

**WAIMATE DISTRICT COUNCIL**

**BRIEFING DOCUMENT  
IN RESPECT OF CERTAIN FORESTRY ESTATES**

**The deadline for submission of applications for registration as a prospective tenderer  
is 25 September 2009**

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## 1. INTRODUCTION

The Waimate District Council (the “**Council**”) has an interest in each of the forestry estates, details of which are set out below in section 2 of this Briefing Document. The Council appreciates your expression of interest in such forestry estates and trusts that you will find sufficient information in this Briefing Document to enable you to form a view as to whether or not you wish to proceed to apply for registration as a prospective tenderer for any one or more of such estates.

In addition to providing further details of the forestry estates, the intention of this Briefing Document is to set out the tender process that the Council proposes to follow and certain terms and conditions which apply to such process.

## 2. FORESTRY ESTATES

The forestry estates in respect of which the Council proposes to invite tenders to purchase are as follows:

- (1) the Charnwood Forest being all the trees on that land which is comprised and described in unique identifier no. CB47C/12 and which are the subject of the Council's Forestry Right (Registered Right No. 5658622.4) pursuant to an agreement dated the 19th of June 2003;
- (2) the Athlone Forest being all that land which is comprised and described in unique identifier no. 43789 and all the trees on such land; and
- (3) the Waihao Forest being all that land which is comprised and described in unique identifier no. CB35D/1017 and all the trees on such land,

all Canterbury Land Registry (the “**Forestry Estates**”). A copy of each title is attached in Appendix 3 and a copy of the agreement relating to the grant of the forestry right is attached in Appendix 4.

Each Forestry Estate is subject to all existing encumbrances, restrictions, easements and rights registered on the land including without limitation those set out in Appendix 5.

The combined estates comprise approximately 1,214 hectares with approximately 1,013 hectares stocked as at 1 June 2009. Particulars of the forests are set out in Appendix 6.

A land information memorandum in respect of each Forestry Estate is set out in Appendix 7 and the form of invitation to tender in Appendix 8. Note that the form of invitation to tender is subject to change at the discretion of the Council.

The Forestry Estates are located within the Waimate District which is located between Christchurch, Dunedin and Queenstown in the South Island of New Zealand. A location map is set out in Appendix 1.

The Forestry Estates are within 10-30 kilometres of Waimate Township to the west and south of the Waimate Township and are approximately 55-75 kilometres from the Port of Timaru.

### 3. INFORMATION AVAILABLE

The information available to prospective tenderers in order to facilitate non-binding indicative bids in respect of the Forestry Estates is set out in the Appendices to this Briefing Document. For ease of reference, the Appendices include the following:

- Appendix 1: Regional location map.
- Appendix 2: Stand survey map of each of the Forestry Estates.
- Appendix 3: Copy of each certificate of title.
- Appendix 4: Agreement relating to grant of forestry right.
- Appendix 5: Certain registered encumbrances.
- Appendix 6: Forest inventory and other reporting information.
- Appendix 7: Land Information Memoranda
- Appendix 8: Form of invitation to tender (including the form of draft sale and purchase agreement).

Potential tenderers may submit written requests to the Council (via Gallaway Cook Allan) to clarify any matter relating to the due diligence information, the Forestry Estates, agreements or interests. These requests shall be released to other tenderers (on a no names basis) as well as the Council's information in response.

### 4. PROCESS AND TIMING

The Council has received significant interest in the Forestry Estates and accordingly this Briefing Document is supplied for the sole purpose of facilitating the submission by prospective tenderers of a non-binding indicative bid.

The non-binding indicative bids are to be made in New Zealand dollars and in the form set out in section 5 of this Briefing Document. Bids must be received on or before 25 September 2009.

The Council will consider non-binding indicative bids with a view to forming a short list of preferred bidders. The preferred bidders will be invited to undertake due diligence including onsite due diligence in order that they may proceed to make and submit a binding tender to purchase one or more of the Forestry Estates.

If terms and conditions can be agreed it is anticipated that completion of sales resulting from the tender process would be completed in the first quarter of 2010. The actual settlement date is likely to depend primarily on whether the successful tenderer requires consent to the investment under the Overseas Investment Act 2005.

A timeline is set out below, however, both the process and timing is subject to change at the discretion of the Council.

<b>Date</b>	<b>Milestone Event</b>
24 July	Advertise for expressions of interest
14 August	Closing date for expressions of interest
4 September	Circulate briefing document
25 September	Closing date for registration of interest (and receipt of indicative bids)
9 October	Refer indicative bids to the Council in order that it can shortlist

	preferred bidders at its meeting scheduled for 20 October
23 October	Circulate due diligence deed together with invitation to tender to preferred bidders.
20 November	Closing date for submission of tenders - 4.00pm

5. **FORM OF APPLICATION FOR REGISTRATION AS A PROSPECTIVE TENDERER**

To: Waimate District Council  
C/- Gallaway Cook Allan  
Lawyers  
Cnr High & Princes Streets  
P O Box 143  
Dunedin 9054

For Nathan Adams

**APPLICATION FOR REGISTRATION AS A PROSPECTIVE TENDERER**

We, [name of applicant], apply to be considered as a prospective tenderer (the “Tenderer”) in respect of the proposed sale by the Waimate District Council of certain of its Forestry Estates as described in the Briefing Document. The following information is submitted for registration:

1. Name of Tenderer (including, where that Tenderer is a corporate body, a copy of its certificate of incorporation).
2. Registered office.
3. Address for service.
4. Name and contact details of primary contact including an email address and fax number.
5. Financial statements published for the last three financial years.
6. Details of any credit rating which the Tenderer has the benefit of.
7. Details of the Forestry Estate or Estates in respect of which the Tenderer is interested in purchasing and the indicative price that the Tenderer proposes to offer for each Forestry Estate.

