 - (i) The vendor shall procure that \$70,000 of the purchase price (a “**CCC Retention**”) will be held in the vendor’s solicitors’ trust account.
 - (ii) The vendor shall use all reasonable endeavours to procure the issue of the CCC as soon as practicably possible after settlement.
 - (iii) As soon as the CCC has been issued, the vendor shall provide it to the purchaser.
 - (iv) Subject to clauses 33.1(c) and 35.1, once the CCC has issued, and been provided to the purchaser, the CCC Retention shall be released to the vendor.
- (c) If, in relation to any particular CCC, the CCC has not been issued by the date that is 6 months after the settlement date, then the vendor shall procure that the relevant CCC Retention shall be paid out to the purchaser. This clause is subject to clause 36.1.

34 SEISMIC WORKS

34.1 The parties acknowledge and agree as follows:

- (a) Connor Consulting Limited has identified the need for certain works to be carried out to the Buildings, in order to improve the seismic ratings of the Buildings.
- (b) A copy of the relevant report from Connor Consulting Limited, dated 17 March 2020 (“**the CCL Report**”), is attached.
- (c) The vendor shall procure that \$80,000 of the purchase price (“**the Vendor’s Works Retention**”) will be held in the vendor’s solicitors’ trust account.

- (d) The vendor shall carry out the works referred to in the CCL Report ("**the Vendor's Works**").
- (e) The vendor shall carry out the Vendor's Works:
 - (i) as soon as reasonably practicable following the date that this agreement becomes unconditional;
 - (ii) using only good quality materials and workmanship; and
 - (iii) in accordance with all applicable lawful or contractual requirements.
- (f) For the purposes of this clause 34.1, "**Completion of the Vendor's Works**" means that the vendor has both:
 - (i) effected completion of the Vendor's Works in compliance with clause 34.1(e); and
 - (ii) procured, and provided to the purchaser, all required Producer Statements (acceptable to the Selwyn District Council) and Code Compliance Certificates in relation to the Vendor's Works.
- (g) Subject to clauses 34.1(h) and 35.1, once Completion of the Vendor's Works has been achieved, the Vendor's Works Retention shall be released to the vendor.
- (h) If Completion of the Vendor's Works has not been achieved by the date that is 6 months after the settlement date, then the vendor shall procure that the Vendor's Works Retention shall be paid out to the purchaser. This clause is subject to clause 36.1.

35 APPLICATION OF RETENTIONS

35.1 If, at the time that any CCC Retention, or the Vendor's Works Retention, is due for release to the vendor (but for this clause 35.1), any moneys are owing by the vendor to the purchaser pursuant to clause 25.7, then the vendor shall procure its solicitors to apply the relevant Retention (or Retentions, as the case may be) first in (or towards, as the case may be) payment of any moneys owing by the vendor to the purchaser pursuant to clause 25.7.

36 COVID-19

36.1 The parties acknowledge and agree that:

- (a) as at 1 April 2020, New Zealand was under Alert Level 4, being the New Zealand Government's response to the COVID-19 outbreak ("**Alert Level 4**"); and
- (b) if Alert Level 4 has not been lifted by 31 May 2020, then the 6-month period referred to in each of clauses 33.1(c) and 34.1(h) shall be extended by the number of days in the period starting on 1 June 2020 and ending on the day on which Alert Level 4 is lifted (both days included).



17 March 2020

PMG Funds Limited
PO Box 99 334,
Newmarket
Auckland 1149

Attn: Daniel Lem

Dear Sir

RE: Rolleston Warehouses ISA Review

The following is our response to Ruamoko Solution's ISA dated 9 March 2020 relating to the warehouse buildings at 25, 27 and 31 Link Drive and 13 and 19 Hannover Place, Rolleston.

27 Link Drive

The bracing between the roof and the wall panel does not have a positive connection to the wall panel. We will have the existing bracing replaced so that it goes down to the top of the concrete wall panel. The lower south end of the bracing will be connected to the existing corner column which is welded to a cast in weld plate within the wall panel. The lower north end of the bracing will be connected to a new cleat that will have bolts epoxy grouted into the top of the wall panel. This remedial work will all be designed to achieve 100%NBS.

31 Link Drive

We have reviewed the design of the hold down bolts of the braced columns in accordance with the latest amendment to NZS3101. We have found they have insufficient capacity with the current arrangement.

The west wall can be strengthened to 100% NBS by installing an additional brace in the bays each side of the existing bracing. These will go from mid-level Grid E to low level Grid D and mid-level Grid G to low level Grid H. This will reduce the shear and tension loads on the hold down bolts so they are within capacity. The footings of all columns on this wall are the same so there are no foundation concerns.

