



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



Private and Confidential and subject to clause 12 of the Host City Appointment Agreement

Team New Zealand Limited
Level 37, 48 Shortland Street
Auckland 1010
New Zealand

America's Cup Event Limited
168 Beaumont Street
Auckland 1010
New Zealand

3 December 2018

36th AMERICA'S CUP IN AUCKLAND – HOST VENUE AGREEMENT

1. Further to our recent discussions on the Host Venue Agreement ("HVA"), the Auckland Council Group ("Council") and the Ministry of Business, Innovation and Employment ("MBIE") wish to provide America's Cup Event Limited ("ACE") and Team New Zealand Limited ("ETNZ") with comfort that Council and MBIE remain fully committed to finalising the HVA and other agreements as soon as possible. Nothing in this letter is legally binding on any party.
2. As advised previously, since signing of the Host City Appointment Agreement ("HCAA") earlier this year, Council and MBIE, as owner participants of the Wynyard Edge Alliance ("WEA"), have commissioned further scoping and optimisation of the infrastructure required for the 36th America's Cup ("AC36") to be held in Auckland. Having gone through numerous optimisation exercises, it has become apparent that further funding is necessary in order for Council and MBIE to deliver quality and fit-for-purpose infrastructure for AC36 as anticipated in the HCAA. We note that WEA has consulted with ACE and ETNZ throughout each and every step of the scoping and optimisation exercises.
3. The need for additional funding has meant that Council and MBIE are now required to make formal requests for additional funding to the Governing Body and Cabinet, respectively. The request processes are currently underway – MBIE is due to go to Cabinet on 3 December 2018 and Council is due to go to the Governing Body on 6 December 2018. Until further funding is approved, MBIE and Council are not in a position to give final approval to the HVA.



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4. Notwithstanding the above, Council and MBIE have continued current discussions with ACE and ETNZ to agree in principle the HVA and other agreements as soon as possible.
5. Council, MBIE, ETNZ and ACE confirm that subject to agreeing the Other Agreements listed in paragraph 6 below, and subject to completion and satisfaction of the matters listed in paragraph 7 below, the HVA has entered the "final edit" phase, and no new issues will be raised and no matters agreed will be renegotiated.
6. At this stage, the parties have made substantive progress towards agreeing the following documents, such that they can be signed before signing of the HVA:
 - Master Team Base Supply Agreement (including the agreed forms of the ground lease and water space licence);
 - Superyacht Facility Management Agreement;
 - Resource Consent Support Agreement; and
 - VEC Sublease and Forecourt and Operational Agreement,(together "Other Agreements").
7. The parties have also made substantive progress towards agreeing the HVA with Council and MBIE's approval of the HVA subject to the following:
 - Additional funding approval by the Governing Body and Cabinet;
 - Finalisation of Schedule 2 (Rights and Benefits);
 - The HVA not binding the Hosts to deliver more than already provided for under the Hosts' infrastructure commitments;
 - Agreeing all issues not yet finalised; and
 - Agreeing any minor editorial changes as required.
8. **Attached to this letter is a copy of the letter that MBIE and Council have provided to ACE and ETNZ regarding the Event Investment (as defined in the HCAA).**



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9. Council and MBIE thank ACE and ETNZ for all the work done to date and we look forward to our continued relationship.

Yours faithfully

Auckland Council
Name: Dean Kimpton
Title: Chief Operating Officer
Date: 3.12.2018

**Ministry of Business, Innovation and
Employment**
Name: *Bin Casson*
Title: *GM Tourism*
Date: *3.12.18*

Team New Zealand Limited
Name: *GRANT DALTON*
Title:
Date: *CEO*
3.12.18

America's Cup Event Limited
Name: *GRANT DALTON*
Title:
Date: *CEO*
3.12.18

Chairmen
3.12.18



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36TH AMERICA'S CUP HOST CITY APPOINTMENT AGREEMENT

We refer to the 36th America's Cup Host City Appointment Agreement dated 26 March 2018 between Team New Zealand Limited (**ETNZ**), America's Cup Event Limited (**ACE**), Auckland Council (**Council**) and Ministry of Business, Innovation and Employment (**MBIE**) on behalf of the Crown as amended on 27 June 2018 (together the **Agreement**).

Capitalised terms used in this letter agreement and not defined have the meaning given to them in the Agreement.

Background

The Parties have been negotiating in good faith the terms of a host venue agreement, with a targeted date for signing of 30 November 2018 (the **Host Venue Agreement**).

As at the date of this letter agreement, the terms of the **Host Venue Agreement** remain subject to continual review and discussion and accordingly the **Host Venue Agreement** is unlikely to be signed on 30 November 2018.

Hosts Agreement to Payment

Notwithstanding the foregoing, the Hosts are prepared to:

- a) make a payment of [redacted] of the Event Investment [redacted] s 7(2)(b)(ii) on [redacted] s 7(2)(b)(ii) (the **Payment**); and
- b) make a further payment of [redacted] of the Event Investment [redacted] s 7(2)(b)(ii) (the **Further Payment**), on the terms and subject to the conditions set out in this letter agreement.



Terms and Conditions

1. The Hosts shall only be required to make the Payment after ^{s 7(2)(b)(ii)} [REDACTED]
s 7(2)(b)(ii) [REDACTED]
2. The Hosts shall only be required to make the Further Payment provided that the Host Venue Agreement is executed on or before ^{s 7(2)(b)(ii)} [REDACTED] and after receipt of a valid invoice.
3. If the Host Venue Agreement is not executed by all parties by ^{s 7(2)(b)(ii)} [REDACTED] the Hosts may by notice require ACE to, and in such event ACE must, repay some or all of the Payment to the Hosts, such amount to be determined by the Hosts.
4. In countersigning this letter, ACE and ETNZ acknowledge and agree that the Parties (and in particular, the Hosts) have been negotiating the terms of the Host Venue Agreement in good faith.
5. The payment of the Payment and the Further Payment are in substitution to the payment of the Event Investment set out in clause 1(b) of Schedule 2 (Payment Terms) of the Agreement.

General

Please indicate your agreement to the above by signing and returning the attached counterpart to this letter agreement.

This letter agreement is governed by the laws of New Zealand. This letter agreement can be signed in any number of counterparts, which together will constitute one instrument.

Yours faithfully



Auckland Council

Name: Dean Kimpton

Title: Chief Operating Officer

Date: 3.12.2018



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



PP

[Handwritten signature]

**Ministry of Business, Innovation and
Employment**

Name: *Kim Casso*

Title: *GM, TOURISM*

Date: *3.12.18*

We agree to the above:

Team New Zealand Limited

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Director

Date:

America's Cup Event Limited

Name:

Title:

Date: