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*Parties*

**TE RŪNANGA O NGĀI TAHU**

*and*

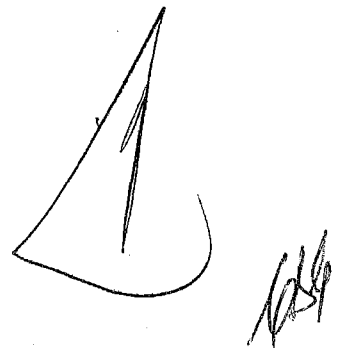
**HER MAJESTY THE QUEEN**

in right of New Zealand

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**DEED OF SETTLEMENT**  
**SECTION 6**

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### **ATTACHMENT 6.1 FARMS**

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*(Clause 6.3.1(a) and 6.7.1)*

### **ATTACHMENT 6.3 VALUATION METHODOLOGY**

*(Clause 6.3.1)*

### **ATTACHMENT 6.4 TERMS OF TRANSFER**

*(Clause 6.8.2)*

### **ATTACHMENT 6.5 STOCK AND PLANT TERMS OF TRANSFER**

*(Clause 6.8.3)*

## SECTION 6 : TRANSFER OF FARM ASSETS

### 6.1 DEFINITIONS

In this Section and its Attachments:

*Adjustment* means, in respect of certain Potential Farms, the adjustment process to be carried out and completed in accordance with *paragraph 10* of the Valuation Methodology, commencing on the Adjustment Date;

*Adjustment Date* means the next Business Day after the expiration of the period of 175 Business Days commencing on the Legislation Date;

*Asset Definition Date* means the later of the next Business Day after:

- (a) the expiration of the period of 5 Business Days commencing on the Legislation Date; or
- (b) the expiration of the period of 10 Business Days commencing on the date all inspections under *paragraph 4* of the Valuation Methodology have been carried out;

*Business Day* means a day (other than Saturday or Sunday) on which registered banks are open for normal banking business in Wellington and Christchurch but shall exclude any day in the period commencing 25 December in any year and ending on 5 January in the following year, inclusive, and shall be deemed to commence at 9.00 am and to terminate at 5.00 pm;

*Capital Expenditure* means the cost to Landcorp in effecting improvements as defined in the Valuation of Land Act 1951 and carrying out the work referred to in the second proviso to that definition;

*Completion Date* means the next Business Day after the expiration of the period of 309 Business Days commencing on the Legislation Date;

*Crown* means Her Majesty the Queen in right of New Zealand;

*Farm* means any farm described in *Attachment 6.1* and, where relevant, in the Deed Maps referred to in *Attachment 6.1*. The last column in *Attachment 6.1* indicates groupings of parcels of land which, together, comprise a single Farm;

*Farm Management Regime* means the regime contained in *Attachment 6.2* for;

- (a) initial disclosure for Valuation;
- (b) disclosure of Landcorp's Capital Expenditure plans;

- (c) production of farm management plans; and
- (d) Landcorp's continued farming operations;

*Final Selection Date* means the next Business Day after the expiration of the period of 247 Business Days commencing on the Legislation Date;

*Financial Trading Results* means, in respect of each Farm and for the three most recent financial years of Landcorp as at the date of this Deed, a statement of the annual gross income by stock type and a statement of the net operating surplus after deducting operating expenses;

*Initial Selection Date* means the next Business Day after the date of expiration of the period of 41 business Days commencing on the Legislation Date;

*Landcorp* means Landcorp Farming Limited;

*Landcorp's Valuer* means any Registered Valuer appointed by Landcorp to participate in Valuation and Adjustment in accordance with the Valuation Methodology;

*Legislation Date* means the date on which this Deed becomes unconditional;

*Plant* means the plant, machinery, vehicles and other chattels owned and used by Landcorp in its management and operation of the Settlement Farms to be valued and transferred in accordance with the Stock and Plant Terms of Transfer;

*Potential Farms* means those Farms that Te Rūnanga, on an indicative non-binding basis, notifies the Crown it is interested in acquiring in accordance with *clause 6.5*;

*Registered Valuer* means a person registered under the Valuers Act 1948 and who holds a current annual practising certificate;

*RFR* means the right of first refusal provided by the Crown to Te Rūnanga and set out in *Attachment 10.1*;

*Settlement Farm* means any Potential Settlement Farm that Te Rūnanga selects to acquire as part of the Settlement in accordance with *clause 6.6*;

*Settlement Legislation* means the bill to give effect to the Settlement referred to in *clause 17.3* and, when the bill has become law, means, if the context requires, the Act resulting from the passing of such bill;

*Stock* means the farm livestock to be valued and transferred in accordance with the Stock and Plant Terms of Transfer;

*Stock and Plant Terms of Transfer* means the agreement to sell and purchase Stock and Plant set out in *Attachment 6.5*;

*Te Rūnanga's Valuer* means any Registered Valuer appointed by Te Rūnanga to participate in Valuation and Adjustment in accordance with the Valuation Methodology;

*Terms of Transfer* means the agreement for sale and purchase, in respect of each Settlement Farm, set out in *Attachment 6.4*;

*Timeline* means the illustration of the timeline for the various processes specified in the Valuation Methodology, set out in *Attachment 6.6*

*Transfer Value* means, in respect of each Settlement Farm and subject to the Terms of Transfer, the purchase price to be paid by Te Rūnanga to the Crown, as determined by the methodology and process, including Valuation and Adjustment, set out in the Valuation Methodology;

*Valuation* means, in respect of each Potential Farm, the valuation process to be carried out and completed in accordance with the Valuation Methodology;

*Valuation Date* means the date of this Deed; and

*Valuation Methodology* means the methodology and process set out in *Attachment 6.3*.

## **6.2 BACKGROUND**

### **6.2.1 Pool of Farms to be selected**

Te Rūnanga and the Crown have, prior to the date of this Deed, identified a pool of Farms from which Te Rūnanga may select Potential Farms and Settlement Farms.

### **6.2.2 How Farms are initially selected and valued**

Te Rūnanga and the Crown have agreed on a five stage process for the determination of the Transfer Value of each Settlement Farm, as follows:

- (a) **Stage 1:** Landcorp will disclose to Te Rūnanga relevant information about all Farms;
- (b) **Stage 2:** Landcorp's Valuer and Te Rūnanga's Valuer shall jointly inspect the Farms, Te Rūnanga may identify combinations of Farms to be valued and, if necessary, subject to Adjustment, selected and transferred as a group in accordance with this Section 6 and Landcorp's Valuer shall provide to Te Rūnanga a valuation report for each Farm or each combination of Farms so selected;

- (c) **Stage 3:** Te Rūnanga shall select Potential Farms (which shall then become subject to Valuation);
- (d) **Stage 4:** Valuation of each Potential Farm shall then be carried out in accordance with the Valuation Methodology; and
- (e) **Stage 5:** the value of Potential Farms will be subject to Adjustment in accordance with the Valuation Methodology.

### 6.2.3 Final selection

Te Rūnanga and the Crown have agreed the process by which Te Rūnanga shall then select Settlement Farms following Valuation and Adjustment and the treatment of Farms and Potential Farms which are not finally selected by Te Rūnanga.

### 6.2.4 Terms of Transfer

Te Rūnanga and the Crown have agreed how Settlement Farms and Stock and Plant shall then be transferred from Landcorp to Te Rūnanga (which shall be done in accordance with the Terms of Transfer and the Stock and Plant Terms of Transfer respectively).

### 6.2.5 Farm Management Regime

Te Rūnanga and the Crown have agreed the Farm Management Regime which, aside from disclosure for Valuation, shall also apply to:

- (a) Capital Expenditure in respect of each Farm;
- (b) the production of Landcorp's farm management plans for each Farm; and
- (c) the manner by which Landcorp shall continue to carry out its farming operations on each Farm.

## 6.3 TRANSFER VALUE AND SELECTION - THE PROCESS STAGE BY STAGE

### 6.3.1 Disclosure, initial selection and Transfer Value

Te Rūnanga and the Crown agree that:

- (a) disclosure shall be made to Te Rūnanga in accordance with *paragraph 1* of the Farm Management Regime;
- (b) each Farm shall be jointly inspected by Landcorp's Valuer and Te Rūnanga's Valuer and Landcorp's Valuer shall provide Te Rūnanga with a valuation report for each Farm or group of Farms (if applicable because of any notice given by Te Rūnanga under *clause 6.4*) in accordance with the Valuation Methodology;

- (c) selection of the Potential Farms shall take place in accordance with *clause 6.5*;
- (d) Valuation and Adjustment (if applicable) shall be carried out and completed in accordance with the Valuation Methodology; and
- (e) selection of the Settlement Farms shall take place in accordance with *clause 6.6*.

*Clauses 6.3.2 and 6.3.3* set out the first stage of that process and *clauses 6.3.4 to 6.3.9* are a summary of the other stages of that process.

### **6.3.2 Stage 1 - General Disclosure**

No later than the next Business Day after the expiration of the period of 10 Business Days commencing on the date of this Deed the Crown will deliver to Te Rūnanga the information set out in *paragraphs 1.1 and 2.1* of the Farm Management Regime. When providing the information the Crown shall, where relevant, specify the date as at which the information is current. Unless otherwise stated, the information shall be as at the date of this Deed.

### **6.3.3 Stage 1 - Disclosure of Financial Trading Results**

The Crown shall disclose Financial Trading Results if required in accordance with *paragraph 1.2* of the Farm Management Regime.

### **6.3.4 Stage 2 - Joint Inspection And Valuation Reports For Farms and Asset Definition**

In accordance with the Valuation Methodology:

- (a) Landcorp's Valuer and Te Rūnanga's Valuer shall complete within 62 Business Days from the date of this Deed the joint inspection of all Farms;
- (b) Landcorp's Valuer and Te Rūnanga's Valuer shall disclose in writing to each other all relevant comparable sales evidence in respect of all Farms;
- (c) Te Rūnanga may identify combinations of Farms which are to be valued, subject to Adjustment, (if necessary), selected and transferred as a group and have a single Transfer Value attributed to them and which may only be selected as a group and not individually; and
- (d) Landcorp's Valuer shall provide to Te Rūnanga full valuation reports confirming its assessment of the current market value of each Farm as at Valuation Date. This valuation report shall comply with the requirements of *paragraph 6* of the Valuation Methodology and shall be delivered no later than the next Business Day after the expiration of the period of 21 Business

Days commencing on the Legislation Date or the next Business Day after the expiration of the period of 21 Business Days commencing on the completion of joint inspections, whichever is the later.

### 6.3.5 Stage 3 - Selection of Potential Farms

After Te Rūnanga's receipt of Landcorp's Valuer's valuation reports in respect of each Farm and no later than the Initial Selection Date, Te Rūnanga shall:

- (a) select the Potential Farms, on an indicative and non-binding basis in accordance with *clause 6.5*; and
- (b) provide to Landcorp and the Crown, in respect of each Potential Farm, either:
  - (i) confirmation that Te Rūnanga accepts Landcorp's Valuer's valuation report (in which case the current market value of the Potential Farm as set out in that valuation report shall, subject to Adjustment and the Terms of Transfer, be the Transfer Value of the Potential Farm); or
  - (ii) a notice rejecting that report which shall be accompanied by a full valuation report confirming its assessment of the current market value of each Potential Farm in respect of which Te Rūnanga disagrees with Landcorp's Valuer's valuation report. This valuation report shall comply with the requirements of *paragraph 7* of the Valuation Methodology.

### 6.3.6 Stage 4 - Valuation of Potential Farms

As soon as possible, following the receipt by the Crown of Te Rūnanga's notice of selection of the Potential Farms, but no later than the Adjustment Date, Te Rūnanga and the Crown shall carry out the Valuation of the Potential Farms referred to in *clause 6.3.5(b)(ii)* in accordance with *paragraphs 7, 8 and 9* of the Valuation Methodology, to determine the current market value of those Potential Farms as at the Valuation Date.

### 6.3.7 Stage 5 - Adjustment

Following the Adjustment Date, Te Rūnanga and the Crown shall carry out Adjustment in respect of certain Potential Farms in accordance with *paragraph 10* of the Valuation Methodology, to determine changes, if any, to the Transfer Value attributable to the circumstances specified in that paragraph.

## 6.4 ASSET DEFINITION

### 6.4.1 Notice of asset definition

No later than the Asset Definition Date Te Rūnanga may give written notice to OTS and Landcorp describing combinations of single Farms, by reference to the



details set out in *Attachment 6.1*, which are to be treated as one Farm for the purposes specified in *clause 6.4.2(a)* and as a group of Farms for the purpose specified in *clause 6.4.2(b)*.