The north and south walls can be strengthened to 100% NBS by installing an additional low level brace in each wall from the lower strut height of the western braced column to the base of the Grid 2 column. The Grid 2 foundations are sufficient to resist the additional uplift loads. Also, epoxy grouted bolts will be installed between the concrete dado wall and the north and south wall braced columns. These bolts will carry an uplift force in shear reducing the tension in the hold down bolts.

31 Link Drive Extension

We agree that there is a buckling issue with this cleat. This was caused by the fabricated strut being shorter than shown on our drawings and the cleat being extended. This can be corrected by installing stiffeners to all affected cleats.

We have reviewed the design of the hold down bolts of the braced columns in accordance with the latest amendment to NZS3101. We have found they have insufficient capacity with the current arrangement. We have designed strengthening which will reduce the loads on the bolts. This comprises installing additional wall bracing between Grids E and F and installing epoxy grouted bolts between the concrete dado wall and the Grid D and G columns. These additional bolts will carry the uplift force in shear resulting in no tension in the hold down bolts.

13 / 19 Hannover Drive

We have reviewed the design of the hold down bolts of the braced columns in accordance with the latest amendment to NZS3101. We have found they have insufficient capacity with the current arrangement. This building can be strengthened to 100% NBS by installing an additional brace in the bays each side of the existing bracing on the north and south walls. These will go from high level Grid 4 to low level Grid 3 and high level Grid 8 to low level Grid 9. This will reduce the shear and tension loads on the hold down bolts so they are within capacity. We confirm there is sufficient concrete weight available to resist uplift with the dado wall and the 350mm thick slab. The larger concrete pads at Grids 4 and 8 are not required.

The above proposed strengthening is preliminary and we are still to finalise our design. Once we have done this will arrange with the owner for the above strengthening works to be undertaken to bring the buildings up to 100%NBS. It is very unlikely that this work will be complete by your 20 March deadline. We suggest you make completion of this work a condition of the sale.

We trust this is clear. Please call / email if you have any comments or queries.

Yours faithfully



Peter Hampton

Connor Consulting Ltd

SCHEDULE 3 – ADDITIONAL VENDOR WARRANTIES

Subject to the exceptions and limitations contained in clause 22.3, the vendor warrants to the purchaser (to the best of the vendor's knowledge and belief) as follows:

1 Leases

- 1.1 As at the date of this agreement, there are no arrears in the payment of rent or other monies under the Leases that have not been disclosed to the purchaser in writing.
- 1.2 The vendor has complied with its obligations in relation to any pre-emptive rights granted to the tenants under the Leases, whether those rights relate to purchasing, leasing or any other type of transaction.

2 Litigation

- 2.1 Each of the following statements are accurate at the date of this agreement:
 - (a) There is no current litigation by any person claiming an estate or interest in the property or that affects the property or the capacity of the vendor to complete this agreement;
 - (b) There is no unsatisfied judgment, order or writ of execution that affects the property or the vendor's ability to convey the title to the property;
 - (c) There is no order of a court or other competent authority affecting the ability of the vendor to complete this agreement;
 - (d) No notice has been issued by a competent authority or proceedings instituted in a court pursuant to any statute whereby the interest of the vendor in the property may be rendered liable to forfeiture to the Crown.

3. No Liquidation

- 3.1 The vendor warrants that it will not be liquidated until the earlier of 31 July 2026 or the release of its obligations under the Leases Back and Retention Fund provisions under this agreement.

TENANCY SCHEDULE

GIBRALTAR SHELF NO 56 LIMITED

IZONE ROLLESTON PROPERTIES

Building Address	Area m2	Tenant	Term	Existing		Review	Lease Type	Current Rent	Guarantee Rent	Market Rent
				Commencement Date	Further Terms					
25 Link Drive - Building 1	3826	Hiltons	3years	16-Jan-17			Net	\$342,000	385,608	385,608
25 Link Drive - Building 2 (Grainstore)	2744	Hiltons	3 years	16-Jan-17	1x2 Years	2 yearly	Net	\$281,020	320,760	320,760
31 Link Drive - Building 3	3058	Hiltons	5 years	1-Jun-16 19-May-16	3x5 years	5 yearly	Net	\$279,521	279,521	311,750
19 Hanover Place - Building 4	5500	Coda	5 years	1-Aug-18	1x5 years	2 yearly	Net	\$598,370	598,370	598,370
13 Hanover Place - Building 5	2700	PGGW	7 years	1-Jul-15	3x5 years	2 yearly	Net	\$353,190	353,190	353,190
Totals	17828							\$1,854,101	\$1,937,449	\$1,969,678

An initial term expiring on 18 May 2026