

**SCHEDULE 4**

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**CNI FORESTS LAND**

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19

CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES  
SCHEDULE 4: CNI FORESTS LAND

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**PART 1: DESCRIPTION OF CNI FORESTS LAND**

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**CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES**

**SCHEDULE 4: CNI FORESTS LAND**

**PART 1: DESCRIPTION OF CNI FORESTS LAND**

<b>FOREST NAME</b>	<b>LEGAL DESCRIPTION</b>	<b>CNI CROWN FORESTRY LICENCE COMPUTER REGISTER</b>
Crater	1,150.3500 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 59440 and Lot 1 DPS 63808.	SA51D/850
Horohoro	1,575.0040 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 62529, Lot 1-6 DPS 62530 and Lot 1 DPS 65986.	SA70B/81
Kaingaroa Caves	5,078.2430 hectares more or less situated in the Land Registration District of South Auckland, being Lot 2 DPS 55758, Part Lot 1 DPS 64349 and Lot 1-2 DPS 68046.	132203
Kaingaroa Flaxy Creek	10,706.0000 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-3 and Lot 6-8 DPS 65625.	SA55B/500
Kaingaroa Headquarters	8,904.6569 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 45072 and Lot 1 DPS 47429.	SA52D/450
Kaingaroa Matea	20,734.1680 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-7 DP 20756, Lot 8 DP 20757, Lot 9-12 DP 21389, Part Pukahunui No. 2 Block DP 22305, Lot 16-17 DP 23613, Lot 18-19 DP 23614, Lot 20 DP 23615, Lot 4 DPS 54197, Lot 2 DPS 54742, Lot 3 DPS 54743, Lot 4 DPS 54744, Lot 5 DPS 54745, Lot 6 DPS 54746, Lot 1 DPS 55288, Lot 1 DPS 56447, Lot 1 DPS 65623 and Lot 6 DPS	SA57B/1

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CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES

SCHEDULE 4: CNI FORESTS LAND

PART 1: DESCRIPTION OF CNI FORESTS LAND

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Kaingaroa Northern Boundary	13,377.2603 hectares more or less situated in the Land Registration District of South Auckland, being Sections 2 and 3 SO 378328, Lot 1 DPS 45825, Lot 1 DPS 45827, Lot 1 DPS 45828, Lot 1-2 DPS 45829, Lot 1-2 DPS 53630, Lot 1 DPS 56572, Lot 1-3 DPS 57693, Lot 2 DPS 65988 and Lot 1 DPS 67637.	SA60D/550
Kaingaroa Pukuriri	17,173.3400 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1, 3-4, 6 DPS 73202.	SA56D/50
Kaingaroa Reporoa	14,318.9080 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1 DPS 45063, Lot 1-2 DPS 55284, Lot 1 DPS 55285, Lot 1 DPS 55286, Lot 1 DPS 55287, Lot 1 DPS 55758, Lot 1 DPS 64818 and Lot 1 DPS 27452.	SA57A/750
Kaingaroa Totara	5,722.0000 hectares more or less situated in the Land Registration District of South Auckland, being Lot 3 DPS 45072.	SA52D/400
Kaingaroa Waimaroke	22,757.5770 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 47428 and Lot 1 and Lot 3 DPS 19572.	SA52D/500
Kaingaroa Wairapukao	14,545.0000 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 47427.	SA55B/450
Kaingaroa Whirinaki	7,489.4610 hectares more or less situated in the Land Registration District of South Auckland, being	SA57A/60

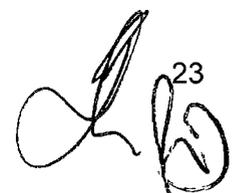
 22

**CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES**

**SCHEDULE 4: CNI FORESTS LAND**

**PART 1: DESCRIPTION OF CNI FORESTS LAND**

	Lot 1-2 DPS 55244, Lot 1-3 DPS 55245, Lot 1 DPS 55243, Lot 1 DPS 53142, Lot 1-2 DPS 53893, Lot 1 DPS 57694 and Lot 1 DPS 63738.	
Marotiri	165.5300 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1 DPS 63260.	SA51D/900
Tihoi (Pureora South)	1,022.0000 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1 DPS 57144.	SA54A/600
Taurewa	1,322.1900 hectares more or less situated in the Land Registration District of Wellington, being Lot 1 DP 73295, Lot 1 DP 73296, Lot 1-2 DP 73297, Lot 1 DP 72521, Lot 1 DP 73779 and Lot 1 DP 74275.	WN1300/18
Waimihia North	7,160.2246 hectares more or less situated in the Land Registration District of South Auckland, being Lot 2-3 DPS 65321, Lot 1 DPS 65322 and Part Lot 2 and Lot 5 DPS 73202.	SA56D/200
Waimihia South	16,029.8617 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1 DPS 45580, Lot 1 DPS 45581 and Section 1 SO 334404.	SA55A/100
Waituhi	1,178.8700 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-3 DPS 57168.	SA51D/800
Whakarewarewa Highlands	1,481.1260 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1-2 DPS 57556, Lot 1 DPS 57557 and Lot 1-2 DPS 57558.	SA67D/332