#### **6.4.2 Effect of asset definition notice**

If Te Rūnanga gives a notice under *clause 6.4.1*:

- (a) each combination of Farms will be treated as a single Farm for the purposes of *clause 6.5*, *clause 6.6*, and the Terms of Transfer; and
- (b) each combination of Farms will be valued as a group of Farms for the purpose of the Valuation Methodology.

#### **6.4.3 Basis for asset definition**

Any combination of Farms specified in a notice under *clause 6.4.1* shall include, in any one combination, only Farms which:

- (a) fall in the same category of land use such as dairying, deer farming, sheep, cattle, cropping or other recognised farming type; or
- (b) are reasonably proximate.

### **6.5 SELECTION OF POTENTIAL FARMS**

#### **6.5.1 Notice of initial selection**

No later than Initial Selection Date, Te Rūnanga shall notify the Crown and Landcorp, by reference to the details set out in *Attachment 6.1*, of each Farm which it has selected to have its Transfer Value agreed or determined in accordance with the Valuation Methodology.

#### **6.5.2 Consequence of failure to give that notice**

If Te Rūnanga fails to give that notice by Initial Selection Date, all Farms shall be deemed to be Potential Farms.

#### **6.5.3 Treatment of Farm not specified**

Immediately upon receipt by the Crown of that notice, this section and its Attachments (except *clause 6.6.3* and *clause 6.7.1*) shall cease to apply to any Farms not specified in that notice.

### **6.6 SELECTION OF SETTLEMENT FARMS**

#### **6.6.1 Notice of final selection**

No later than Final Selection Date, Te Rūnanga shall notify the Crown, by reference to the details set out in *Attachment 6.1*, of each Potential Farm which it

has selected as a Settlement Farm.

#### **6.6.2 Consequence of failure to give notice**

If Te Rūnanga fails to give that notice by Final Selection Date, this section and its Attachments (except *clause 6.6.3* and *clause 6.7.1*) shall cease to apply to Potential Farms.

#### **6.6.3 Certain provisions continue to apply**

All Farms, including Potential Farms which are not acquired by Te Rūnanga as Settlement Farms shall still come within the category of assets that are subject to the RFR and shall still be subject to *clause 8.4*.

### **6.7 FARM MANAGEMENT REGIME**

#### **6.7.1 Operative clause**

Te Rūnanga and the Crown agree that *paragraphs 2, 3 and 4* of the Farm Management Regime apply to the continued operation by Landcorp of the Farms. The Farm Management Regime shall continue to apply to each Farm or Potential Farm which does not become a Settlement Farm but, in respect of any Farm that Landcorp may sell without Te Rūnanga's consent in accordance with *Section 8*, the Farm Management Regime shall not apply with effect from the date on which the Farm is transferred by Landcorp as a result of such sale.

#### **6.7.2 Summary of Farm Management Regime**

Aside from the rules set out in the Farm Management Regime for disclosure for the purposes of Valuation, the Farm Management Regime contains three major sections, being:

- (a) **Capital Expenditure restrictions:** Landcorp may not spend more than \$3,800,000 in aggregate for all Farms for each of the 12 month periods from 1 July 1997 and 1 July 1998. This regime sets certain limits on the level of, and variations to, individual Capital Expenditure for each of the Farms and procedures by which Te Rūnanga may agree to Landcorp incurring further Capital Expenditure. Capital Expenditure properly incurred by Landcorp in compliance with the Farm Management Regime shall be relevant to Adjustment.
- (b) **Production of Farm Management plans:** Landcorp shall be required to provide Te Rūnanga with its current farm management plans for each Farm. Te Rūnanga's consent shall be required for certain departures from these farm management plans.
- (c) **Continued farming operations:** Landcorp shall be required to manage each Farm generally in accordance with those farm management plans and, from

Adjustment Date, in accordance with good husbandry practices.

## **6.8 TRANSFER OF SETTLEMENT FARMS AND STOCK AND PLANT**

### **6.8.1 Transfer and payment - Farms**

On the Completion Date, the Crown shall transfer each Settlement Farm to Te Rūnanga in return for and in consideration of payment by Te Rūnanga to the Crown of the Transfer Value agreed or determined for each Settlement Farm (which shall be the current market value of each Settlement Farm as at the Valuation Date as agreed or determined by Valuation and subject to Adjustment and the Terms of Transfer.)

### **6.8.2 Terms of Transfer - Farms**

The terms and conditions on which each Settlement Farm shall be transferred by the Crown to Te Rūnanga shall be those specified in the Terms of Transfer, which are deemed to be a separate agreement in respect of each Farm.

### **6.8.3 Valuation and transfer - Stock and plant**

Stock and Plant shall be valued as at Completion Date in accordance with the Stock and Plant Terms of Transfer. Stock and Plant shall also be transferred from the Crown to Te Rūnanga on Completion Date in accordance with the Stock and Plant Terms of Transfer.

### **6.8.4 Summary - Stock and plant**

By way of summary, those provisions:

- (a) require Landcorp to stock each Settlement Farm at Completion Date with Stock (to the extent Landcorp already owns and keeps Stock on the Farms as a whole) of the type, age structure and condition which could be expected to be found on a similar farm run by an average efficient farmer;
- (b) set out a process for agreeing or determining the market value of that Stock on each Settlement Farm as at Completion Date;
- (c) require sale and purchase of the Stock to take place on Completion Date;
- (d) require Landcorp to provide Te Rūnanga with a list of Plant on each Settlement Farm which Te Rūnanga may then select to acquire;
- (e) set out a process for agreeing or determining the market value of Plant selected by Te Rūnanga as at Completion Date; and
- (f) require sale and purchase of the Plant to take place on the Completion Date.

The market value of Stock and Plant to be determined in accordance with this clause and the price at which Stock and Plant is transferred from the Crown to

Te Rūnanga shall be irrelevant to, and fall outside, the requirements of *clause 8.3*.

## **6.9 FURTHER PROVISIONS**

### **6.9.1 Requests for further information**

At any time before Completion Date (or later if the Crown has not complied with its obligations under this Section in respect of Settlement Farms), Te Rūnanga may require from the Crown or Landcorp any information concerning the Farms, that is additional to that already provided and not available to the public and which Te Rūnanga reasonably requires for it to make the decisions or selections contemplated by this section. If the Crown or Landcorp possesses or can reasonable procure such additional information then the Crown shall provide to Te Rūnanga, or allow Te Rūnanga to inspect, such additional information in a timely manner.

### **6.9.2 Use of information**

All information provided by the Crown or Landcorp to Te Rūnanga at any time under this Section shall be used by Te Rūnanga and its advisers only for the purposes contemplated by this Deed of Settlement and for no other purpose.

### **6.9.3 Confidentiality**

Where the Crown or Landcorp is unable to provide to Te Rūnanga information under this Section without any further reasonable assurances of confidentiality in favour of the Crown or Landcorp or any other third parties, then Te Rūnanga and its advisers shall provide the required reasonable assurances. Such assurances shall not preclude disclosure by Te Rūnanga of such information to any other person which has itself given assurances to the same effect as Te Rūnanga's assurances, unless the Crown reasonably objects to such person and the Crown has given notice to that effect to Te Rūnanga.

### **6.9.4 Crown's covenant regarding information**

The Crown covenants and warrants to Te Rūnanga that all details, forecasts, projections, estimates, opinions and other information to be provided by the Crown to Te Rūnanga pursuant to *clause 6.3.2* or *clause 6.9.1* shall:

- (a) be the best information available to the Crown or the relevant Vendor Agency at the time of provision; and
- (b) genuinely represent the views of the Crown or the relevant Vendor Agency and be reasonably arrived at on the basis of the best information available to them at the relevant date.

### **6.9.5 Disclaimer**

Te Rūnanga acknowledges and agrees that:

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- (a) other than those set out in *clause 6.9.4*, no representation or warranty is given, whether expressed or implied, nor is any responsibility accepted by, the Crown or the relevant Vendor Agency with respect to the completeness or accuracy of the information to be provided by the Crown to Te Rūnanga pursuant to *clause 6.3.2* or *clause 6.9.1*; and
- (b) other than those set out in *clause 6.9.4*, no representation or warranty is given, whether expressed or implied, nor is any responsibility accepted by, the Crown or the relevant Vendor Agency with respect to Te Rūnanga's reliance upon or use of the details, forecasts, projections, estimates, opinions and other information.

#### **6.9.6 Crown primarily liable**

Where in this Section or any of its Attachments, an obligation is imposed on, or an action may be taken by, the Crown, the Crown shall either satisfy that obligation itself or procure Landcorp to comply with that obligation or allow Landcorp to take that action. Conversely, where an obligation is expressed to be imposed on Landcorp, or an action is to be taken by Landcorp, the Crown shall also be liable for that obligation or may also take that action.

#### **6.9.7 Unconditional obligations**

*Clause 17.1* (which provides that this Deed is conditional on the Settlement Legislation coming into force) does not apply to those parts of the Farm Management Regime and the Valuation Methodology which require performance or action to be taken before the Legislation Date.

#### **6.9.8 Errors and misdescriptions**

The legal descriptions of the Farms in *Attachment 6.1* is believed to be correct. If it is established that any error, misdescription or other inconsistency has occurred or exists, the Crown's obligation shall be limited to correcting the error, misdescription or other inconsistency.

### **6.10 NOTICES**

#### **6.10.1 Communications to be copied to OTS**

Any correspondence, notice or other communication made or to be made under this Section and its Attachments to or from the Crown or Landcorp or to or from Te Rūnanga shall also be copied to OTS.

#### **6.10.2 Application of Notice clause**

*Clause 20.7* shall apply to this section as if Landcorp were a party.

#### **6.10.3 Recipients and senders of communications**

All notices, correspondence and communications under this section and its

Attachments shall be validly given or received:

- (a) in the case of OTS, by any individual notified in writing to Te Rūnanga and Landcorp by the Director of OTS at the address or by facsimile to the facsimile number specified in that notification;
- (b) in the case of Te Rūnanga, by any individual notified in writing to OTS and Landcorp by the General Manager of Ngāi Tahu Property Group Limited and at the address or by facsimile to the facsimile number specified in that notification;
- (c) in the case of Landcorp, by any individual notified in writing to OTS and Te Rūnanga by the Chief Executive of Landcorp and at the address or by facsimile to the facsimile number specified on that notification,

and *clause 20.7* shall apply accordingly.

#### 6.11 LEGISLATION

Unless there is an existing enactment to the same effect on the date the Settlement Legislation is introduced to Parliament, the Settlement Legislation shall contain the following provision or a provision to the same effect:

*“Whereas the land described in paragraph (a) and the land described in paragraph (b) of subsection (2) of this Section is occupied by Landcorp Farming Limited as part of the adjoining Eglinton and Eweburn farm properties: And whereas, at the time of the transfer of the adjoining properties from the Crown to the company, it was intended that the Crown would subsequently transfer to the company the land described in those paragraphs and thereby regularise the company’s occupancy of that land: And whereas section 11(1) of the National Parks Act 1980 prohibits the exclusion of land from a national park, except by Act of Parliament: Be it therefore enacted as follows:*

- (1) *The land to which this section relates is hereby excluded from the Fiordland National Park and declared to be Crown land for the purposes of the Land Act 1948 and shall be available for alienation to Landcorp Farming Limited without payment and without public notice and without competition:*
- (2) *This section relates to those pieces of land in the Southland Land District-*
  - (a) *Comprising 54.3800 hectares, more or less, being part*

*Fiordland National Park situated in Block X, Te Anau Survey District, and shown marked "A" on S.O. Plan 11756, and being part of the land described in the Fiordland National Park Order 1978:*

- (b) *Comprising 9.2380 hectares, more or less, being part Fiordland National Park situated in Block IV, Te Anau Survey District, and shown marked "A" on S.O. Plan 11190, and being part of the land described in the Fiordland National Park Order 1978."*

