



# Masterton Trust Lands Trust

## BOARD PACK

for

MTLT (Open)

Monday, 27 July 2020

3:30 pm

Held at:

MTLT Board Room

189 Queen Street, Masterton

# AGENDA

## MTLT (OPEN)



<b>Name:</b>	Masterton Trust Lands Trust
<b>Date:</b>	Monday, 27 July 2020
<b>Time:</b>	3:30 pm to 5:00 pm
<b>Location:</b>	MTLT Board Room, 189 Queen Street, Masterton
<b>Board Members:</b>	Leanne Southey (Chair), Christine Brewster, John Bunny, Bex Johnson, Frazer Mailman, Sandy Ryan, Gary Caffell
<b>Attendees:</b>	Andrew Croskery (GM), Stephanie Rix (Secretary)
<b>Apologies:</b>	Tom Hullena

### 1. MEETING OPENING.

#### 1.1 Apologies.

T Hullena.

#### 1.2 Late items.

Members to advise of any late items they wish to be considered.

*If a Trustee wishes to bring an item to the board meeting, it must be notified to the office by the Monday prior to the board meeting, for inclusion and distribution in the agenda. Items defined as late items (i.e. received after the agenda has been prepared and eligible for consideration by Trustees) are only those items which cannot be left until the following meeting.*

#### 1.3 Declaration of interest.

The Chair to ask Trustees present to declare any agenda items in the Open meeting in which they may have either a financial conflict of interest or the appearance of possible bias, and acknowledge the receipt of the record of interest included with the board pack.

Supporting Documents:

1.3.a	Register of Interests - July 2020.pdf	6
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### 2. MINUTES OF PREVIOUS MEETING.

#### 2.1 Minutes of meeting held 29th June 2020.

Minutes of previous meeting to be confirmed (attached).

Supporting Documents:

2.1.a	Minutes : MTLT (Open) - 29 Jun 2020	8
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#### 2.2 Matters arising.

### 3. USE OF SEAL.

#### 3.1 Approval of affixing of the common seal.

The affixing of the common seal by Trustees/General Manager to the following be approved.

- o *QUE372 - The Warehouse Limited - Deed recording variation and review of annual rent, and related arrangements.*

### 4. FINANCE.

#### 4.1 Financial reports as at 30th June 2020.

- (a) Profit and loss statement - year to date three months ending 30th June 2020 (attached).
- (b) Balance sheet - as at 30th June 2020 (attached).

Supporting Documents:

4.1.a	Profit and Loss - June 2020.pdf	12
4.1.b	Balance Sheet - June 2020.pdf	13

### 5. BORROWING POLICY.

#### 5.1 Adoption of new borrowing policy by special resolution.

Pursuant to the special resolution requirements set out in Clause 3 of Schedule 2 of the Masterton Trust Lands Act 2003, it is noted that all members were advised via email on 17th July 2020 of the intention to consider this item.

Special resolution:

Pursuant to Clause 17 of the Masterton Trust Lands Act 2003, it is resolved that Borrowing Policy POL114 (attached) be adopted.

The new policy will replace the following policies which will be repealed:

- o Borrowing Policy POL102
- o Bank Covenants Policy POL103
- o Interest Rate Risk Management Policy POL104

Pursuant to Clause 3 of Schedule 2 of the Masterton Trust Lands Act 2003, this special resolution will be publicly notified.

Supporting Documents:

5.1.a	POL114 - Borrowing Policy.pdf	14
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### 6. LATE ITEMS.

#### 6.1 Late items as advised from 1.2 above.

### 7. GENERAL BUSINESS.

#### 7.1 General business.

## 8. MOVE INTO COMMITTEE.

### 8.1 The Chair to move that the meeting moves into committee.

That the public be excluded from the following parts of the proceedings of this meeting, namely:

*Finance items, Grant requests, Property items, Staff matters.*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of the resolution</b>
Property items	Commercial sensitivity	7(2)(b)(11)
Finance items	Commercial privacy	7(2)(b)(11)
Grant requests	Privacy	7(2)(a)
Staff matters	Privacy	7(2)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act.