23

CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES

SCHEDULE 4: CNI FORESTS LAND

PART 1: DESCRIPTION OF CNI FORESTS LAND

Whakarewarewa Tokorangi	290.0920 hectares more or less situated in the Land Registration District of South Auckland, being Lot 2-3 DPS 54801.	SA60D/700
Whakarewarewa Waimangu	648.8000 hectares more or less situated in the Land Registration District of South Auckland, being Lot 1 DPS 57559.	SA55A/50
Whakarewarewa Whaka	3,184.6785 hectares more or less situated in the Land Registration District of South Auckland, being Sections 3-5 SO 388233.	SA60D/750



**PART 2: TERMS OF VESTING**

**PART 2: TERMS OF VESTING**

**1 VESTING SUBJECT TO RELEVANT ENCUMBRANCES**

- 1.1 The fee simple estate in the CNI Forests Land vests in CNI Iwi Holdings Limited on the terms set out in Part 7 of this Deed, and in this Part 2 of Schedule 4, subject to and, where applicable, with the benefit of the Relevant Encumbrances.
- 1.2 The Crown and CNI Iwi Holdings Limited may agree in writing to vary or add to the Relevant Encumbrances affecting the CNI Forests Land.
- 1.3 CNI Iwi Holdings Limited must not unreasonably withhold or delay its consent to varying a Relevant Encumbrance or granting a new encumbrance affecting the CNI Forests Land.
- 1.4 The CNI Forests Land will be vested:
- 1.4.1 as Financial Redress; and
  - 1.4.2 without charge to, or consideration to be provided or paid by, CNI Iwi Holdings Limited or any other person.
- 1.5 The Crown will pay the survey and registration costs required to raise the title for the CNI Forests Land to vest in CNI Iwi Holdings Limited.
- 1.6 Clause 7.41 applies to the Relevant Encumbrances.

**2 OBLIGATIONS PRIOR TO SETTLEMENT DATE**

- 2.1 Between the Date of this Deed and the Settlement Date the Crown must consult with, and obtain the prior written consent of, CNI Iwi Holdings Limited before:
- 2.1.1 agreeing to any material variation in the terms of any Relevant Encumbrance affecting the CNI Forests Land;
  - 2.1.2 agreeing to any new Encumbrances over CNI Forests Land; or
  - 2.1.3 procuring any consent, or providing any waiver, under the Resource Management Act, or other legislation, that materially affects the CNI Forests Land.
- 2.2 The Crown must, if it carries out works, or gives specific authority in writing for works to be carried out, on the CNI Forests Land, between the Date of this Deed and the Settlement Date, for which the Crown must by law obtain a building consent or permit, comply with any obligations imposed on the Crown under the Building Act in respect of such works.
- 2.3 The Crown must pay all charges for electric power, gas, water, and other utilities that the Crown owes as owner of the CNI Forests Land until the Settlement Date except where those charges are payable by any tenant or occupant directly to the relevant supplier.

 26 

CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES

SCHEDULE 4: CNI FORESTS LAND

PART 2: TERMS OF VESTING

- 2.4 Subject to the terms of any Relevant Encumbrance affecting the CNI Forests Land, the Crown must use reasonable endeavours to obtain permission for CNI Iwi Holdings Limited (or a person authorised by CNI Iwi Holdings Limited), upon reasonable notice to the Crown, to enter the CNI Forests Land before the Settlement Date to examine it.
- 2.5 In relation to a written guarantee dated 19 December 2003 and provided by Phemus Corporation to the Crown in respect of the CNI Crown Forestry Licences described in the schedule to that guarantee:
- 2.5.1 it is the Crown's intention that CNI Iwi Holdings Limited should be able to obtain the benefit of that guarantee with effect from the Settlement Date, but only to the extent that this is in accordance with the terms of that guarantee;
- 2.5.2 as soon as is reasonably practicable following the date of the Deed of Settlement, the Crown will provide written notice to Phemus Corporation, notifying it about the existence of the Deed of Settlement and that, with effect from the Date of Settlement, CNI Iwi Holdings Limited will assume the Crown's interest as Licensor under those CNI Crown Forestry Licences; and
- 2.5.3 the Crown will also comply with all reasonable requirements of the Collective, including CNI Iwi Holdings Limited, to enable CNI Iwi Holdings Limited to assume the Crown's interest under that guarantee with effect from the Settlement Date, but only to the extent that this is in accordance with the terms of that guarantee.