## FARMS

**ATTACHMENT 6.1**  
**FARMS**  
*(Clause 6.1, Definition of Farm)*

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
5D/614; 1B/1204	AHAURA	KOPARA RD	WESTLAND	386.5178	LC 1
13D/845	AKATORE	AKATORE CREEK RD	OTAGO	229.8900	LC 2
18A/260	AKATORE	NARROWDALE ROAD	OTAGO	16.9574	LC 2
2A/86	BURKES CREEK		NELSON	47.6416	LC 3
12B/284	BURKES CREEK		NELSON	16.2709	LC 3
22/169	BURKES CREEK		NELSON	46.6830	LC 3
34/260	BURKES CREEK		NELSON	40.3673	LC 3
22/170	BURKES CREEK		NELSON	56.5017	LC 3
BALANCE 22/150	BURKES CREEK		NELSON	41.7762	LC 3
10B/1024	BURKES CREEK	BURKES ROAD	NELSON	740.6466	LC 3
8A/1204	BURKES CREEK	INANGAHUA	NELSON	0.8910	LC 3
12B/634	BURKES CREEK	ROAD TO CAPLESTON	NELSON	23.7702	LC 3
8B/480	BUTLERS	SHWY 6	WESTLAND	1,109.5980	LC 4
5D/915	BUTLERS	WHITES RD	WESTLAND	481.5700	LC 4
10A/443	CAINARD	485 CAINARD RD	SOUTHLAND	4,297.0000	LC 5
10B/265	CAPE FOULWIND		NELSON	513.2300	LC 6
12B/1134	CAPE FOULWIND		NELSON	403.1272	LC 6
10B/264	CAPE FOULWIND	STATE HIGHWAY 6	NELSON	17.4220	LC 6
[PT 11C/58]	CAPE FOULWIND	WILSONS LEAD ROAD	NELSON	4,160.6558	LC 6
9C/809	CAPE FOULWIND	WILSONS LEAD ROAD	NELSON	50.3000	LC 6
[PT 11C/58] 11	CAPE FOULWIND DU	WILSONS LEAD ROAD	NELSON	131.6000	LC 7



## FARMS

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
11C/57	CAPE FOULWIND DU 6	MACKAY RD	NELSON	127.7160	LC 8
[PT 11C/58]	CAPE FOULWIND O'MALLEYS DU	WILSONS LEAD ROAD	NELSON	183.0000	LC 9
10A/449	CENTRE HILL	53 CENTRE HILL RD	SOUTHLAND	2,070.8550	LC 10
10A/452	CENTRE HILL	53 CENTRE HILL RD	SOUTHLAND	2,290.6160	LC 10
10A/451	CENTRE HILL	53 CENTRE HILL RD	SOUTHLAND	465.6400	LC 10
34C/80; 35D/979	CHEDDAR VALLEY	734 LEADER RD WEST	CANTERBURY	3,860.1861	LC 11
27F/255	CHEDDAR VALLEY	LEADER WAIAU ROAD	CANTERBURY	399.3391	LC 11
10A/454; 10A/453; 10A/455	DALE	646 TAKARO RD	SOUTHLAND	2,597.6050	LC 12
359/93	DAWSON DOWNS	CLIFTON RD	OTAGO	376.9369	LC 13
10A/444; 10A/446; 10A/447; 10A/445	DUNCRAIGEN	798 WEIR RD	SOUTHLAND	1,088.5310	LC 14
35C/540	EALING	BOLTONS RD	CANTERBURY	1.1212	LC 15
316/131	EALING	EALING AND MONTALTO RD	CANTERBURY	2.0234	LC 15
535/3	EALING	EALING MONTALTO RD	CANTERBURY	40.8656	LC 15
6C/868	EALING	EALING MONTALTO RD	CANTERBURY	9.8515	LC 15
504/104	EALING	EALING MONTALTO RD	CANTERBURY	96.8210	LC 15
776/82	EALING	MARONAN EALING RD	CANTERBURY	202.2264	LC 15
828/21	EALING	RANGITATA RIVER RD	CANTERBURY	2.0234	LC 15
1D/456	EALING	RANGITATA RIVER RD	CANTERBURY	399.0640	LC 15
6C/926	EALING	RANGITATA RIVER RD	CANTERBURY	199.5226	LC 15
8F/968	EALING	WITHELLS RD	CANTERBURY	105.3265	LC 15
28F/1067	EALING	WITHELLS RD	CANTERBURY	72.0500	LC 15
11K/26	EALING	WITHELLS RD	CANTERBURY	0.2572	LC 15

## FARMS

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
35B/1274	EALING	WITHELLS RD	CANTERBURY	43.8223	LC 15
38C/934	EALING	WITHELLS RD	CANTERBURY	63.5080	LC 15
28F/1066	EALING	WITHELLS RD	CANTERBURY	109.1066	LC 15
38C/935	EALING	WITHELLS RD	CANTERBURY	20.9140	LC 15
10A/456	EGLINTON	STATE HIGHWAY 94	SOUTHLAND	1,097.0000	LC 16
[10A/448 PART]	EWEBURN	568 MILFORD TE ANAU HIGHWAY	SOUTHLAND	2,067.0901	LC 17
10A/442	EYRE CREEK	575 EYRE CREEK RD	SOUTHLAND	5,110.0000	LC 18
31K/75; 31K/923	EYREWELL	178 DOWNS RD	CANTERBURY	450.8330	LC 19
33A/892; 32A/225	EYREWELL	237 POYNTZS RD	CANTERBURY	568.3005	LC 19
31K/901; 33B/378	EYREWELL	671 DOWNS RD	CANTERBURY	213.0245	LC 19
[PT 10A/439]	FREESTONE		SOUTHLAND	309.5000	LC 20
[PT 10A/399]	FREESTONE		SOUTHLAND	412.0000	LC 20
10A/441	FREESTONE	629 HILLSIDE MANAPOURI RD	SOUTHLAND	443.3755	LC 20
9B/828	GORGE HILL	3077 TE ANAU MOSSBURN HIGHWAY	SOUTHLAND	395.2710	LC 21
9B/738	GORGE HILL	88 S HIGHWAY 94	SOUTHLAND	445.8904	LC 21
34D/1200	HAMNER FARM	395 CHATTERTON RD, MOLESWORTH	CANTERBURY	183.3781	LC 22
10A/470; 10A/468; 10A/471; 10A/469	HAYCOCKS	1573 MAVORA LAKES RD	SOUTHLAND	3,973.8082	LC 23
10A/463; 10A/464; 10A/465; 10A/466; 10A/467	HIKURAKI	3004 MAVORA LAKES RD	SOUTHLAND	2,057.6289	LC 24
12C/1145	HINDON	15 WALLACES FORD RD	OTAGO	1023.9630	LC 25

## FARMS

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
10A/383; 10A/384; 10A/385	JERICO	2812 BLACKMOUNT REDCLIFF	SOUTHLAND	1,804.3480	LC 26
9D/342; 9D/343; 9D/344; 9D/345	KEPLER	123 MANAPOURI TE ANAU HIGHWAY	SOUTHLAND	1,848.3190	LC 27
10A/437; 9B/721; 9D/144; 9D/535	LYNMORE	403 LAGOON CREEK RD	SOUTHLAND	2,557.2435	LC 28
42B/140; 3D/1132; 4D/1316; 6D/728	MARONAN	SIBERIA RD	CANTERBURY	552.1496	LC 29
10A/1255	MAWHERAITI		NELSON	441.2750	LC 30
10B/1265	MAWHERAITI		NELSON	2,207.2400	LC 30
[PT 9C/815]	MAWHERAITI DU C	THOMPSON RD	NELSON	56.0630	LC 31
9B/1033	MAWHERAITI DU C	THOMPSON RD	NELSON	83.9130	LC 31
9C/812	MAWHERAITI DU F		NELSON	93.8233	LC 32
[PT 9C/815]	MAWHERAITI DU F	THOMPSON RD	NELSON	35.5000	LC 32
10A/461; 10A/460; 10A/462; 10A/459; 10A/457; 10A/458	MT HAMILTON	985 CHEWINGS RD	SOUTHLAND	4,499.2212	LC 33
9D/145	MULHOLLANDS	512 MULHOLLAND RD	SOUTHLAND	1,370.7678	LC 34
5D/860	NELSON CREEK	NELSON CREEK	WESTLAND	1,229.3149	LC 35
5D/1160	NELSON CREEK	BLAIRS RD	WESTLAND	1,655.4667	LC 35
35D/886; 35C/281	OKUKU PASS	OKUKU PASS RD	CANTERBURY	1,932.3331	LC 36
10A/436	PRINCHESTER	39 DANBY RD	SOUTHLAND	2,271.8999	LC 37
13C/484	REEDY CREEK		OTAGO	0.9763	LC 38
15D/1117	REEDY CREEK	85 WAIPORI STATION RD	OTAGO	4,337.2313	LC 38

## FARMS

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
10A/440	RIVERSLEA	567 WEIR RD	SOUTHLAND	72.2840	LC 39
[PT 10A/439]	RIVERSLEA	567 WEIR RD	SOUTHLAND	962.7430	LC 39
5D/1300	ROKOKINO DU 4	SCALLY RD	WESTLAND	277.3500	LC 40
8A/1	ROKOKINO DU 5	SCALLY RD	WESTLAND	258.9500	LC 41
13D/953	SEACLIFF	OROKONUI RD	OTAGO	218.5988	LC 42
13D/839	SEACLIFF	RUSSELL RD	OTAGO	307.3304	LC 42
[10A/448 PART]	SNOWDON	829 SINCLAIR RD	SOUTHLAND	1,802.5000	LC 43
10A/400	STEVENS	446 MT YORK RD	SOUTHLAND	211.7675	LC 44
[PT 10A/399]	STEVENS	446 MT YORK RD	SOUTHLAND	734.9790	LC 44
[PT 10A/397]	STEVENS	446 MT YORK RD	SOUTHLAND	1,164.0000	LC 44
9D/79	STUART	BLIGH STREET	SOUTHLAND	0.0830	LC 45
10A/371	STUART	CAPTAIN ROBERTS RD, S HIGHWAY 94	SOUTHLAND	0.1382	LC 45
9D/349	STUART	MANAPOURI-TE ANAU RD	SOUTHLAND	5.0190	LC 45
[PT 10A/397]	STUART	MT YORK RD	SOUTHLAND	946.4500	LC 45
9D/348	STUART	S HIGHWAY 94	SOUTHLAND	279.6500	LC 45
10D/735	STUART	S HIGHWAY 94	SOUTHLAND	242.4729	LC 45
10D/829	STUART	S HIGHWAY 95	SOUTHLAND	354.3883	LC 45
10C/543	STUART	SANDY BROWN RD	SOUTHLAND	63.3540	LC 45
10D/830	STUART	WILLIAM STEPHEN RD	SOUTHLAND	4.6365	LC 45
10D/831	STUART	WILLIAM STEPHEN RD	SOUTHLAND	4.6873	LC 45
10A/391	STUART	WILLIAM STEPHEN RD	SOUTHLAND	1.0050	LC 45
10A/394	STUART	WILLIAM STEPHEN RD	SOUTHLAND	4.1459	LC 45
10A/395	STUART	WILLIAM STEPHEN RD	SOUTHLAND	2.5817	LC 45
10A/396	STUART	WILLIAM STEPHEN RD	SOUTHLAND	1.9097	LC 45
13D/952	THORNICROFT	68 ELDORADO TRACK	OTAGO	2,232.0359	LC 46
35D/977	TIROMOANA	666 MT CASS RD	CANTERBURY	2,757.7964	LC 47

## FARMS

Certificate of Title	Property Name	Street Address	Land District	Area (ha)	Farm
13D/954	WAIPORI	1516 WAIPORI RD	OTAGO	7,938.0355	LC 48
13D/950	WAITEPEKA	GOTT RD	OTAGO	0.6592	LC 49
13D/949	WAITEPEKA	OWAKA HIGHWAY	OTAGO	617.4488	LC 49
[PT 5D/1123]	WEKA	KOTUKU-BELL HILL RD	WESTLAND	1,287.3290	LC 50
8B/888	WEKA	KOTUKU-BELL HILL RD	WESTLAND	2,477.2941	LC 50
5D/942	WEKA	ROTOMANU	WESTLAND	149.2410	LC 50
[PT 5D/1123]	WEKA DU 1	KOTUKU-BELL HILL RD	WESTLAND	127.0000	LC 51
[PT 5D/1123]	WEKA DU 2	KOTUKU-BELL HILL RD	WESTLAND	138.0000	LC 52
6B/520; 13F/420; 13F/421	ROSEBANK	TREVORS ROAD	CANTERBURY	260.1445	LC 53

Note: Where square brackets appear around certificate of title references the Crown shall describe the relevant parts of the title concerned by including farm plans showing the boundaries of the farm as part of disclosure under *clause 6.3.2*.