## 9. ITEMS TRANSFERRED FROM IN-COMMITTEE.

### 9.1 Items transferred from In-Committee.

## 10. CLOSE MEETING.

### 10.1 Next meeting date.

**Next meeting:** MTLT (Open) - 31 Aug 2020, 3:30 pm



## Masterton Trust Lands Trust

### Register of Board Membership Interests

Masterton Trust Lands Act (2003)

	<b>Trustee: Leanne Southey</b>	<b>Partner: Peter McKenna</b>
Occupation:	<ul style="list-style-type: none"> <li>Chartered Accountant in Public Practice (Southey Sayer Ltd)</li> </ul>	<ul style="list-style-type: none"> <li>Owner - Screen printing business (Mangan Graphics), Masterton</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>52 Perry Street, Masterton (owned by family trust)</li> <li>12A McKenna Street, Masterton (part-owned by family trust)</li> <li>110 Dixon Street, Masterton – leased by Southey Sayer Ltd</li> <li>Unit 8, 392 Queen Street, Masterton – leased by Mangan Graphics Ltd (from MTLT)</li> <li>Apartment 9, Chews Lane, Wellington (owned by family trust)</li> </ul>	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> <li>Southey Sayer Ltd</li> <li>Mangan Graphics Ltd (tenant of MTLT)</li> </ul>	
Directorships:	<ul style="list-style-type: none"> <li>Southey Sayer Ltd</li> <li>Academy Trustees Ltd</li> <li>Sadler Oakly Newman Trustees Ltd</li> <li>Dixon Street Trustees Ltd</li> <li>Wairarapa District Health Board</li> <li>UCOL Wairarapa</li> </ul>	
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>Masterton Trust Lands Trust Masterton (Chair)</li> <li>Aratoi Foundation</li> <li>Trade Aid, Masterton (tenant of MTLT)</li> <li>Red Star Squash Club</li> <li>Wairarapa Community Health Board</li> </ul>	

	<b>Trustee: Christine Brewster</b>	<b>Partner:</b>
Occupation:	<ul style="list-style-type: none"> <li>Hairdresser</li> </ul>	
Interests in Land:	<ul style="list-style-type: none"> <li>46B Essex Street, Masterton</li> </ul>	
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>Masterton Trust Lands Trust Masterton (Deputy Chair)</li> <li>Wairarapa Justice of the Peace Assn (Member)</li> <li>Masterton South Rotary Club (Member)</li> </ul>	

	<b>Trustee: John Bunny</b>	<b>Partner: Judi Bunny</b>
Occupation:	<ul style="list-style-type: none"> <li>Retired</li> </ul>	
Interests in Land:	<ul style="list-style-type: none"> <li>97 Manuka Street, Masterton</li> </ul>	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> <li>J R Bunny Agencies Ltd</li> <li>Joribee Trust (Trustee)</li> </ul>	<ul style="list-style-type: none"> <li>Trustee</li> </ul>
Directorships:	<ul style="list-style-type: none"> <li>J R Bunny Agencies Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Director</li> </ul>
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>Masterton Trust Lands Trust Masterton (Trustee)</li> <li>Wairarapa Justice of the Peace Council (Board member)</li> <li>Wairarapa Rescue Trust (Chair)</li> <li>St. Patricks Church Committee (Chair)</li> <li>M.S.D. – Benefit Review Committee</li> <li>C.A.B. - Volunteer</li> </ul>	

	<b>Trustee: Frazer Mailman</b>	<b>Partner: Marion Mailman</b>
Occupation:	<ul style="list-style-type: none"> <li>Retired</li> </ul>	<ul style="list-style-type: none"> <li>Retired</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>19 Liverpool Street, Masterton</li> </ul>	<ul style="list-style-type: none"> <li>19 Liverpool Street, Masterton</li> </ul>
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>Masterton District Council (Councillor)</li> <li>Masterton Trust Lands Trust (Trustee)</li> <li>Wairarapa Youth Charitable Trust (Acting Chair)</li> </ul>	