**3 POSSESSION AND SETTLEMENT**

- 3.1 On the Settlement Date possession must be given and taken of the CNI Forests Land subject to the Relevant Encumbrances.
- 3.2 On the Settlement Date the Crown must hand to CNI Iwi Holdings Limited all contracts and other documents which create unregistered rights, interests and obligations affecting the registered proprietor's interest (but not proclamations, Gazette notices and similar public notices) and which will continue following Settlement.
- 3.3 All outgoings and incomings (including rates, excluding insurance premiums) in relation to the CNI Forests Land must be apportioned at the Settlement Date.
- 3.4 The Crown must supply a statement of apportionments to CNI Iwi Holdings Limited before the Settlement Date in respect of CNI Forests Land. On the Settlement Date:
- 3.4.1 CNI Iwi Holdings Limited must pay to the Crown the amount by which the outgoings (except for insurance premiums) for the CNI Forests Land pre-paid by the Crown in respect of a period after the Settlement Date exceed the incomings received by the Crown for that period; or
- 3.4.2 the Crown must pay to CNI Iwi Holdings Limited the amount by which the incomings received by the Crown in respect of a period after the Settlement

SCHEDULE 4: CNI FORESTS LAND

PART 2: TERMS OF VESTING

Date exceed the outgoings (except for insurance premiums) for the CNI Forests Land pre-paid by the Crown for that period.

- 3.5 The Crown must make available to CNI Iwi Holdings Limited on the Settlement Date any keys to gates to the CNI Forests Land that are in the possession of the Crown at the Settlement Date.
- 3.6 The CNI Forests Land must be vested inclusive of all fixtures and fittings that are owned by the Crown and are situated on the CNI Forests Land at the Date of this Deed and those fixtures and fittings will be free from any charge.
- 3.7 No chattels situated on or about the CNI Forests Land will be included in the vesting.

**4 RISK AND INSURANCE**

- 4.1 The CNI Forests Land will remain at the sole risk of the Crown until the Settlement Date and, from the Settlement Date and subject to paragraph 4.5, it will remain at the sole risk of CNI Iwi Holdings Limited.
- 4.2 In the event that, prior to the Settlement Date, the CNI Forests Land is destroyed or damaged and such destruction or damage has not been made good by the Settlement Date, then the following provisions apply:
- 4.2.1 the Crown will pay to CNI Iwi Holdings Limited (as alternative redress) an amount equal to the amount (if any) by which the Redress Value (refer paragraphs 5.1 and 5.2) for the CNI Forests Land is more than the value of the CNI Forests Land as at the Settlement Date as a result of the destruction or damage; and
- 4.2.2 either Party may give the other Party notice in writing requiring that any dispute as to the application of this paragraph 4.2 be determined by an arbitrator to be appointed by the president or vice-president of the law society for the district where the CNI Forests Land is located, and the Party serving the notice may at any time after that refer the dispute to the arbitrator for determination under the Arbitration Act.
- 4.3 If a dispute relating to a claim by CNI Iwi Holdings Limited for a diminution in value of the CNI Forests Land under paragraph 4.2.1 is not determined by the Settlement Date, then:
- 4.3.1 the vesting of the CNI Forests Land shall take place on the Settlement Date in accordance with this Part 2 as if there had been no destruction or damage; and
- 4.3.2 upon the determination of the dispute the Crown shall pay to CNI Iwi Holdings Limited within 7 Business Days from such determination a sum equal to the diminution in value of the CNI Forests Land (as alternative redress).
- 4.4 CNI Iwi Holdings Limited will not be required to take over from the Crown any insurance policies in relation to the CNI Forests Land.