## FARM MANAGEMENT REGIME

**ATTACHMENT 6.2  
FARM MANAGEMENT REGIME***(Clause 6.3.1(a) and 6.7.1)***1 INITIAL DISCLOSURE**

- 1.1 No later than the date of expiration of the period of 10 Business Days commencing on the date of this Deed, the Crown or Landcorp shall give to Te Rūnanga and OTS a covering letter enclosing, in respect of each Farm:
- 1.1.1 the farm management plan (in this *Attachment*, "Farm Management Plan") for the current year containing information to the same general level of detail as in the sample farm management plan already given to representatives of Te Rūnanga;
- 1.1.2 the following information to the same general level of detail set out in the Farm Management Plan for the Farm for the three years preceding the date of this Deed:
- (a) the approximate number, by age and class of livestock wintered on the Farm;
  - (b) the approximate reproduction and mortality (including lambing mortality) rate; and
  - (c) a reasonably detailed description of the frequency, volume and content of fertiliser applied to the Farm;
- 1.1.3 a topographical map or plan clearly showing the area and boundaries of each Farm (see also the note to *Attachment 6.1*);
- 1.1.4 details of any contaminants or other hazardous materials contained within or on the Farm of which the Crown or Landcorp is aware after inspecting its records but this does not require the Crown or Landcorp to undertake a physical inspection of the Farm or make enquiries beyond its own records; and
- 1.1.5 copies of all leases, tenancies and any other documents providing any right of occupation in respect of any Farms and all relevant material and information relating to any of the matters referred to in *paragraphs 6.1.6 to 6.1.14* of the Terms of Transfer.
- 1.2 Te Rūnanga may, by no later than the date of expiration of the period of 10

## FARM MANAGEMENT REGIME

Business Days commencing on the date a Farm has been inspected in accordance with *paragraph 4.1* of the Valuation Methodology, request the Crown in writing to give to Te Rūnanga the Financial Trading Results for that Farm and the Crown shall comply with that request within 3 Business Days of receipt of the request. A request may only be made if Landcorp's Valuer and Te Rūnanga's Valuer have agreed that, without the Financial Trading Results, there would be insufficient evidence to assess the market value of the Farm.

- 1.3 The information referred to in *paragraph 1.1* shall be given in a separate report for each Farm. Three copies of each report shall be given to Te Rūnanga and one to OTS under a covering letter from Landcorp stating that the enclosures are the disclosures for the purpose of this Attachment.
- 1.4 No later than the date of expiration of the period of 5 Business Days commencing on the date which Te Rūnanga receives the covering letter, Te Rūnanga may give notice in writing to the Crown specifying the extent to which the Crown has, in Te Rūnanga's opinion, failed to comply with *paragraph 1.1*. If no such notice is given in that timeframe, Te Rūnanga shall be taken to have accepted the report included with the letter from Landcorp as full disclosure under *paragraph 1.1*.
- 1.5 No later than the date of expiration of the period of 5 Business Days commencing on the date of receipt by the Crown of any notice under *paragraph 1.4*, the Crown shall, in respect of each matter of non-compliance specified by Te Rūnanga, either rectify that non-compliance or set out in writing to Te Rūnanga the grounds on which the Crown considers that it has already complied.

## 2 CAPITAL EXPENDITURE

- 2.1 In respect of each Farm, no later than the next Business Day after the expiration of the period of 10 Business Days commencing on the date of this Deed, the Crown shall provide Te Rūnanga with:
  - 2.1.1 a statement of the amount (GST exclusive) which Landcorp intends to spend, by way of Capital Expenditure in the year commencing 1 July 1997 and, to the extent possible, a statement of the amount already spent in that year; and
  - 2.1.2 an indicative statement of the amount (GST exclusive) which Landcorp intends to spend, by way of Capital Expenditure, in the year commencing 1 July 1998; and
  - 2.1.3 a list of no more than 10 Farms, described by the reference to the details set out in *Attachment 6.1*, to which *paragraph 2.3.1* applies.

## FARM MANAGEMENT REGIME

- 2.2 In respect of each Farm, by no later than 31 July 1998, the Crown shall provide Te Rūnanga with a statement of the amount (GST exclusive) which Landcorp intends to spend, by way of Capital Expenditure, in the year commencing 1 July 1998. It is intended that this statement shall be largely consistent with the statement referred to in *paragraph 2.1.2*.
- 2.3 Without limiting *paragraph 2.4*, the amount referred to in *paragraph 2.1.1*, *2.1.2* and *2.2*:
- 2.3.1 in respect of any Farm described under *paragraph 2.1.3*, shall not, without Te Rūnanga's prior written consent, be more than \$500,000 (GST exclusive); and
- 2.3.2 in respect of any other Farm shall not, without Te Rūnanga's prior written consent, be more than \$200,000 (GST exclusive).
- 2.4 The aggregate of the amounts specified in each of the statements referred to in *paragraphs 2.1.1*, *2.1.2* and *2.2* shall not exceed \$3,800,000 (GST exclusive) for the financial year to which they relate.
- 2.5 In respect of each Farm, the Crown may incur Capital Expenditure up to \$100,000 (GST exclusive) above the amounts set out in the statements referred to in *paragraphs 2.1.1* and *2.2* for that Farm, provided that such variation does not result in more than \$600,000 (GST exclusive) of Capital Expenditure being incurred on any Farm to which *paragraph 2.3.1* applies or \$300,000 (GST exclusive) on any other Farm, unless Te Rūnanga consents.
- 2.6 The Crown shall not incur, without the prior written consent of Te Rūnanga:
- 2.6.1 any item of Capital Expenditure on any Farm which shall have the effect of Landcorp spending, in the relevant financial year (commencing in 1 July), more than \$100,000 (GST exclusive) above the amount set out in the statements referred to in *paragraphs 2.1.1* and *2.2* for that Farm; or
- 2.6.2 any item of Capital Expenditure which shall have the effect of Landcorp spending, in the relevant financial year (commencing 1 July), more than \$3,800,000 (GST exclusive), in aggregate, in respect of Farms.
- 2.7 The items of Capital Expenditure referred to in *paragraphs 2.1.1* and *2.2* or those items of Capital Expenditure otherwise approved by Te Rūnanga in accordance with *paragraph 2.5* shall be material to Adjustment and determination of Transfer Value (refer *paragraph 10* of the Valuation Methodology).



### 3 CONTINUED DISCLOSURE AND TENANCY ARRANGEMENTS

- 3.1 The Crown shall allow Te Rūnanga's representatives access to the Farms on reasonable notice and at reasonable times of the day to assist Te Rūnanga in its decision to select Potential Farms and Settlement Farms.
- 3.2 The Crown shall convene meetings between representatives of Landcorp and Te Rūnanga at intervals of not more than three months or as the parties otherwise agree measured from the date of this Deed to discuss management and Capital Expenditure for all Farms and any other material events.
- 3.3 The Crown shall:
- 3.3.1 promptly notify Te Rūnanga each time Landcorp intends to deviate materially from the Farm Management Plans; and
  - 3.3.2 promptly notify Te Rūnanga as soon as the Crown or Landcorp becomes aware of any event affecting the physical condition of the Farms which would be reasonably material to a prudent purchaser's decision to purchase a similar farm; and
  - 3.3.3 comply with *paragraph 1.1.1* for each subsequent year as soon as reasonably practicable after each farm management plan has been prepared.
- 3.4 During the period to the Completion Date, the Crown shall, or the Crown shall procure that Landcorp shall:
- 3.4.1 not approve any assignment or subletting, or renew, grant or vary any "Lease" (which in this paragraph has the meaning given to it in the Terms of Transfer) without the prior written consent of Te Rūnanga. Te Rūnanga shall not unreasonably or arbitrarily withhold or delay consent where Landcorp is obliged to give approval or to renew, grant or vary any Lease under the provisions of any Lease;
  - 3.4.2 negotiate any rent review or rent payable on any renewal of Lease to obtain the best rent reasonably obtainable under the Lease. The Crown shall not agree to the rent payable on a review or renewal of Lease without first obtaining the written consent of Te Rūnanga. Te Rūnanga shall not unreasonably or arbitrarily withhold or delay consent and shall not withhold consent where the rent proposed is supported by a report obtained by the Crown from an independent registered valuer; and
  - 3.4.3 keep Te Rūnanga fully informed as to any legal proceeding or arbitration threatened or commenced by Landcorp, or by any party against Landcorp,

## FARM MANAGEMENT REGIME

in any matter relating to the Farm, and shall take steps to commence or continue any such proceedings or arbitration in good faith.

- 3.5 The Crown shall indemnify Te Rūnanga against any costs, charges, expenses, damages and liability as a result of any action, claim or demand arising out of any breach by the Crown of its obligations under *paragraph 3.4*.

#### 4 CONTINUED FARMING OPERATIONS

- 4.1 Subject to *paragraph 2* and *clause 6.7.1*, the Crown shall, in accordance with good farming practice and the normal course of business, maintain all buildings, improvements and other fixtures on each Farm:
- (a) in a standard no worse than that which they were in at the Valuation Date; or
  - (b) if some lesser standard is recognised in establishing a revised Transfer Value during Adjustment, to a standard no worse than that lesser standard,
- fair wear and tear excepted.
- 4.2 From the date of this Deed and subject to the provisions of this Deed, the Crown shall farm each Farm in a manner that is consistent with the Farm Management Plan for that Farm.
- 4.3 The Crown shall not, without the prior written consent of Te Rūnanga, in farming the Farms make any material deviation from the Farm Management Plans, where such variations are inconsistent with normal prudent farm or business management for farms, or groups of farms, of that type and location.
- 4.4 If, in Te Rūnanga's opinion, a variation of the kind described in *paragraph 4.3* has occurred to which it did not give consent, Te Rūnanga may request the Crown to remedy the effects of the variation. If those effects are capable of being remedied, the Crown shall remedy them as soon as practicable. Otherwise those effects shall, as required by Te Rūnanga be relevant for the purposes of, or excluded from, Adjustment.
- 4.5 From the Adjustment Date, the Crown shall farm each Farm in accordance with the accepted practice of good husbandry in the district and shall not remove from the land any trees or improvement or fixtures on the land including, but not by way of limitation, any building, radio/telecommunication mast and television aerial and appurtenant wiring, gas, electric or other range, blinds, tank, bath, fences and gates or other fixtures on the Farm at the date of the Deed. The removal of such items before Adjustment Date (where the items were present at

FARM MANAGEMENT REGIME

Valuation Date) shall be relevant for the purposes of Adjustment.

*awc*  
*RJR*

## VALUATION METHODOLOGY

**ATTACHMENT 6.3**  
**VALUATION METHODOLOGY**  
(Clause 6.3.1)

**1 OBJECT**

This Attachment sets out the process to be followed, the factors to be considered and the methodology to be adopted in determining the Transfer Value of the Settlement Farms. The procedures outlined in this Attachment shall apply in all cases unless this Deed provides otherwise or the parties agree otherwise in any particular case.

**2 DEFINITIONS AND INTERPRETATION**

2.1 In this Attachment, unless the context otherwise requires:

*Adjustment Farm* means any Farm specified in a notice given under *paragraph 10.1*;

*Arbitrated Farm* means any Farm to which *paragraph 8* applies;

*Arbitration Commencement Date* means, in respect of each Arbitrated Farm, the date specified by OTS under *paragraph 8.1* or, as the case may be, determined in accordance with *paragraph 8.3*;

*Arbitrator* means a member of the panel constituted under *paragraph 9*;

*Disputed Farm* means any Farm to which *paragraph 7* applies;

*Farm* has the meaning given to it in *clause 6.1* but also means (where the context permits) any group of Farms notified by *Te Rūnanga* under *clause 6.4*;

*Landcorp's Valuation Report* means the valuation report prepared by Landcorp's Valuer in accordance with this Attachment;

*Landcorp's Valuer* means any Registered Valuer appointed by Landcorp to take part in the process set out in this Attachment;

*Market Value* is the estimated amount for which an asset should exchange, on the Valuation Date, between a willing buyer and a willing seller, in an arms length transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

## VALUATION METHODOLOGY

In applying this definition to any Farm, the following matters shall be taken into account:

- (a) the Terms of Transfer (*Attachment 6.4*) other than the effect of the delayed possession date;
- (b) any encumbrances or interests or other matters affecting or benefiting the Farm appearing on the title to the Farm as at Valuation Date or to appear on such title on Completion Date or as disclosed in writing by the Crown or Landcorp;
- (c) the value is to be on a plus GST (if any) basis;

In applying this definition to any combination of Farms notified by Te Rūnanga under *clause 6.4*, the asset shall be taken to be a group of Farms and not one single Farm.

*Te Rūnanga's Valuation Report* means the valuation report prepared by Te Rūnanga's Valuer in accordance with this Attachment;

*Te Rūnanga's Valuer* means any Registered Valuer appointed by Te Rūnanga to take part in the process set out in this Attachment;

*Valuation Presentation Date* means the later of the next Business Day after:

- (a) the expiration of the period of 21 Business Days commencing on completion of the joint inspections referred to in *paragraph 4*; and
- (b) the expiration of the period of 21 Business Days commencing on the Legislation Date;

*Valuation Date* means the date of this Deed.