	<b>Trustee: Sandy Ryan</b>	<b>Partner: Dave Ryan</b>
Occupation:	<ul style="list-style-type: none"> <li>• People First NZ</li> </ul>	<ul style="list-style-type: none"> <li>• Self-Employed</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>• 19 Ardsley Lane, Masterton</li> <li>• 12B Norwich Avenue, New Plymouth</li> </ul>	<ul style="list-style-type: none"> <li>• 19 Ardsley Lane, Masterton</li> <li>• 12B Norwich Avenue, New Plymouth</li> </ul>
Investments in Companies, Partnerships (not public company):		
Directorships:	<ul style="list-style-type: none"> <li>• Concretextra Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Concretextra Ltd</li> </ul>
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>• Masterton Trust Lands Trust Masterton (Trustee)</li> <li>• Wairarapa Resource Centre (Trustee)</li> <li>• Manaaki ki Wairarapa (Trustee)</li> <li>• Masterton District Council (Councillor)</li> <li>• Lansdowne Residents Assn (Member)</li> </ul>	

	<b>Trustee: Bex Johnson</b>	<b>Partner: Bill Johnson</b>
Occupation:	<ul style="list-style-type: none"> <li>• Self Employed</li> </ul>	<ul style="list-style-type: none"> <li>• Manager, Masterton Club</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>• 1 Rewa Place, Lansdowne, Masterton</li> <li>• 1 Gordon Street, Lansdowne, Masterton</li> <li>• 8a Maire Street, Pahiatua</li> <li>• 18 Lake Ferry Road, Lake Ferry</li> <li>• 70A Bannister Street, Masterton</li> </ul>	
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>• Rotary Masterton South (Member)</li> <li>• Masterton Theatre Company (Member)</li> <li>• Masterton Club (Member)</li> <li>• Masterton Trust Lands Trust Masterton (Trustee)</li> <li>• Masterton District Council (Councillor)</li> <li>• Masterton Community Trust (Trustee)</li> <li>• SPCA Wairarapa</li> </ul>	<ul style="list-style-type: none"> <li>• Masterton Club (Member)</li> <li>• NZMCA (Member)</li> </ul>

	<b>Trustee: Gary Caffell</b>	<b>Partner: Barbara Caffell</b>
Occupation:	<ul style="list-style-type: none"> <li>• Retired</li> </ul>	
Interests in Land:	<ul style="list-style-type: none"> <li>• 2B Second Street, Masterton</li> </ul>	<ul style="list-style-type: none"> <li>• 2B Second Street, Masterton</li> </ul>
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>• Masterton Trust Lands Trust Masterton (Trustee)</li> <li>• Masterton District Council (Councillor)</li> <li>• Masterton Bowling Club (President)</li> </ul>	

	<b>Trustee: Tom Hullena</b>	<b>Partner:</b>
Occupation:	<ul style="list-style-type: none"> <li>• Education Consultant</li> <li>• Project Lead – Nga Pumanawa Tupuna</li> </ul>	<ul style="list-style-type: none"> <li>• Sellar &amp; Sellar (Business Mger)</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>• 30 Essex Street, Masterton</li> </ul>	<ul style="list-style-type: none"> <li>• 30 Essex Street, Masterton</li> </ul>
Investments in Companies, Partnerships (not public company):		
Directorships:		
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>• Masterton Trust Lands Trust Masterton (Trustee)</li> <li>• Nga Pumanawa Tupuna</li> <li>• Wairarapa Economic Development Skills Group (WEDS)</li> </ul>	<ul style="list-style-type: none"> <li>• Netball Wairarapa (Treasurer)</li> </ul>

	<b>General Manager: Andrew Croskery</b>	<b>Partner: Nic Rivers</b>
Occupation:	<ul style="list-style-type: none"> <li>• General Manager, Masterton Trust Lands Trust</li> </ul>	<ul style="list-style-type: none"> <li>• Wairarapa DHB</li> </ul>
Interests in Land:	<ul style="list-style-type: none"> <li>• 136 Blakes Road, Carterton</li> </ul>	
Investments in Companies, Partnerships (not public company):	<ul style="list-style-type: none"> <li>• Te Aute Holdings Ltd</li> </ul>	
Directorships:	<ul style="list-style-type: none"> <li>• Te Aute Holdings Ltd</li> </ul>	
Memberships of Community Organisations:	<ul style="list-style-type: none"> <li>• Wairarapa Rescue Trust (Trustee)</li> </ul>	