CNI FORESTS IWI COLLECTIVE DEED OF SETTLEMENT: SCHEDULES

SCHEDULE 4: CNI FORESTS LAND

PART 2: TERMS OF VESTING

- 4.5 The Parties acknowledge and agree that:
- 4.5.1 the Relevant Encumbrances include the CNI Crown Forestry Licences;
  - 4.5.2 with effect from the vesting of the CNI Forests Land in CNI Iwi Holdings Limited in accordance with this Part 2, CNI Iwi Holdings Limited will be the Licensor under each CNI Crown Forestry Licence;
  - 4.5.3 clause 7.3.4(e)-(h) of the Deed of Settlement also confirms the basis upon which CNI Iwi Holdings Limited will be Licensor under each CNI Crown Forestry Licence;
  - 4.5.4 as Licensor, and with effect from such vesting of the CNI Forests Land, CNI Iwi Holdings Limited will have the benefit of the various indemnities, covenants, agreements and acknowledgements provided by the Licensee to the Crown as Licensor, including those under clause 11 of the CNI Crown Forestry Licences;
  - 4.5.5 these include a general indemnity by Licensees to CNI Forests Land in clause 11.1 of the CNI Crown Forestry Licence;
  - 4.5.6 the benefit of this indemnity, with effect from Settlement, is accepted by CNI Iwi Holdings Limited as adequate in respect of contamination caused, or permitted, by Licensees to CNI Forests Land;
  - 4.5.7 other than as may have been disclosed in the Disclosure Information, the Crown is not aware of any contamination to the CNI Forests Land caused by any person during a period prior to the commencement of the CNI Crown Forestry Licences (**Pre-Licence Contamination**);
  - 4.5.8 however, if any Pre-Licence Contamination is discovered, then:
    - (a) CNI Iwi Holdings Limited will notify the Crown as soon as reasonably practicable following the discovery of the Pre-Licence Contamination, and in any event by no later than the date 90 Business Days from the date upon which CNI Iwi Holdings Limited becomes reasonably aware of the Pre-Licence Contamination (time being of the essence and failure by CNI Iwi Holdings Limited to provide this notice within the 90 Business Day period will absolve the Crown from any further liability under this paragraph 4.5 and in respect of the particular Pre-Licence Contamination);
    - (b) assuming such notice is validly given, the Crown and CNI Iwi Holdings Limited will thereafter consult in good faith and agree such steps, if any, that should be taken in respect of the Pre-Licence Contamination and with regard to the following agreed principles:
      - (i) CNI Iwi Holdings Limited should not ultimately be responsible for the costs and liabilities arising in respect of the Pre-Licence Contamination;
      - (ii) the Parties must adopt a pragmatic but compliant approach (in terms of compliance with existing laws at the relevant time) in



SCHEDULE 4: CNI FORESTS LAND

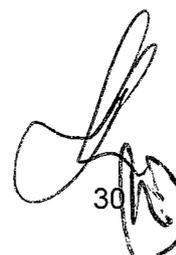
PART 2: TERMS OF VESTING

dealing with the Pre-Licence Contamination and in a manner that is prudent (having regard to good forestry and land management practices) and as cost-effective as is reasonably practicable in the circumstances;

- (iii) the Crown will be entitled to take over the primary and direct responsibility for dealing with the Pre-Licence Contamination at its cost, but in a manner that is reasonably acceptable to CNI Iwi Holdings Limited (especially in terms of access to the CNI Forests Land, no undue interference being caused to the activities of Licensees and other persons, and CNI Iwi Holdings Limited being kept reasonably informed);
- (iv) the Crown, at its cost, will therefore be entitled to take action in, and to defend proceedings in, the name of CNI Iwi Holdings Limited, and CNI Iwi Holdings Limited will lend its name to such action and proceedings and provide the Crown with such reasonable co-operation as the Crown may require in the circumstances (with the reasonable costs of CNI Iwi Holdings Limited being met by the Crown); and
- (v) despite such action or proceedings or other steps agreed and taken by the Parties in the circumstances, there are any costs and or liabilities that cannot be recovered from another person, then those costs and liabilities will be the responsibility of the Crown; and

4.5.9 that for the purposes, only, of this paragraph 4.5, all references to CNI Iwi Holdings Limited include reference to any Member of the Collective (including its Governance Entity or other nominee) who is the proprietor of the CNI Forests Land that is subject to the Pre-Licence Contamination, pursuant to a transfer made by CNI Iwi Holdings Limited in accordance with the Collective's Allocation Agreement. For the avoidance of doubt, the Crown's obligations and liability under this clause:

- (a) will only apply for so long as CNI Iwi Holdings Limited is the registered proprietor of the CNI Forests Land that is subject to the Pre-Licence Contamination;
- (b) are therefore personal to CNI Iwi Holdings Limited for such time that they remain as being such registered proprietor; and
- (c) are not for the benefit of any other person.