### 3 APPOINTMENT OF VALUERS

3.1 No later than the next Business Day after the expiration of the period of 5 Business Days commencing on the date of this Deed, Landcorp and Te Rūnanga shall each:

- (a) appoint a Registered Valuer or Registered Valuers and instruct each Registered Valuer to assess the Market Value of each Farm in accordance with this Attachment; and

## VALUATION METHODOLOGY

(b) give notice to the other and to OTS of the identity of each Valuer appointed and specify the Farms in respect of which he or she has been appointed.

3.2 Landcorp and Te Rūnanga shall ensure that the terms of appointment of their respective valuers require them to participate in the process set out in this Attachment in accordance with the terms of this Attachment.

#### 4 INITIAL INSPECTION

4.1 Landcorp and Te Rūnanga shall ensure that their respective valuers have carried out a joint inspection of each Farm to ascertain the physical state of each Farm at Valuation Date for Valuation purposes by the next Business Day after the expiration of the period of 62 Business Days commencing on the date of this Deed. The following provisions of this *paragraph 4* are intended to give effect to that joint inspection.

4.2 No later than the next Business Day after the expiration of the period of 10 Business Days commencing on the date of this Deed, Landcorp's Valuer and Te Rūnanga's Valuer shall prepare a written inspection timetable to ensure that each Farm is inspected jointly by the expiry of that 62 Business Day period. The valuers shall jointly sign the timetable and give a copy of it to their principals and OTS within the 10 Business Day period.

4.3 If the valuers have been unable to agree on a timetable by the date referred to in *paragraph 4.2*, OTS shall issue one to Landcorp and Te Rūnanga within a further 3 Business Days. This timetable shall be reasonable and workable having regard to the number of Farms to be inspected, the remaining period in which all Farms shall be inspected and the location and proximity of Farms.

4.4 Landcorp and Te Rūnanga shall ensure that their respective valuers abide by the timetable made under *paragraph 4.2* or *4.3* and Landcorp shall ensure that the manager of each Farm or his or her representative is available on the Farm for the duration of the scheduled joint inspection.

4.5 The parties recognise that there may be reasons beyond the control of both parties which prevent a scheduled joint inspection taking place. These reasons include, but are not limited to, flood or roadslip preventing reasonable access to or inspection of a Farm or to a circumstance relating to the management of the Farm which reasonably prevents the Farm manager or his or her representative being available for the duration of the scheduled inspection. The valuers shall cooperate in re-scheduling any visit which did not take place for any such reason as soon as possible so that, as far as is possible, the overall time frame set out in this

paragraph is met.

- 4.6 Subject to *clause 17.2.2*, all reasonable costs associated with affecting the joint inspection (other than the fees, travel and accommodation costs of each party's valuer) will be shared by the parties.

## 5 EXCHANGE OF SALES EVIDENCE

- 5.1 Landcorp's Valuer and Te Rūnanga's Valuer shall disclose in writing all relevant comparable sales evidence to each other by the date by which all joint inspections shall take place.

## 6 PRESENTATION OF CROWN'S VALUATION REPORTS AND TE RŪNANGA'S RESPONSE

- 6.1 Landcorp's Valuer shall, in respect of each Farm, prepare a valuation report which includes the assessment of Market Value of the Farm and deliver a copy of the report to OTS and Te Rūnanga no later than the Valuation Presentation Date.

- 6.2 Each Landcorp's Valuation Report shall:

6.2.1 meet the minimum requirements set out in the New Zealand Institute of Valuers Practice Standard 3 (Issued/Revised 1 January 1995) insofar as those requirements are consistent with the express provisions of the Deed and this Attachment;

6.2.2 include an executive summary containing:

- (a) a summary of valuation along with key valuation parameters such as value per stock units and value per hectare;
- (b) a summary of key issues affecting value, if any;
- (c) the name of the valuer and his or her firm; and
- (d) the signature of the valuer and lead valuer if applicable;

6.2.3 include a property report based on the standard referred to in paragraph 6.2.1; and

6.2.4 attach appendices setting out:

## VALUATION METHODOLOGY

- (a) a statement of valuation policies; and
  - (b) relevant market and sales information.
- 6.3 No later than the Initial Selection Date, Te Rūnanga shall give notice in writing to Landcorp and OTS that it either accepts or rejects the assessment of Market Value contained in Landcorp's Valuation Report for that Farm. This is also the date by which Te Rūnanga shall make its selection under *clause 6.5* and, accordingly, this *paragraph 6.3* and the following provisions of this Attachment apply only to Potential Farms.
- 6.4 If, in respect of any Potential Farm, Te Rūnanga gives notice that it accepts the assessment of the Market Value contained in Landcorp's Valuation Report that assessment shall be the Transfer Value for that Farm for the purposes of this Deed subject to Adjustment and the Terms of Transfer.
- 6.5 If, in respect of any Potential Farm, Te Rūnanga gives notice by the date referred to in *paragraph 6.3* that it rejects the assessment of the Market Value contained in Landcorp's Valuation Report, *paragraph 7* shall apply to the determination of the Transfer Value for that Potential Farm.

## 7 NEGOTIATIONS TO AGREE DISPUTED MARKET VALUES

- 7.1 Each notice rejecting the assessment of Market Value for a Potential Farm under *paragraph 6.3* shall be accompanied by a copy of a valuation report which contains Te Rūnanga's Valuer's assessment of the Market Value for every Farm referred to in the notice. *Paragraph 6.2* applies to each Te Rūnanga's Valuation Report.
- 7.2 If, in respect of any Potential Farm, Te Rūnanga:
- (a) fails to give notice by the date referred to in *paragraph 6.3*; or
  - (b) gives such a notice by that date rejecting the assessment of Market Value contained in Landcorp's Valuation Report but fails to give Te Rūnanga's Valuation Report in accordance with *paragraph 7.1*,

then Te Rūnanga may give Te Rūnanga's Valuation Report by no later than the expiration of the period of 5 Business Days commencing on the Initial Selection Date. If Te Rūnanga gives Te Rūnanga's Valuation Report by that date *paragraph 6.5* will apply. If Te Rūnanga fails to give Te Rūnanga's Valuation Report by that date the assessment of Market Value contained in the Vendor's Valuation Report shall be the Transfer Value for that Farm for the purposes of this



## VALUATION METHODOLOGY

Deed, subject to Adjustment and the Terms of Transfer.

- 7.3 No later than the Initial Selection Date or (if applicable) such later date that Te Rūnanga gives all its reports under *paragraph 7.2*, both Landcorp and Te Rūnanga shall appoint and notify the other and OTS of the appointment of a person or persons who shall have authority to negotiate an agreed value for the Potential Farms in respect of which Te Rūnanga has rejected the assessment of Market Value in Landcorp's Valuation Report.
- 7.4 Landcorp and Te Rūnanga, through their respective representatives appointed under *paragraph 7.3*, shall negotiate to attempt to agree the Transfer Value in respect of each Disputed Farm. Where agreement is reached in respect of a Disputed Farm both representatives shall sign a statement identifying the Disputed Farm and the amount which the parties have agreed is the Transfer Value for that Farm and shall give a copy of that statement to OTS. All such statements shall be received by OTS by no later than the date which is the earlier of:
- 7.4.1 the next Business Day after the expiration of the period of 30 Business Days commencing on the Initial Selection Date or (if applicable) on such later date that Te Rūnanga gives all its reports under *paragraph 7.2*; and
- 7.4.2 the next Business Day after the expiration of the period of that number of Business Days which equals the number of Disputed Farms, commencing on the Initial Selection Date or (if applicable) on such later date that Te Rūnanga gives all its reports under *paragraph 7.2*.
- 7.5 The amount agreed as the Transfer Value for each Disputed Farm in respect of which OTS receives a statement under *paragraph 7.4* shall be the Transfer Value for that Farm for the purposes of this Deed subject to Adjustment and the Terms of Transfer.
- 7.6 Where, in respect of any Disputed Farm, OTS does not receive a statement under *paragraph 7.4* the determination of the Transfer Value shall be referred to an Arbitrator in accordance with *paragraph 8*.
- 7.7 Landcorp's Valuer and Te Rūnanga's Valuer may, as part of the negotiations, disclose to the other and OTS relevant comparable sales evidence which was not known to that valuer at the date referred to in *paragraph 5.1* by no later than the earlier of:
- 7.7.1 the next Business Day after the expiration of the period of 5 Business Days commencing on the Initial Selection Date or (if applicable) on such later

date that Te Rūnanga gives all its reports under *paragraph 7.2*; and

7.7.2 the date referred to in *paragraph 7.4.2*.

## 8 DETERMINATION OF DISPUTED VALUES

8.1 No later than the date of expiration of the period of 5 Business Days commencing on the date referred to in *paragraph 7.4*, OTS shall give a notice in writing to Landcorp and Te Rūnanga allocating all Arbitrated Farms to one or more specified Arbitrators and, in respect of each allocation, specifying a date on which the process set out in this *paragraph 8* shall commence (which, subject to *paragraph 8.3*, will be the Arbitration Commencement Date). In allocating Arbitrated Farms to the Arbitrator or Arbitrators and specifying the Arbitration Commencement Date in respect of each allocation, OTS shall first consult with Landcorp and Te Rūnanga and have regard to the following principles:

8.1.1 no more than six Arbitrated Farms should be allocated to any one Arbitrator unless it is appropriate to allocate a larger number because it comprises a grouping to which *paragraph 8.1.2* applies;

8.1.2 Arbitrated Farms in respect of which the dispute or market conditions are similar or which have similar characteristics or which are in reasonably close proximity to each other should be allocated to one Arbitrator;

8.1.3 as few Arbitrators as possible should be used; and

8.1.4 the Market Value for all Arbitrated Farms shall be determined by no later than the Adjustment Date.

8.2 If neither Landcorp nor Te Rūnanga object to the notice given by OTS under *paragraph 8.1* within 2 Business Days of receipt, OTS shall immediately give written notice to each Arbitrator concerned that he or she is to determine the Market Value for each Arbitrated Farm allocated to him or her under *paragraph 8.1* in accordance with this *paragraph 8*.

8.3 If either Landcorp or Te Rūnanga gives notice within that 2 Business Day period objecting to the notice given by OTS under *paragraph 8.1*, OTS shall immediately request the President for the time being of the Institute of Valuers (or its successor) or his or her nominee to allocate the Arbitrated Farms to the Arbitrators and, in respect of each allocation, to specify a date on which the process set out in this *paragraph 8* shall commence having regard to the matters set out in *paragraph 8.1* and the date so specified shall become the Arbitration Commencement Date in place of the date specified under *paragraph 8.1*. OTS shall request the President

## VALUATION METHODOLOGY

to comply with the request within 5 Business Days of the date referred to in *paragraph 8.2*.

- 8.4 OTS shall serve a copy of the President's (or his or her nominee's) determination on Landcorp and Te Rūnanga immediately on receipt by OTS of it and shall also immediately give written notice to each Arbitrator concerned that he or she is to determine the Market Value for each Arbitrated Farm allocated to him or her under that determination in accordance with this *paragraph 8*.
- 8.5 Not earlier than the date of expiration of the period of 5 Business Days commencing on the Arbitration Commencement Date, the Arbitrator shall give notice of a meeting to be attended by Landcorp, OTS and Te Rūnanga and their respective Registered Valuers, at a venue to be decided by the Arbitrator.
- 8.6 The Arbitrator's notice of the meeting shall include a request by the Arbitrator to OTS, Landcorp and Te Rūnanga that they forward to the Arbitrator all information relating to the assessment of the Market Value of the Arbitrated Farms allocated to him or her which is in their possession. Landcorp, OTS and Te Rūnanga shall ensure that this information is provided to the Arbitrator (and any submissions or expert evidence based on information already disclosed shall be copied to the other parties) no later than 5.00 pm on the day which is 2 Business Days prior to the date of the meeting.
- 8.7 The information sent to the Arbitrator by Landcorp, OTS and Te Rūnanga (and to each other) shall constitute, in respect of each Arbitrated Farm allocated to him or her, Landcorp's Valuation Report, Te Rūnanga's Valuation Report, sales evidence exchanged under *paragraph 5* and *paragraph 7.7* and any submission or expert evidence based on that information which Landcorp or Te Rūnanga intend to present at the meeting.
- 8.8 At the meeting, the Arbitrator shall establish a procedure and give each party to the arbitration the right to examine, cross examine and re-examine the Registered Valuers and other experts appointed by the other parties in relation to the information provided to the Arbitrator and, subject to *paragraph 8.7*, otherwise have regard to the requirements of natural justice in the conduct of the meeting.
- 8.9 The Arbitrator shall hold the meeting and give his or her determination of the Market Value of each Arbitrated Farm allocated to him or her no later than next Business Day after the expiration of the period of 35 Business Days commencing on the Arbitration Commencement Date.
- 8.10 Once the Arbitrator has determined the Market Value he or she shall serve notice

## VALUATION METHODOLOGY

on Landcorp, OTS and Te Rūnanga of his or her decision.