# MINUTES (in Review)

## MTLT (OPEN)



<b>Name:</b>	Masterton Trust Lands Trust
<b>Date:</b>	Monday, 29 June 2020
<b>Time:</b>	3:00 pm to 4:45 pm
<b>Location:</b>	MTLT Board Room, 189 Queen Street, Masterton
<b>Board Members:</b>	Leanne Southey (Chair), Christine Brewster, Bex Johnson, Gary Caffell, John Bunny, Sandy Ryan
<b>Attendees:</b>	Andrew Croskery (GM), Stephanie Rix (Secretary)
<b>Apologies:</b>	Tom Hullena, Frazer Mailman

## 1. MEETING OPENING.

### 1.1 Apologies.



#### Resolution:

That the apology from T Hullena be accepted.  
Noted that F Mailman will be arriving late.

**Decision Date:** 29 Jun 2020  
**Mover:** Christine Brewster  
**Seconder:** Gary Caffell  
**Outcome:** Approved

### 1.2 Late items.

*Members were asked to advise of any late items they wish to be considered.*

No late items.

### 1.3 Declaration of interest.

*The Chair asked Trustees present to declare any agenda items in the Open meeting in which they may have either a financial conflict of interest or the appearance of possible bias, and acknowledge the receipt of the record of interest included with the board pack.*

None advised.

## 2. MINUTES OF PREVIOUS MEETING.

### 2.1 Minutes of meeting held 25th May 2020.

MTLT (Open) 25 May 2020, the minutes were confirmed as presented.

**Resolution:**

That the minutes of meeting held 25th May 2020 be confirmed as a true and correct record.

**Decision Date:** 29 Jun 2020  
**Mover:** John Bunny  
**Seconder:** Bex Johnson  
**Outcome:** Approved

**2.2 Matters arising.**

No matters arising.

**3. USE OF SEAL.****3.1 Approval of affixing of the common seal.****Resolution:**

That the affixing of the common seal by Trustees/General Manager to the following be approved.

- QUE392/1+2 - Deed of Lease - Haglund Consulting Limited
- DIX040 - Deed of Lease - GPC Asia Pacific Limited (Repco)

**Decision Date:** 29 Jun 2020  
**Mover:** John Bunny  
**Seconder:** Gary Caffell  
**Outcome:** Approved

**4. FINANCE.****4.1 Financial reports as at 31st May 2020.****Resolution:**

That the following financial reports be received:

- Profit and loss statement - year to date two months ending 31st May 2020.
- Balance sheet - as at 31st May 2020.

**Decision Date:** 29 Jun 2020  
**Mover:** Bex Johnson  
**Seconder:** John Bunny  
**Outcome:** Approved

**5. LATE ITEMS.****5.1 Late items as advised from 1.2 above.**

No late items.



## 6. GENERAL BUSINESS.

### 6.1 General business.

No general business.

## 7. MOVE INTO COMMITTEE.

### 7.1 The Chair to move that the meeting moves into committee.



#### Resolution:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

*Finance items, Grant requests, Property items, Staff matters.*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of its resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of the resolution
Property items	Commercial sensitivity	7(2)(b)(11)
Finance items	Commercial privacy	7(2)(b)(11)
Grant requests	Privacy	7(2)(a)
Staff matters	Privacy	7(2)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act.

**Decision Date:** 29 Jun 2020  
**Mover:** Leanne Southey  
**Seconder:** Gary Caffell  
**Outcome:** Approved

**The meeting moved into Committee at 3.05pm.**

**Open meeting resumed at 4.40pm.**

## 8. ITEMS TRANSFERRED FROM IN-COMMITTEE.

### 8.1 Items transferred from In-Committee.

Resolution - Borrowing Policy POL114:

That the new Borrowing Policy (POL114) as presented be approved.

The new policy will replace the following policies which will be repealed:

- Borrowing Policy POL102
- Bank Covenants Policy POL103
- Interest Rate Risk Management Policy POL104

It is noted that a special resolution will be required to formally adopt the new policy.

Moved: J Bunny

Seconded: C Brewster

APPROVED

Resolution - School events grant:

That a school event grant of \$1,000 be approved to Solway College for the Intercollegiate Speech Competition.