**Description of Forestry Estate**

**\$NZ Dollars (plus  
GST)**

Charnwood

Athlone

Waihao

8. Details as to how payment of the price would be funded.
9. GST No.

10. The assumptions (if any) upon which the indicative price has been based.
11. Details of the due diligence that the Tenderer would propose to undertake prior to submitting a tender such details to include the scope of such due diligence, the date for commencement and completion of such due diligence, numbers of people to be involved, details of any assistance required from the Council, and any other material details.
12. Details of any consents that the Tenderer would require in order to proceed with the purchase including:
  - (1) the estimated time it would take for the consent to be granted; and
  - (2) commentary on the likelihood of obtaining such consent; and
  - (3) any prior experience the Tenderer has in obtaining a consent in substantially the same circumstances.
13. Details of any terms and conditions which the Tenderer would ultimately seek incorporated in any agreement for sale and purchase that might be concluded.
14. A summary of the Tenderer's expertise and experience in establishing, protecting, managing, harvesting and processing exotic forests.
15. Confirmation by the Tenderer that it can adhere to the timeline set out in section 4 of this Briefing Document and to the terms and conditions set out in the Invitation to Tender or, if not, details of any proposed departure together with reasons for the same.
16. The names of any persons associated with the Tenderer (whether as an employee, director or shareholder of the Tenderer or as a person related in anyway, whether by family connection or otherwise, to any employee, director or shareholder of the Tenderer) who is also associated with the Council (whether as a Councillor, an employee, or officer of the Council or as a person related in anyway, whether by family connection or otherwise, to any Councillor, employee or officer of the Council).
17. The names of any forestry, financial, legal or other advisers intended to be used in undertaking due diligence and attending to settlement of any agreement that may be concluded.

We, [name of applicant], hereby confirm that:

1. we have read and understood the Briefing Document and all the conditions, restrictions and requirements set out therein including without limitation the terms set out in section 6 of such document;
2. we agree that we are bound by the terms set out in section 6 of the Briefing Document; and
3. we acknowledge that no other legal or other obligation exists between us and the Council in relation to the conduct or outcome of our application for registration as a prospective tenderer.



Council nor shall the Council have any legal or other obligation to any such party in relation to the conduct or outcome of the tender process.

**6.4. Fees and Commissions**

The Council will under no circumstances pay any agency commissions or fees to any party or parties claiming facilitation or introduction of potential purchasers of the Forestry Estates.

**6.5. Disclaimer**

The Council nor any of its partners, officers, employees, agents, advisers or representatives make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of the statements, projections and other information contained in this Briefing Document or contained in any other document made available to a prospective tenderer.

The invitation for expressions of interest and for applications from prospective tenderers is not intended to be a public offer for the purposes of New Zealand securities law or similar laws of an overseas jurisdiction ("Securities Laws"). Nor is the Briefing Document intended to constitute an offer. To the extent that they are construed as an offer in any place where, or to any person to whom, it would not be lawful to make such an offer such places and such persons shall not submit applications or offers. No action has been taken to permit a public offering in any jurisdiction whether in New Zealand or elsewhere. The distribution of this Briefing Document outside New Zealand may be restricted by law and persons who come into possession of this Briefing Document outside New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable Securities Laws which will be at the risk of prospective tenderers in all respects.

**6.6. Overseas Investment Office Approval**

The Overseas Investment Act 2005 requires an overseas person to obtain consent for the purchase of "sensitive land" such as the Forestry Estates. Therefore, if the successful tenderer is an overseas tenderer for the purpose of the Overseas Investment Act 2005, it will need to make an application to the Overseas Investment Office and any agreement entered into with the Council would need to be made subject to obtaining the necessary consent.

**7. FURTHER INFORMATION AND CONTACT DETAILS**

All requests for information including in respect of onsite due diligence should be made to the Council's solicitors, Gallaway Cook Allan (Nathan Adams). Nathan's contact details are:

Gallaway Cook Allan  
Lawyers  
Cnr High and Princes Streets  
P O Box 143  
Dunedin 9054  
Phone: (03) 477 7312  
Fax: (03) 477 5564  
Email: nathan.adams@gcalegal.co.nz

## **APPENDIX 1**

Regional location maps.

## **APPENDIX 2**

A stand survey map of each of the Waihao Forest, the Athlone Forest and the Charnwood Forest.

### APPENDIX 3

#### Titles

Certificates of title:

1. CB35D/1017;
2. 43789; and
3. CB47C/12.

## **APPENDIX 4**

### Agreement Relating to the Grant of a Forestry Right

An agreement relating to the grant of a forestry right between the Ngai Tahu Property Group Limited and the Waimate District Council dated 19th June 2003 being a forestry right registered pursuant to the Forestry Rights Registration Act 1983 and having registration no. 5658622.4.

## APPENDIX 5

### Registered encumbrances

Registered encumbrances being:

- Transfer 524671 (certificate of title CB35D/1017).
- Certificate A84839.1 (certificate of title CB35D/1017).
- Easement certificate A84839.4 (certificate of title CB35D/1017).
- Transfer 5593547.1 (certificate of title CB47C/12).

## APPENDIX 6

Forest Asset Description completed by an independent contractor for and on behalf of the Waimate District Council.

1. Estate Description.
2. Stand Records in respect of each Forestry Estate.
3. Inventory in respect of:
  - the Charnwood Forest.
  - the Athlone Forest.

**APPENDIX 7**

Land Information Memoranda

## **APPENDIX 8**

Form of invitation to tender (including the form of purchase agreement).