

NOTICE OF AMENDMENT

Procurement Title:

Flexible fund stage one application

Agency:

Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development

Type of Notice:

Notice of Amendment

Amendment Number: 2

Date of Amendment:

22 April 2026

1. Purpose of this Notice

This Notice of Amendment is issued to amend the Flexible fund stage one application pack for the Flexible fund procurement. This notice forms part of the procurement documentation.

All other terms and conditions remain unchanged except as expressly set out below.

2. Summary of Amendments

The procurement documents are amended as follows:

Ref	Document/ Section	Original Text/Information	Amended Text/Information	New Document Issued
1.	Item 8 – Termination if a Home becomes Uninsurable – Social Housing and Affordable Rental Housing	<p>Required Insurance means any material damage or business interruption insurance policy required by your External Financier under the [Senior Financing Agreements (as defined in the Financier Direct Deed)].</p>	<p>Required Insurance means any material damage or business interruption insurance policy required by your External Financier under the [Senior Financing Agreements (as defined in the Financier Direct Deed)] to meet your obligations under the General Terms and Conditions.</p> <p>Note: The General Terms and Conditions will say “You will obtain and maintain insurance that is adequate to cover your obligations under this [Agreement], and provide evidence of the same to HUD, on request. If you are providing housing, your insurance will cover the full replacement value of the Homes.”</p>	<p>See Commercial Term Sheet V2 (updated 18 March 2026)</p> <p>Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development</p>
2.	Item 10 – Services Payment subject to adjustment – Social Housing	<p>The Project Agreed Amount is the sum of the following components for the Project:</p> <ul style="list-style-type: none"> • Rates • Insurance • Tenancy Management • Other Costs • Contingency • Debt Servicing and Repayment <p>The initial Agreed Amount for a Home is a pro-rated amount on the basis of an Apportionment % for the Home – out of 100.</p> <p>The initial Project Agreed Amounts, Agreed Amounts and the Apportionment %s will be in the Contracted Projects and Homes spreadsheet that forms part of the Agreement.</p> <p>Each of the Rates, Insurance, Tenancy Management and Other Costs components of the Project Agreed Amount will be subject to: <i>[original text continues]</i></p>	<p>The Project Agreed Amount is the sum of the following components for the Project:</p> <ul style="list-style-type: none"> • Rates • Dwelling Insurance • Tenancy Management • Other Costs • Contingency • Debt Servicing and Repayment <p>The initial Agreed Amount for a Home is a pro-rated amount on the basis of an Apportionment % for the Home – out of 100.</p> <p>The initial Project Agreed Amounts, Agreed Amounts and the Apportionment %s will be in the Contracted Projects and Homes spreadsheet that forms part of the Agreement.</p> <p>Each of the Rates, Dwelling Insurance, Tenancy Management and Other Costs components of the Project Agreed Amount will be subject to: <i>[original text continues]</i></p>	<p>See Commercial Term Sheet V2 (updated 18 March 2026)</p> <p>Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development</p>

Ref	Document/ Section	Original Text/Information	Amended Text/Information	New Document Issued
3.	Item 10 – Services Payment subject to adjustment – Affordable Rental Housing	<p>The Project Agreed Amount is the sum of the following components for the Project:</p> <ul style="list-style-type: none"> • Rates • Dwelling Insurance • Tenancy Management • Other Costs • Contingency • Debt Servicing and Repayment <p>The initial Agreed Amount for a Home is a pro-rated amount on the basis of the Home’s market valuation compared to the sum of the market valuations of all of the Homes in the Project. The pro-rated amount translates to an Apportionment % for the Home – out of 100.</p> <p><i>[Original text continues]</i></p>	<p>The Project Agreed Amount is the sum of the following components for the Project:</p> <ul style="list-style-type: none"> • Rates • Dwelling Insurance • Tenancy Management • Other Costs • Contingency • Debt Servicing and Repayment <p>The initial Agreed Amount for a Home is a pro-rated amount on the basis of an Apportionment % for the Home – out of 100.</p> <p><i>[Original text continues]</i></p>	<p>See Commercial Term Sheet V2 (updated 18 March 2026)</p> <p>Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development</p>
4.	Housing Option – Overview – Social Housing and Affordable Rental Housing	<p><i>Overview: HUD has a limited right to purchase the Homes where a termination event has occurred under a Financier Direct Deed. The purchase price for the Homes is pre-determined based on whether they are financed on a stand-alone or cross collateralised basis.</i></p>	<p><i>Overview: HUD has a limited right to purchase the Homes where a termination event has occurred under a Financier Direct Deed. The purchase price for the Homes is pre-determined based on whether they are financed on a stand-alone or cross collateralised basis.</i></p>	<p>See Commercial Term Sheet V2 (updated 18 March 2026)</p> <p>Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development</p>

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5.	Item 15 Commercial Term Sheet – Affordable Rental Housing	To receive Upfront Funding for a Project, you must first have registered a land covenant in gross in favour HUD on the land titles affected by the Project. The covenant in gross (which binds the owner and all subsequent owners) will record that the Land must only be used for social housing. It will be removed on termination of this Agreement or in accordance with the Financier Direct Deed.	To receive Upfront Funding for a Project, you must first have registered a land covenant in gross in favour HUD on the land titles affected by the Project. The covenant in gross (which binds the owner and all subsequent owners) will record that the Land must only be used for social affordable housing. It will be removed on termination of this Agreement or in accordance with the Financier Direct Deed.	See Commercial Term Sheet V2 (updated 18 March 2026) Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
6.	Item 20 Commercial Term Sheet – Social Housing and Affordable Rental Housing	You grant HUD an option for HUD or its nominee to purchase one or more Homes owned by you (and to which a Financier Direct Deed applies) at any time during the Cure Period (as set out in that Financier Direct Deed) to ensure these Homes remain available for social housing (Housing Option). <i>[Original text continues]</i> Cure Period is defined in the FDD, but essentially means the period of [30] Business Days after a Termination Notice has been issued. <i>[Original text continues]</i>	You grant HUD an option for HUD or its nominee to purchase one or more Homes owned by you (and to which a Financier Direct Deed applies) at any time during the Cure Period (as set out in that Financier Direct Deed) to ensure these Homes remain available for social affordable housing (Housing Option). <i>[Original text continues]</i> Cure Period is defined in the FDD, but essentially means the period of [30] Business Days after a Termination Notice has been issued. <i>[Original text continues]</i>	See Commercial Term Sheet V2 (updated 18 March 2026) Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development
7.	Financial model response form	Cells F32, G32 and H32 in the Input sheet contained incorrect formulae. These cells were adding the four cells above them when they should have been providing a weighted average.	Formulae corrected in updated model response form – these cells now calculate a weighted average of the four cells above, weighted by the number of homes in column E.	See Financial model response form V2 (updated 18 March) Budget 2025 flexible fund opportunity - Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development

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8	Budget 2026 Flexible Fund Opportunity Application Process - Information Document (2.5 Investment benchmarks)	If an application's costings fall outside those benchmarks, we will inform the applicant and give them the opportunity to justify high cost, reduce costs, or revise/substitute the project.	Clarification: this statement relates to stage two of our application process only.	Not required – amendment is a clarification only.

3. Impacts

This amendment will not affect any other aspect of the procurement, including timetables.

4. Questions and Clarifications

Any questions relating to this amendment must be submitted in accordance with the Stage one application pack instructions.

6. Acknowledgement

Respondents are deemed to have acknowledged and accepted this amendment by submitting an application to this procurement.

Issued by:

Te Tūāpapa Kura Kāinga - Ministry of Housing and Urban Development