Moved: C Brewster

Seconded: B Johnson

APPROVED

Resolution - Civic grant:

That a civic grant of \$18,000 be approved to the Masterton District Library to purchase books and support programme delivery.

It is the Trust's preference (where competitive pricing is achievable) for the grant funds to be spent locally via local suppliers.

Moved: C Brewster

Seconded: J Bunny

APPROVED

## 9. CLOSE MEETING.

### 9.1 Next meeting date.

**Next meeting:** MTLT (Open) - 27 Jul 2020, 3:30 pm

**Meeting closed at 4.45pm.**

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Profit & Loss**  
**Masterton Trust Lands Trust**  
**April 2020 to March 2021**

	Apr-20 Actual \$	May-20 Actual \$	Jun-20 Actual \$	YTD \$
<b>Income</b>				
Interest Income - Tenant Fit-out Loans	100	98	95	293
Other revenue	-999	84	87	-828
Recoveries	47,920	48,543	52,292	148,755
Rent	433,978	432,585	432,575	1,299,138
Covid-19 Rent Relief	-121,984	-76,276	-11,717	-209,977
Covid-19 Wage Subsidy	14,059	-7,030	-7,030	-1
<b>Total Income</b>	<b>373,075</b>	<b>398,004</b>	<b>466,302</b>	<b>1,237,380</b>
<b>Gross Profit</b>	<b>373,075</b>	<b>398,004</b>	<b>466,302</b>	<b>1,237,380</b>
<b>Less Operating Expenses</b>				
Administration Costs	12,151	33,858	44,014	90,023
Property costs	109,023	118,067	183,197	410,287
<b>Total Operating Expenses</b>	<b>121,174</b>	<b>151,925</b>	<b>227,211</b>	<b>500,310</b>
<b>Operating Profit</b>	<b>251,901</b>	<b>246,079</b>	<b>239,091</b>	<b>737,071</b>
<b>Non-operating Expenses</b>				
Interest cost	58,366	113,449	40,281	212,096
<b>Grants</b>				
Civic Grants				
Concessional rent grants	51,755	51,755	51,755	155,265
Education grants	-2,000	1,000	49,750	48,750
<b>Total Grants</b>	<b>49,755</b>	<b>52,755</b>	<b>101,505</b>	<b>204,015</b>
<b>Total Non-operating Expenses</b>	<b>108,121</b>	<b>166,204</b>	<b>141,786</b>	<b>416,111</b>
<b>Net Profit</b>	<b>143,779</b>	<b>79,875</b>	<b>97,305</b>	<b>320,959</b>

# Balance Sheet

## Masterton Trust Lands Trust As at 30 June 2020

30 JUN 2020

### Assets

#### Bank

Transaction account	160,869
Maintenance Reserve	355,376
Grant - project reserve	60,141
MTLT Maintenance TD4	300,000
MTLT Maintenance TD3	302,741
<b>Total Bank</b>	<b>1,179,127</b>

#### Current Assets

Accounts Receivable	171,400
Provision for doubtful debts	(25,000)
<b>Total Current Assets</b>	<b>146,400</b>

#### Fixed Assets

Land & Buildings (Investment Portfolio)	72,212,000
Property, plant & equipment	192,609
Property, plant & equipment - accumulated depreciation	(33,894)
Trust Office	825,000
<b>Total Fixed Assets</b>	<b>73,195,715</b>

#### Total Assets

74,521,242

### Liabilities

#### Current Liabilities

Accounts Payable	166,974
ANZ term loan	22,517,553
GST payments & receipts	21,358
Interest Accrued	40,281
Roundings	-
<b>Total Current Liabilities</b>	<b>22,746,166</b>

#### Total Liabilities

22,746,166

### Net Assets

51,775,076

### Equity

Current Year Earnings	320,960
Retained earnings	51,454,116

### Total Equity

51,775,076

**POLICY TITLE:** BORROWING POLICY  
Masterton Trust Lands Trust (the Trust)

**Policy Reference:** POL114

**Adopted:** To be adopted by special resolution on  
31<sup>st</sup> August 2020



## POLICY OBJECTIVES

To ensure that borrowing is managed in a prudent, effective and efficient manner, and in compliance with statutory requirements.