30

**SCHEDULE 4: CNI FORESTS LAND**

**PART 2: TERMS OF VESTING**

**5 REDRESS VALUE**

- 5.1 For the purposes of establishing the amount of any damages arising out of a breach by the Crown of any of its obligations under this Part 2 in respect of the CNI Forests Land, the Redress Value for the CNI Forests Land will be treated as its value immediately before the relevant event or breach.
- 5.2 To avoid doubt the Parties acknowledge that the Redress Value of the CNI Forests Land will not be affected by:
- 5.2.1 any addition or variation to the Relevant Encumbrances agreed in writing by the Crown and CNI Iwi Holdings Limited under paragraph 1.2; or
- 5.2.2 any variation to a Relevant Encumbrance agreed by the Crown and CNI Iwi Holdings Limited under paragraph 2.1.1.

**6 BOUNDARIES, TITLE, ETC**

- 6.1 The Crown will not be bound to point out the boundaries of the CNI Forests Land.
- 6.2 If the CNI Forests Land is subject only to Relevant Encumbrances, CNI Iwi Holdings Limited:
- 6.2.1 will be treated as having accepted the Crown's title to the CNI Forests Land as at the Date of this Deed; and
- 6.2.2 may not make any objections to, or requisitions on, it.
- 6.3 Except as otherwise expressly set out in this Part 2, no error, omission or misdescription of the CNI Forests Land or its title shall annul the vesting of the CNI Forests Land in accordance with this Part 2 and the Deed of Settlement.
- 6.4 The Crown will not be liable to pay for, or contribute towards, the expense of erection or maintenance of any fence between the CNI Forests Land and any contiguous land of the Crown (unless it is the Crown that requires the fence in which case the Crown shall meet all the costs of erecting the fence); and
- 6.4.1 this clause will not continue for the benefit of any subsequent purchaser of the contiguous land; and
- 6.4.2 the Crown may require the inclusion of a fencing covenant to this effect in any transfer of the CNI Forests Land.

**7 OBLIGATIONS AFTER SETTLEMENT**

- 7.1 If the Crown receives any notice or demand in relation to the CNI Forests Land from the Crown, any territorial authority or any tenant after the Settlement Date, the Crown will, if not paying or complying with such notice or demand, promptly deliver it to CNI Iwi Holdings Limited or CNI Iwi Holdings Limited's solicitor and, if the Crown fails to do so, the Crown will be liable for any penalty incurred.



SCHEDULE 4: CNI FORESTS LAND

PART 2: TERMS OF VESTING

7.2 Immediately after the Settlement Date, the Crown will give notice of the vesting of the CNI Forests Land to the territorial authority having jurisdiction in respect of that CNI Forests Land.

**8 DISCLOSURE INFORMATION**

8.1 The Crown warrants to CNI Iwi Holdings Limited that, at the Date of this Deed, the Disclosure Information in relation to the CNI Forests Land is all the material information that relates to the CNI Forests Land, of which the Land Holding Agency is aware, the Land Holding Agency having inspected its records but not having undertaken a physical inspection of the CNI Forests Land or made enquiries beyond the records of the Land Holding Agency.

8.2 Except as provided in paragraph 8.1 and without limiting the application of clause 4.5, the Crown gives no representation or warranty (whether express or implied) nor accepts any responsibility with respect to the CNI Forests Land including as to its ownership, management, occupation, physical condition, use or compliance with:

8.2.1 any legislation including by-laws;

8.2.2 any enforcement or other notice, requisition or proceedings issued by any authority; or

8.2.3 the completeness or accuracy of the Disclosure Information in relation to the CNI Forests Land.

8.3 The Collective acknowledges that (although the Crown is not giving any representation or warranty in relation to the CNI Forests Land except as provided in paragraph 8.1) the Collective had the opportunity prior to the Date of this Deed (in addition to being able to examine the Disclosure Information) to:

8.3.1 inspect the CNI Forests Land; and

8.3.2 determine its state and condition,

but this also does not limit the application of clause 4.5.

**9 MISCELLANEOUS**

**Further Assurances**

9.1 The Crown and CNI Iwi Holdings Limited must, at the request of the other, sign and deliver any further documents or assurances and do all acts and things that the other may reasonably require to give full force and effect to Part 7 of this Deed and this Part 2.

**Non merger**

9.2 On vesting of the CNI Forests Land in CNI Iwi Holdings Limited, the provisions of this Part 2 will not merge and, to the extent any provision has not been fulfilled, will remain in force.

32