8.11 The Transfer Value of each Arbitrated Farm for the purposes of this Deed (subject to Adjustment and the Terms of Transfer) shall be the Arbitrator's determination of the Market Value. That determination shall be:

8.11.1 no higher than the higher of the assessment of Market Value contained in Te Rūnanga's Valuation Report and in Landcorp's Valuation Report; and

8.11.2 no lower than the lower of the assessment of Market Value contained in those reports.

8.12 The determination of the Arbitrator shall be final and binding on Landcorp, OTS and Te Rūnanga and the persons claiming under them. No person shall have any right of appeal against, or review of the decision of the Arbitrator in relation to any matter of fact or law or procedural irregularity or any other grounds other than misconduct by the Arbitrator. If, however, the determination is appealed, *Section 8*, and *Section 6* and its Attachments shall continue to apply as if the determination were final and binding but an adjusting payment shall be made if necessary once the appeal is concluded.

8.13 The Arbitrator shall not make an interim decision.

## 9 ESTABLISHMENT OF ARBITRATORS PANEL

9.1 OTS and Te Rūnanga shall, in accordance with this paragraph, establish a panel of 10 persons who are independent, sufficiently qualified and experienced to be considered experts in the area of determination of values of rural properties and who are ready, willing and able to act as Arbitrators.

9.2 OTS may appoint five such persons in consultation with Te Rūnanga and Te Rūnanga may appoint five such persons in consultation with OTS. OTS and Te Rūnanga shall both have discharged their obligation to consult and appoint persons by the date of expiration of the period of 62 Business Days commencing on the date of this Deed. If either of them fails to do so, the panel will consist only of the persons appointed by the other party until the party which has failed to consult and appoint does so.

9.3 An appointment under this paragraph will not be properly made until the Arbitrator has confirmed in writing to OTS and Te Rūnanga that he or she has read and understood this Section 6 and its Attachments and that he or she shall conduct an arbitration in accordance with this Attachment on receipt of and in

accordance with a notice received under *paragraph 8.2* or *paragraph 8.4*.

## 10 ADJUSTMENT OF MARKET VALUES

- 10.1 No later than the date of expiration of the period of 10 Business Days commencing on the Business Day immediately following the Adjustment Date, either Landcorp or Te Rūnanga may give written notice to the other specifying, by reference to the information set out in *Attachment 6.1* any Potential Farm the agreed or determined Market Value of which should, in the opinion of the person giving notice, be adjusted in accordance with this *paragraph 10*.
- 10.2 Any notice given under *paragraph 10.1* may only be given if, and shall specify that, in respect of each Adjustment Farm, the party considers that the previously agreed or determined Transfer Value of the Farm may have been affected due to:
- 10.2.1 any Capital Expenditure which has been or, if commenced before the Adjustment Date, shall be completed before the Completion Date and which was or may be carried out without Te Rūnanga's consent or in respect of which Te Rūnanga's consent was obtained;
  - 10.2.2 any degradation in the physical condition of the Farm, however caused;
  - 10.2.3 any matter affecting the title to the Farm which was not known when the Transfer Value was agreed or determined and which does or shall appear on the title on the Completion Date; or
  - 10.2.4 any combination of any one or more of the above.
- 10.3 No later than the Business Day after the expiration of the period of 15 Business Days commencing on the Adjustment Date, Landcorp's Valuer and Te Rūnanga's Valuer shall prepare a written inspection timetable to ensure that each Adjustment Farm is inspected jointly by the expiration of the period of 35 Business Days commencing on the Adjustment Date and shall jointly appoint a person or persons of the kind described in *paragraph 9.1* to fulfil the role of expert under this *paragraph 10*. The written inspection timetable shall be jointly signed by the three valuers and returned to OTS within the 15 Business Day period mentioned in this *paragraph 10.3*.
- 10.4 If Landcorp's Valuer and Te Rūnanga's Valuer have been unable to agree on a timetable or to appoint jointly such person or persons as an expert by the expiry of that 15 Business Day period, OTS shall issue to Landcorp and Te Rūnanga a joint timetable within a further 5 Business Days. In this case, the President of the New Zealand Institute of Valuers (or his or her nominee), on the request of any party,

## VALUATION METHODOLOGY

shall appoint such a person or persons within the same period.

- 10.5 Landcorp and Te Rūnanga shall ensure that their respective valuers have carried out a joint inspection of each Adjustment Farm by the date of expiration of the period of 35 Business Days commencing on the Adjustment Date accompanied by such person of the kind described in *paragraph 9.1* to act as expert in determining any dispute under this *paragraph 10*.
- 10.6 *Paragraphs 4.3 to 4.6* (with all necessary modification) apply to the joint inspections under this *paragraph 10*.
- 10.7 No later than the date of expiration of the period of 37 Business Days commencing on the Business Day immediately following the Adjustment Date, Te Rūnanga and Landcorp may each give to the other notice specifying those Adjustment Farms which it requires to be subject to the following provisions of this *paragraph 10*. Any Farms not so specified will immediately cease to be Adjustment Farms and, subject to the Terms of Transfer, their Transfer Value for the purposes of this Deed will be the previously agreed or determined Transfer Value.
- 10.8 Landcorp's Valuer and Te Rūnanga's Valuer shall, during the period of 47 Business Days commencing on the Business Day immediately following the Adjustment Date, negotiate to attempt to agree the adjusted Market Value in respect of each Adjustment Farm. The "adjusted Market Value" shall differ from the previously agreed or determined Market Value by an amount attributable to the circumstance or combination of circumstances referred to in *paragraph 10.2* which apply to the Adjustment Farm as if the circumstance or combination had existed at Valuation Date.
- 10.9 Where agreement under *paragraph 10.8* is reached in respect of any Adjustment Farm, Landcorp's Valuer and Te Rūnanga's Valuer shall sign a written statement specifying the adjusted Market Value and shall give a copy of that statement to OTS. The statement shall specify the amount attributed to any item of Capital Expenditure which was taken into account in agreeing the adjusted Market Value (whether or not it had been completed). The adjusted Market Value for any such Adjustment Farm specified in that statement will be the Transfer Value of that Adjustment Farm for the purposes of this Deed, subject to the Terms of Transfer. If, however, on the Completion Date any item of Capital Expenditure which was taken into account in agreeing the adjusted Market Value is still not completed, the Transfer Value shall be reduced by the amount, if positive, attributed to that item in the statement.
- 10.10 OTS shall immediately request the independent person who attended the joint

## VALUATION METHODOLOGY

- inspections under *paragraph 10.3 or 10.4* to give his or her determination of the adjusted Market Value for each Adjustment Farm in respect of which OTS did not receive a written statement under *paragraph 10.9* in the 47 Business Day period referred to in *paragraph 10.8*. OTS shall request the person to make his or her determination within 10 Business Days of the request. The determination shall specify the amount attributed to any item of Capital Expenditure which was taken into account in determining the adjusted Market Value (whether or not it had been completed).
- 10.11 Both the Crown and Te Rūnanga may make submissions during the period of 5 Business Days commencing on the date of the request to be made by OTS pursuant to *paragraph 10.10*.
- 10.12 Such person's determination of the adjusted Market Value for each Adjustment Farm included in the request by OTS shall be the Transfer Value of that Adjustment Farm for the purposes of this Deed, subject to the Terms of Transfer. If, however, on the Completion Date, any item of Capital Expenditure which was taken into account in determining the adjusted Market Value is still not completed, the Transfer Value shall be reduced by the amount, if positive, attributed to that item in the statement.
- 10.13 For the avoidance of doubt, such person shall be acting as an expert and not as an arbitrator and his or her determination will be final and binding on the parties.
- 11 GENERAL PROVISIONS**
- 11.1 Subject to *clause 17.2.2*, Landcorp, OTS and Te Rūnanga shall each bear their own costs in connection with the process set out in this Attachment. The costs of the Arbitrator or such person appointed under *paragraph 10.3 or 10.4* and the costs of the hire of a venue for the meeting referred to in *paragraph 8.5* (if any) and the costs of the person appointed for the purposes of *paragraph 10* shall be borne by OTS and Te Rūnanga equally. However, in appropriate cases, the Arbitrator or such person may award costs against Te Rūnanga or OTS where the Arbitrator or such person considers that it would be just to do so on account of unreasonable conduct.
- 11.2 Landcorp, OTS and Te Rūnanga each acknowledge that they are required to use reasonable endeavours to ensure the processes set out in this Attachment operate in the manner, and within the timeframes, specified in this Attachment.
- 11.3 If the procedure set out in this Attachment is delayed through any event (such as the death or incapacity of any Registered Valuer or the Arbitrator or any such person), Landcorp, OTS and Te Rūnanga shall use reasonable endeavours and co-

operate with each other to minimise the delay.

- 11.4 If at any time during the process set out in this Attachment, OTS gives written notice to Te Rūnanga that Landcorp is no longer willingly participating in that process, this Attachment will apply with all necessary modifications as if the process was between OTS and Te Rūnanga only and all references to Landcorp will be references to OTS.



## TERMS OF TRANSFER

**ATTACHMENT 6.4**  
**TERMS OF TRANSFER**  
(*Clause 6.8.2*)

**1 DEFINITIONS AND NOTICES**

- 1.1 Unless the context requires a different interpretation, words and phrases not otherwise defined have the same meanings as in section 2 of the Property Law Act 1952.
- 1.2 *interest rate for late settlement* means the FRA mid point 30 day bank bill rate as at 10.45 am on Reuter's page BKBM on the date on which the relevant payment becomes due and payable plus 500 basis points and compounded monthly.
- 1.3 *Lease* means any tenancy, lease or licence to occupy affecting the whole or any part of the Farm at the date of this Deed together with any permitted amendment to all material documents.
- 1.4 *possession date* means, in respect of any property, the Completion Date.
- 1.5 *property* means Farm, as defined in *clause 6.1*, or (if applicable) a combination of Farms under *clause 6.4.2(a)*.
- 1.6 *purchase price* means, in respect of any property, the Transfer Value for that Farm.
- 1.7 *purchaser* means Te Rūnanga or Te Rūnanga's nominee.
- 1.8 *settlement date* means in respect of each property, the date upon which possession is actually given under this agreement.
- 1.9 *vendor* means the Crown.
- 1.10 References to "agreement" and "the agreement" (where appropriate) shall be deemed to be references to the terms of this Attachment.

## TERMS OF TRANSFER

**2 OPERATIVE CLAUSES AND PURCHASE PRICE**

- 2.1 It is agreed that the vendor shall transfer and the purchaser shall take on transfer the fee simple interest in the property upon the terms set out in the Deed and this Attachment subject to all matters noted on the register of title to the property at the date upon which this Deed is signed by both parties and all other matters disclosed to the purchaser in accordance with this Deed and this Attachment.
- 2.2 The purchase price for each property shall be the Transfer Value determined in accordance with the Valuation Methodology and will be paid in full by bank cheque on the possession date.

**3 POSSESSION AND SETTLEMENT**

- 3.1 Unless the particulars of a Lease are disclosed to the purchaser in accordance with the Farm Management Regime, the property is to be transferred with vacant possession and the vendor shall so yield the property on the possession date together with keys and security cards to all doors (if applicable) in the possession or control of Landcorp or the vendor. Where particulars of a Lease or Leases are so disclosed the property shall be sold subject to and with the benefit of that Lease or Leases.
- 3.2 On the possession date:
- 3.2.1 the purchaser shall pay the vendor the purchase price; and
- 3.2.2 possession shall be given and taken.
- 3.3 If from any cause whatever save the default of the vendor any portion of the purchase price is not paid upon the due date for payment the purchaser shall pay to the vendor interest at the interest rate for late settlement on the portion of the purchase price so unpaid from the due date for payment until payment; but nevertheless this stipulation is without prejudice to any of the vendor's rights or remedies including any right to claim for additional expenses and damages. For the purposes of this subclause a payment made on a day other than a Business Day or after the termination of a Business Day shall be deemed to be made on the next following Business Day and interest shall be computed accordingly.
- 3.4.1 If for any cause whatever save the default of the purchaser the vendor does not offer to give possession (and where the agreement calls for it, vacant possession) when the purchaser is entitled to possession the vendor shall pay to the purchaser a fair market rent for the property until possession is offered and the vendor shall also compensate the purchaser for any expenses incurred and damages suffered by

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## TERMS OF TRANSFER

the purchaser (including the purchaser's reasonable costs of temporary accommodation for persons and for chattels) resulting from the failure of the vendor to give possession on the date aforesaid to the extent that such expenses and damages are greater than the fair rental for the property.

