DATED 23 June 2008

BETWEEN MANAWATU DISTRICT COUNCIL

("MDC")

A N D MARY ANN BASKERVILLE, RICHARD JOHN BOWLING, DAVID HAROLD BRODERICK, JOHN CLEMENT CULLING and COLIN McJANNETT ("the Trustees") as Trustees of the THE MANAWATU COMMUNITY WELLBEING AND HOUSING TRUST ("MCWHT")

DEED OF GIFT

COOPER RAPLEY
LAWYERS
Palmerston North & Feilding

RMK-015533-110-92-V2:RCL

THIS DEED made 23rd June 2008

PARTIES

1. MANAWATU DISTRICT COUNCIL ("MDC")

2. MARY ANN BASKERVILLE, RICHARD JOHN BOWLING, DAVID HAROLD BRODERICK, JOHN CLEMENT CULLING and COLIN McJANNETT ("the Trustees") as Trustees of THE MANAWATU COMMUNITY WELLBEING AND HOUSING TRUST ("MCWHT") a Trust constituted by Trust Deed dated 23 June 2008 and intended to be registered pursuant to the Charitable Trusts Act 1957

INTRODUCTION

A. MDC is the owner of the properties listed in the Schedule all of which forms MDC's housing estate ("the estate").

B. MDC has financial commitments that relate directly to the estate of approximately $690,500.00 ("the Commitment").

C. MDC wishes to transfer by way of gift to MCWHT the estate for the purposes of MCWHT but because of the existence of the Commitment MCWHT must agree to accept such gift and at the same time agree to accept and take on liabilities relating to the Commitment.

D. MDC's liability with respect to the Commitment is owed to First NZ Capital Securities. However, the liabilities that MDC require MCWHT to take on with respect to the Commitment will be different to MDC's obligations to First NZ Capital Securities and are set out in this Deed and a Loan and Commitment Agreement between MDC and MCWHT intended to be dated on the same date as this Deed.

GIFT

1. MDC hereby absolutely and unconditionally gifts the estate to MCWHT and will take all necessary steps to ensure the legal ownership of the estate is transferred to MCWHT after the effective date.

2. The effective date of this gift is 1 July 2008.

3. MCWHT acknowledges and accepts the gift set out in clause 1 and acknowledges that, and takes on, the obligations relating to the Commitment as set out in this Deed and a Loan and Commitment Agreement between MDC and MCWHT.

4. The amount of the Commitment is approximately $690,500.00 (the exact amount will be communicated by MDC to MCWHT as soon as possible).

5. The terms and conditions relating to interest and repayments and other matters concerning MCWHT's obligations relating to the Commitment are set out in the Loan and Commitment Agreement referred to in this Deed.

6. As at the date of this Deed MCWHT is not registered pursuant to the provisions of the Charitable Trusts Act 1957. However, the transfer of the estate from MDC to MCWHT is intended to be registered to MCWHT after it becomes registered pursuant to the provisions of the Charitable Trusts Act 1957.

7. The Trustees have entered into this Deed in their capacity as trustees of MCWHT and their liability shall be limited to the assets of that trust so that they shall have no personal liability whatsoever.

SCHEDULE

Property	**Title Reference/s**
16 Bowen Street – Rangimaire Flats	741/74
15 Monckton St – Rawhiti Flats	67/103
1-7 Queen St – Elizabeth Flats	186/251
Awahuri Road – Alexander Flats	D1/1152; 11D/1222
Cargill Avenue – Argyle Flats	7D/879
15 Shelton Place – Shelton	11C/1010; 11C/1011
7-18 Tate Place Flats	14C/1213
15 Cedar Crescent	16A/960
Fitzroy Flats	22A/873
121 Denbigh Street – Puriri Court Flats	282/194; 17D/1430
110 Derby St – Woodlark Flats	44B/848
1-6 Phillips Street, Sanson – Sandon Court	39C/855
1 Severn Street – Rongotea Flats	G1/130
71 Beattie Street Flats	10C/438; 35A/687

SIGNED for and on behalf of)
MANAWATU DISTRICT COUNCIL)
by:)

MAYOR

CHIEF EXECUTIVE

THE MANAWATU DISTRICT COUNCIL
The Common Seal Of

SIGNED by)
MARY ANN BASKERVILLE)
as Trustee in the presence of:)

Witness

Law Clerk to
Cooper Rapley Lawyers
Occupation Palmerston North

Address

SIGNED by)
RICHARD JOHN BOWLING)
as Trustee in the presence of:)

Witness

Law Clerk to
Cooper Rapley Lawyers
Occupation Palmerston North

Address

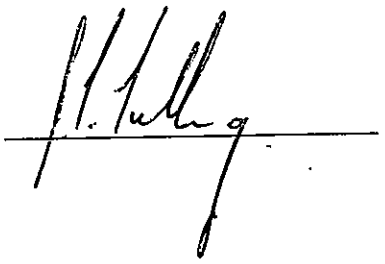
SIGNED by)
DAVID HAROLD BRODERICK)
as Trustee in the presence of:)

Witness

Law Clerk to
Occupation Cooper Rapley Lawyers
Palmerston North

Address

SIGNED by)
JOHN CLEMENT CULLING)
as Trustee in the presence of:)

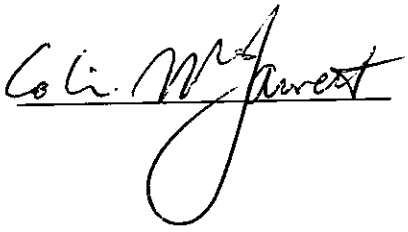


Witness

Law Clerk to
Cooper Rapley Lawyers
Occupation Palmerston North

Address

SIGNED by)
COLIN McJANNETT)
as Trustee in the presence of:)



Witness

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~~Cooper Rapley~~ Lawyers
Occupation Palmerston North

Address