## STATUTORY OBJECTIVES

1. To ensure compliance with the Masterton Trust Lands Act 2003, specifically clauses 16 and 17:
  - Clause 16 - Power to borrow
    - (1) The Trust may from time to time borrow money for the purposes of the Trust, as defined in sections 7 and 9, either with or without security.
    - (2) For the purpose of securing the repayment of money so borrowed, and the interest thereon, the Trust may appropriate and pledge as security its revenues or any part thereof, or mortgage or charge any of its property.
    - (3) The power to borrow conferred by this section is to be exercised so that the borrowing of the Trust is at all times maintained within prudent levels.
  - Clause 17 - Borrowing policy
    - (1) The Trust must adopt a policy in respect of borrowing.
    - (2) The policy adopted under subsection (1) must set out the Trust's policies, in respect of the management of borrowing.
    - (3) The policy under subsection (1) is to be adopted by special resolution and may be amended from time to time by special resolution.
2. To ensure compliance with the Local Government Act 2002 as it applies to the Trust.

## GENERAL OBJECTIVES

- Minimise the Trust's costs and risks in the management of its external borrowings.
- Minimise the Trust's exposure to adverse interest rate movements.
- Arrange and structure external long-term debt funding for the Trust at an acceptable cost from debt lenders. Optimise flexibility and spread of debt maturity terms within the funding risks established by this policy.
- Monitor and report on financing / borrowing covenants and ratios under the obligations of the Trusts lending / security arrangements.
- Maintain appropriate liquidity levels and manage cashflows to meet known and reasonable unforeseen funding requirements.
- Meet at least once per annum with the Trust's primary debt lender to review the Trust's debt profile.

## BORROWING POLICY

1. The borrowing of the Trust will at all times be maintained at prudent levels.
2. The Trustees will operate so that the Trust will maintain a Debt to Debt plus Equity percentage of no more than 40% (based on the schedule of properties that excludes community property).
3. Loan maturities will be spread to manage adverse interest rate movement.
4. The ratio at which net rental income bears to interest costs will be no less than 2 to 1 as calculated by the Trust's funder against the schedule of properties that the funder has registered security over (net rental income to be based on the schedule of properties that excludes community property).
5. Community property will not be provided as security for borrowing.
6. All terms, covenants and reporting requirements of facility agreements entered into by the Trust will be complied with. No terms, covenants or reporting requirements will contradict paragraphs 1-4 of this Borrowing Policy.

This policy was confirmed by special resolution of the Trust Board (31<sup>st</sup> August 2020). The resolution procedure was as required at Schedule 2, Clause 3 of the Act.

### NOTES TO ACCOMPANY BORROWING POLICY *(not part of policy)*

#### Debt to Debt plus Equity percentage

The "Business Plan & Six Year Strategic Plan 2019/20 – 2024/25" Objective # 4 is to reduce the debt to debt plus equity percentage to less than or equal to 30% by 2024/25. This remains the target percentage and should guide all financial decision making.

#### Schedule 1 – Community Property

For the purpose of identifying property that will not be provided as security to debt lenders the following schedule is provided:

Prop Ref	Address	Current Tenant
BRU010	Corner Bruce and Dixon Streets	Aratoi, i-Site, Entice Café
QUE013	13 Queen Street and Corner Bruce Street	ConArt Gallery & Studios
QUE015	15 Queen Street	Te Patukituki O Wairarapa
DIX022	22 Dixon Street	Educational Centre
DIX146	146 Dixon Street	Harlequin Theatre
QUE365	365 Queen Street	SPOT Youth Centre
QUE366	367 Queen Street	Vacant
QUE367	369 Queen Street	Vacant
COR137	Pownall Street, Hillcrest Street and Cornwall Place	Wairarapa College Farm
HIL001	Hillcrest Street, Corner Pownall Street	Millennium Reserve / ex Trout Hatchery

❖ As at 29 June 2020.

❖ Subject to change.

#### **Reviewed:**

21<sup>st</sup> July 2003; 30<sup>th</sup> January 2017, 31<sup>st</sup> August 2020