- 3.4.2(a) Where the purchaser or any person claiming through the purchaser elects to go into possession of the property prior to settlement the purchaser shall pay to the vendor on settlement a fair market rental for the property during the period of possession prior to settlement; provided that in respect of any period when the purchaser is obliged to pay interest under *paragraph 3.3* the purchaser shall not be required to pay both that interest and rental under this paragraph and the purchaser's obligation in respect of that period for payment of interest and rental shall be limited to payment of whichever amount of such interest or rental is the higher.
- 3.4.2(b) In respect of any period when delay in settlement is caused by the default of the vendor, rental payable under this *paragraph 3.4.2* shall be reduced to the extent necessary to ensure that the purchaser, by paying rental, shall not be financially disadvantaged by taking possession, by comparison with the position applicable if possession had not been taken prior to settlement.
- 3.4.3 The provisions of this *paragraph 3.4* shall be without prejudice to any of the purchaser's rights or remedies including any right to claim for any additional expenses and damages suffered by the purchaser.
- 3.4.4 Where the parties are unable to agree upon any amount payable under *paragraphs 3.4.1* or *3.4.2* of this subclause an interim amount shall on settlement be paid to a stakeholder by the party against whom it is claimed until the amount payable is determined. The interim amount shall be the lower of:
- (a) the amount claimed by the purchaser or the vendor, as the case may be; or
  - (b) an amount equivalent to interest at the interest rate for late settlement during the period to which the claim relates on such portion of the purchase price (including any deposit) as is payable under this agreement on or by the possession date.

Any interest earned on the interim amount net of resident withholding tax and any handling charges shall follow the destination of the interim amount. The amount determined to be payable shall not be limited by the amount of the interim amount. If the parties cannot agree on a stakeholder the interim amount shall be paid to a stakeholder nominated on the application of either party by the president or vice-president for the time being of the Law Society for the district where the

## TERMS OF TRANSFER

property is situated.

3.5 Upon the balance of the purchase price, interest and other moneys if any due hereunder being paid or satisfied as provided in this agreement (credit being given for any amount payable by the vendor under *paragraph 3.4*), the vendor shall concurrently hand to the purchaser a registrable memorandum of transfer of the property, to be prepared by and at the expense of the purchaser and tendered to the vendor or the vendor's solicitor a reasonable time prior to the possession date executed by the purchaser if necessary together with all other instruments in registrable form (including a memorandum of transfer from Landcorp to the Vendor) which may be required for the purpose of registering the memorandum of transfer together with all instruments of title and all contracts and other documents which create rights, interests and obligations affecting the registered proprietor's interest and which shall continue following settlement.

3.6 All outgoings and incomings excluding insurance premiums shall be apportioned at the possession date.

3.7 Where:

3.7.1 the transfer of the property is to be registered against a new title document in the course of issuing (including a new or provisional title document following the loss of the outstanding copy of the title); and

3.7.2 a search copy, as defined in section 172A of the Land Transfer Act 1952, of that title document is not obtainable by the 5th Business Day prior to the possession date,

then the possession date shall be deferred to the 5th Business Day following the date on which the search copy is obtainable, and the vendor has so advised in writing, unless the purchaser shall elect that settlement shall still take place on the original possession date. This clause shall not apply where it is necessary to register a registrable memorandum of transfer referred to in *paragraph 3.5* to enable a plan to deposit and title to the property to issue.

#### 4 RISK AND INSURANCE

4.1 The property shall remain at the sole risk of the vendor until possession is given and taken.

4.2 In the event that prior to the giving and taking of possession the property is destroyed or damaged and such destruction or damage has not been made good by

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## TERMS OF TRANSFER

the possession date then the following provisions shall apply:

4.2.1 If the destruction or damage has been sufficient to render the property untenable and it is untenable on the possession date the purchaser may:

- (a) complete the purchase at the purchase price less a sum equal to the amount of diminution in value of the property as at the Completion Date; or
- (b) cancel this agreement as it affects the property by serving the vendor notice in writing.

4.2.2 If the property is still tenable on the possession date the purchaser shall complete the purchase at the Transfer Value less a sum equal to the amount of the diminution in value of the property as at the Completion Date.

4.3 Either party may serve on the other party notice in writing requiring that any dispute as to the application of this clause be determined by an arbitrator to be appointed by the president or vice-president for the time being of the Law Society for the district where the property is situated, and the party serving the notice may at any time thereafter refer the dispute for determination. If the dispute is not determined by the possession date then the possession date shall be deferred to the 5th Business Day following the date on which the dispute is determined. The arbitrator may determine that the possession date shall not be deferred or shall be deferred to another day or days.

4.4 The purchaser shall not be required to take over any insurance policies held by the vendor.

## 5 TITLE, BOUNDARIES, ETC

5.1 The vendor shall not be bound to point out the boundaries of the property save that on the sale of a vacant residential lot which is not limited as to parcels the vendor shall ensure that the property is pegged at the possession date.

5.2 Subject to *paragraph 5.3* the purchaser is deemed to have accepted the vendor's title.

## TERMS OF TRANSFER

- 5.3 In respect of any property for which, at the date of this agreement, no certificate of title has been issued the purchaser is deemed to have accepted the title save as to objections or requisitions which the purchaser is entitled to make and delivers to the vendor or the vendor's solicitor on or before the 5th Business Day after the date on which the purchaser or the purchaser's solicitor is notified in writing that the title has issued.
- 5.4 If the vendor is unable or unwilling to remove or comply with any objection or requisition as to title so delivered by the purchaser and the purchaser does not on or before the 5th Business Day after the date on which the purchaser is notified in writing of such inability or unwillingness notify the vendor in writing that the purchaser waives the objection or requisition the vendor may (notwithstanding any intermediate negotiations) by notice in writing to the purchaser cancel this agreement as it relates to the property.
- 5.5 In the event of a cancellation by the vendor under *paragraph 5.4*, the purchaser shall be entitled to the return of all moneys paid under this agreement but shall not be entitled to any interest or to the expense of investigating the title or to any compensation whatever.
- 5.6 For the avoidance of doubt, no objection or requisition may be made on the grounds that the vendor is not the registered proprietor of the property.
- 5.7 Except as otherwise expressly set forth in this agreement, no error, omission or misdescription of the property or the title shall annul the sale but compensation, if demanded in writing before settlement but not otherwise, shall be made or given as the case may require.
- 5.8 The vendor shall not be liable to pay for or contribute towards the expense of erection or maintenance of any fence between the property and any contiguous land of the vendor but this proviso shall not enure for the benefit of any subsequent purchaser of the contiguous land; and the vendor shall be entitled to require the inclusion of a fencing covenant to this effect in any transfer of the property.

**6 VENDOR'S WARRANTIES AND UNDERTAKINGS**

- 6.1 The vendor warrants and undertakes to the purchaser that except to the extent disclosure to the contrary is permitted to be and is made under the Deed:
- 6.1.1 Landcorp or the vendor has paid all general and water rates due by them as owner or occupier to the possession date. If the water charges are determined by meter the vendor shall on or immediately after the

## TERMS OF TRANSFER

- possession date have the water meter read and shall pay the amount of the charge payable pursuant to that reading but if the territorial authority shall not make special readings the water charges shall be apportioned;
- 6.1.2 any adjustments of outgoings are paid to the dates shown in the vendor's statement of apportionments to be supplied to the purchaser before the possession date or shall be so paid immediately after the possession date;
- 6.1.3 the vendor will pay all charges for electric power and gas supplied to the property down to the possession date.
- 6.1.4 if the vendor or Landcorp receives any notice or demand from the Crown or any territorial authority or from any tenant after the possession date the vendor or Landcorp shall if not paying or complying with such notice or demand forthwith deliver it to the purchaser or the purchaser's solicitor and if the vendor fails to do so the vendor shall be liable for any penalty incurred;
- 6.1.5 immediately after the possession date the vendor shall give notice of sale to Valuation New Zealand and the territorial authority having jurisdiction and where the property comprises a stratum estate will serve a copy of the notice of sale on the secretary of the body corporate;
- 6.1.6 where the vendor or Landcorp has done or caused or permitted to be done on the property any works for which a permit or building consent was required by law, such permit or consent was obtained for those works and where appropriate, a code compliance certificate was issued for those works;
- 6.1.7 all obligations imposed on the vendor and Landcorp under the Building Act 1991 ("Act") shall be fully complied with at the settlement date, and without limiting the generality of the foregoing:
- (a) the vendor or Landcorp has fully complied with the requirements specified in any compliance schedule issued by a territorial authority under section 44 of the Act in respect of any building on the property;
  - (b) any building on the property which is the subject of a compliance schedule issued by a territorial authority under section 44 of the Act has a current building warrant of fitness supplied under section 45 of the Act and the vendor and Landcorp is not aware of any reason, that has not been disclosed in writing to the purchaser, which would prevent a building warrant of fitness complying with section 45 of the

## TERMS OF TRANSFER

Act from being supplied to the territorial authority when the building warrant of fitness is next due; and

- (c) the territorial authority has not issued any notice under section 45 (4) of the Act to the vendor or to any agent of the vendor or to Landcorp which has not been disclosed in writing to the purchaser, which could entitle the territorial authority to issue such a notice.
- 6.1.8 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed the Leases are all the leases, licences or other occupancy rights affecting the property;
- 6.1.9 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed there is no amendment or variation to any Lease;
- 6.1.10 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed no right or easement exists in respect of the property in favour of any person, which has not been notified in writing to the purchaser or is not apparent on inspection of the title to the property;
- 6.1.11 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed there is no outstanding enforcement or other notice, requisition or proceeding issued under any Code by any relevant authority;
- 6.1.12 neither the vendor nor Landcorp has actual notice of any order or resolution for the compulsory acquisition of any part of the property or any proposal for road widening which affects the property;
- 6.1.13 in respect of any property for which, at the date of this agreement, no certificate of title has been issued, all easements, rights or other interest as may reasonably be required to ensure enjoyment of the property for its current use shall be registered against the new certificate when it is issued. The location and terms of any agreement shall not be settled without the approval of the purchaser which may not be unreasonably withheld; and
- 6.1.14 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed no material information which relates to the property has not been disclosed by or on behalf of Landcorp and the vendor to the purchaser.



## 7 UNIT TITLE PROVISIONS

- 7.1 If the property includes a stratum estate under the Unit Titles Act 1972 ("the Act"), the vendor warrants and undertakes that:
- 7.1.1 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed details of regular periodic contributions payable to the body corporate and of the vendor's portion of any fund held by the body corporate, are as disclosed in accordance with the Farm Management Regime;
- 7.1.2 not less than 5 Business Days before the possession date the vendor shall provide:
- (a) a copy of all insurance policies or certificates effected by the body corporate under the provisions of section 15 of the Act; and
  - (b) a certificate from the body corporate under section 36 of the Act. Any periodic outgoings shown in that certificate (not being amounts referred in paragraph (d) of section 36) shall be apportioned, and the purchaser shall give credit for the vendor's portion of any fund held by the body corporate which is disclosed on the front page of this agreement,
- 7.1.3 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed there are no amounts owing by the vendor under section 14, 33 or 34 of the Act;
- 7.1.4 neither the vendor or Landcorp has any knowledge or notice of any fact which might give rise to or indicate the possibility of:
- (a) the vendor or the purchaser incurring any liability under sections 14, 33 or 34 of the Act;
  - (b) any proceedings being instituted by or against the body corporate in any Court; or
  - (c) any order or declaration being sought under sections 28, 37, 40, 42, 43, 46 or 51 of the Act;
- 7.1.5 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed there are no amendments to the body corporate rules other than those recorded on the

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supplementary record sheet and neither the vendor nor Landcorp is aware of any proposals to pass any resolution of the body corporate relating to its rules; and

- 7.1.6 as far as the vendor or Landcorp is aware to the best of their knowledge and without limiting the Crown's obligations under this Deed no lease, licence, easement or special privilege has been granted by the body corporate in respect of any part of the common property.
- 7.2 If the purchaser is or shall be materially prejudiced by any breach of or inaccuracy in any warranty or undertaking contained in *paragraph 7.1* (the proof of which shall lie on the purchaser), the purchaser may cancel this agreement prior to settlement by giving notice in writing to the vendor and upon cancellation the purchaser shall be entitled to the return of any moneys paid by the purchaser and neither party shall have any right or claim against the other.
- 7.3 If the vendor does not provide the copy of all insurance policies or certificates and the certificate under section 36 in accordance with the requirements of *paragraph 7.1.2* then the possession date shall be deferred to the 5th Business Day following the date on which that copy and that certificate are provided to the purchaser, unless the purchaser shall elect that settlement shall take place on the original possession date. If the purchaser does elect that settlement shall still take place on the original possession date, such election shall not be deemed to be a waiver of any rights under *paragraph 7.1.2(b)* to a proper apportionment of outgoings.

## 8 NOTICE TO COMPLETE AND REMEDIES ON DEFAULT

- 8.1 If the sale is not settled on the possession date either party may at any time thereafter (unless the contract has first been cancelled or become void) serve on the other party notice in writing (hereinafter called a settlement notice) to settle in accordance with this clause; but the notice shall be effective only if the party serving it is at the time of service either in all material respects ready able and willing to proceed to settle in accordance with the notice or is not so ready able and willing to settle only by reason of the default or omission of the other party to the contract. If the purchaser is in possession a settlement notice may incorporate or be given with a notice under section 50 of the Property Law Act 1952.
- 8.2 Upon service of a settlement notice the party on whom the notice is served shall settle within 12 Business Days after the date of service of the notice (excluding the day of service) and in respect of that period time shall be of the essence but without prejudice to any intermediate right of cancellation by either party. If the settlement notice is served between the 6th day of December and the 20th day of January next following then (unless the notice expires before the 24th day of

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December in that period) the party on whom the notice is served shall settle within 12 Business Days after the date of service of the notice (excluding the day of service) or on the first Business Day after the 20th day of January next following the date of service (whichever is the later) time being of the essence, but without prejudice to any intermediate right of cancellation by either party.

8.3 If the purchaser does not comply with the terms of the settlement notice served by the vendor then:

8.3.1 without prejudice to any other rights or remedies available to the vendor at law or in equity the vendor may:

- (a) sue the purchaser for specific performance; or
- (b) cancel the contract and sue the purchaser for damages;

8.3.2 where a vendor is entitled to cancel the contract the entry by the vendor into a conditional or unconditional contract for the resale of the property or any part thereof by the vendor shall take effect as a cancellation of the contract by the vendor if the contract has not previously been cancelled and such resale shall be deemed to have occurred after cancellation;

8.3.3 the damages claimable by the vendor under *paragraph 8.3.1(b)* shall include all damages claimable at common law or in equity and shall also include (but shall not be limited to) any loss incurred by the vendor on any bona fide resale contracted within one year from the date by which the purchaser shall settle in compliance with the settlement notice. The amount of that loss may include:

- (a) interest on the unpaid portion of the purchase price at the interest rate for late settlement from the settlement date to the settlement of such resale;
- (b) all costs and expenses reasonably incurred in any resale or attempted resale;
- (c) all outgoings (other than interest) on or maintenance expenses in respect of the property from the settlement date to the settlement of such resale and
- (d) all reasonable costs incurred in agreeing or having determined the purchase price under the Deed; and

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- 8.3.4 any surplus money arising from a resale as aforesaid shall be retained by the vendor.
- 8.4 If the vendor does not comply with the terms of a settlement notice served by the purchaser then the purchaser without prejudice to any other rights or remedies available to the purchaser at law or in equity may:
- 8.4.1 sue the vendor for specific performance; or
- 8.4.2 without prejudice to any right of the purchaser to damages give notice in writing to the vendor cancelling the contract and requiring the vendor forthwith to repay to the purchaser any deposit and any other money paid on account of the purchase price and interest on such sum(s) at the interest rate for late settlement from the date or dates of payment by the purchaser until repayment. Any claim for damages shall include all reasonable costs incurred by the purchaser in agreeing or having determined the purchase price under the Deed.
- 8.5 The party serving a settlement notice may at the request or with the consent of the other party extend the term of the notice for one or more specifically stated periods of time and thereupon the term of the settlement notice shall be deemed to expire on the last day of the extended period or periods and it shall operate as though this clause stipulated the extended period(s) of notice in lieu of the period otherwise applicable; and time shall be of the essence of the contract accordingly. An extension may be given either before or after the expiry of the period of the notice.
- 8.6 Nothing in this clause shall preclude a party from suing for specific performance without giving a settlement notice.
- 8.7 A party who served a settlement notice under this clause shall not be in breach of an essential term by reason only of that party's failure to be ready and able to settle upon the expiry of that notice.

**9 NON-MERGER**

- 9.1 The agreements, obligations and warranties of the parties in this agreement shall not merge with the transfer of title to the property.

**10 GENERAL**

- 10.1 If there is more than one purchaser or vendor, the liability of the purchasers or of

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the vendors, as the case may be, is joint and several.

- 10.2 The purchaser may, by giving written notice in writing to the vendor not later than 5 Business Days before the possession date, nominate another person to whom the property shall be transferred but the purchaser shall at all times remain liable for all obligations on the part of the purchaser under this agreement and shall be responsible for all stamp duty payable on any nomination agreement and on the transfer to the nominee.

## 11 TITLE

- 11.1 If a certificate or certificates of title for the property has or have not been issued under the Land Transfer Act 1952, then the vendor, shall, prior to the possession date, procure the deposit with the relevant District Land Registrar of a survey plan and the vendor shall thereupon arrange for the issue of fee simple certificates of title for the property under the Land Transfer Act 1952.
- 11.2 The vendor shall use reasonable endeavours to ensure that all easements, rights or other interests as may be reasonably required to ensure enjoyment by the purchaser of the property for its current use are registered against the new certificate or certificates of titles to issue.
- 11.3 The vendor shall carry out or shall procure that Landcorp carries out all such work as may be required to satisfy any conditions of the local authority to the deposit of the relevant plan.

**ATTACHMENT 6.5**  
**STOCK AND PLANT TERMS OF TRANSFER**  
*(Clause 6.8.3)*

**1 Stock**

- 1.1 In this *paragraph* "Total Livestock" means the aggregate of all livestock referred to in *paragraph 1.3* for all Settlement Farms.
- 1.2 The Crown shall sell to Te Rūnanga livestock in respect of each Settlement Farm in accordance with the provisions of this *paragraph 1*.
- 1.3 The Crown's obligations, in respect of each Settlement Farm, is to sell to Te Rūnanga livestock from livestock which Landcorp already owns and keeps on the Farms (whether or not on that Settlement Farm) of an age structure, type and condition which would reasonably be expected to be depasturing on a farm with similar characteristics to the Settlement Farm and which is run by an average efficient farmer.
- 1.4 The Crown does not have to sell the Total Livestock to the extent that Landcorp does not itself own a particular type of livestock on the Farms or if, but for this *paragraph 1.4*, Landcorp, in respect of any Farm which is not to be transferred to Te Rūnanga, would be left with fewer livestock of an age structure and condition than would reasonably be expected to be depasturing on a farm with similar characteristics to that Farm and which is run by an average efficient farmer.
- 1.5 No later than the date which is 5 Business Days after the date on which Te Rūnanga gives notice under *clause 6.6*, the Crown and Te Rūnanga shall each appoint a suitably qualified person (in this *paragraph* "representatives") jointly to establish the Total Livestock having regard to *paragraphs 1.3 and 1.4* and jointly to assess the value of stock on each Settlement Farm as at the Completion Date.
- 1.6 The two representatives shall jointly appoint another suitably qualified person to act as an expert in determining any dispute under this *paragraph 1*. If agreement is not reached on the identity of an expert within 5 Business Days of the appointment of the representatives, either representative may request the President of the Institute of Valuers (or his or her nominee) to appoint a suitably qualified independent person to act as an expert within 5 Business Days of the request.

## STOCK AND PLANT TERMS OF TRANSFER

- 1.7 The representatives shall, during the period of 21 Business Days commencing on the date on which Te Rūnanga gives notice under *clause 6.6* negotiate to attempt to agree details of stock units and their age, structure, type and condition that the Crown shall sell with each Settlement Farm on the Completion Date for that Farm having regard to *paragraphs 1.3 and 1.4*.
- 1.8 Where agreement under *paragraph 1.7* is reached in respect of each Settlement Farm, the representatives shall sign a written statement specifying the detail of the agreement for the Settlement Farms and shall give a copy of that statement to OTS. The Crown will be obliged to sell the quantity and description of stock in respect of each Settlement Farm set out in the statement in accordance with this *paragraph 1*.
- 1.9 If OTS does not receive a statement under *paragraph 1.8* within the period of 21 Business Days referred to in *paragraph 1.7*, OTS shall request the independent expert to determine the matters specified in *paragraph 1.7* and request the expert to give his or her determination within a period of 10 Business Days commencing on the date of request.
- 1.10 Both the Crown and Te Rūnanga may make written submissions to the independent expert during the period of 5 Business Days commencing on the date of such request to the expert. The expert shall give his or her determination in writing. The Crown shall be obliged to sell the quantity and description of stock in respect of each Settlement Farm as determined by the expert but at the price agreed or determined in accordance with *paragraph 1.12*.
- 1.11 No later than 21 Business Days prior to the Completion Date, the Crown shall ensure that each Settlement Farm is stocked and kept stocked until Completion Date in accordance with *paragraphs 1.3 and 1.4*, as agreed or determined.
- 1.12 Not earlier than 21 Business Days prior to the Completion Date the representatives and the independent expert shall, unless they agree otherwise, visit each Settlement Farm to assess the type and number of stock on each Settlement Farm and attribute a value to all the stock on each Settlement Farm. Any dispute shall be determined within 5 Business Days from the date of referral of such dispute by the independent expert whose decision shall be final and binding on the parties.
- 1.13 The Crown shall deliver possession of livestock in accordance with *paragraph 1.3 and 1.4* on the Completion Date and Te Rūnanga shall pay the Crown or as the Crown directs the agreed or determined price plus GST (if any) on the Completion Date.

- 1.14 Any default by either party under this *paragraph 1* does not entitle the other to cancel or refuse to settle the agreement for sale and purchase of the relevant Settlement Farm constituted by the Terms of Transfer.

## 2 Plant and Chattels

- 2.1 No later than the date of expiration of the period of 10 Business Days commencing on the date on which Te Rūnanga gives notice under *clause 6.6* the Crown shall give to Te Rūnanga and OTS a schedule ("Schedule") listing, in respect of each Settlement Farm covered by that notice, all the household chattels (if any), farming vehicles and farming plant and equipment (whether or not they are chattels) which were on the Farm immediately before that notice was given. In this *paragraph 2*, the phrase "farming plant and equipment" does not include any item which was, or should have been, taken into account in accordance with standard valuation practice in establishing the Market Value of the Settlement Farm under the Valuation Methodology.
- 2.2 Within 10 Business Days of receipt by Te Rūnanga of the Schedules, Te Rūnanga shall give notice in writing to the Crown and Landcorp specifying each Settlement Farm in respect of which Te Rūnanga wants to acquire the items listed on the Schedule. On receipt by the Crown and Landcorp of that notice, there shall be deemed to be an agreement for sale and purchase of all the items listed in each Schedule ("Relevant Schedule") covered by that notice on the terms set out in this *paragraph 2*. In respect of each Settlement Farm not covered by that notice the Crown shall remove all such items on or before the Completion Date.
- 2.3 During the period of 15 Business Days commencing on the date of receipt by the Crown and Landcorp of the notice referred to in *paragraph 2.2* Te Rūnanga and the Crown shall each appoint a suitably qualified valuer to assess the value of the plant on each Relevant Schedule.
- 2.4 The two representatives shall jointly appoint another suitably qualified person to act as an expert in determining any dispute under this *paragraph 2*. If agreement is not reached on the identity of an expert within 5 Business Days of the appointment of the representatives, either representative may request the President of the Institute of Valuers (or his or her nominee) to appoint a suitably qualified independent person to act as an expert within 5 Business Days of the request.
- 2.5 The Crown shall ensure that the items listed on each Relevant Schedule are kept on the relevant Settlement Farm until Completion Date in no worse condition than that which they were in (fair wear and tear excepted) on the date Te Rūnanga gave its notice under *clause 6.5*.



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- 2.6 Not earlier than 21 Business Days prior to the Completion Date the two representatives and the independent expert shall, unless they agree otherwise, visit each Settlement Farm covered by the Relevant Schedule to assess the value of all the items on each such Farm. Any dispute will be determined within 5 Business Days from the date of referral of such dispute by the independent expert whose decision will be final and binding on all parties.
- 2.7 The Crown shall deliver possession of all items on each Relevant Schedule on the Completion Date and Te Rūnanga shall pay the Crown or as the Crown directs the agreed or determined price plus GST (if any) on the Completion Date.
- 2.8 Any default by either party under this *paragraph 2* does not entitle the other to cancel or refuse to settle the agreement for sale and purchase of the relevant Settlement Farm constituted by the Terms of Transfer.