

*O'Brien
Property
Consultancy
Limited*

Floor 4
15 Courtenay Place
Wellington

Consultancy (04) 801 8951 or 025 521390
Management (04) 801 8952 or 025 521391
Facsimile (04) 801 8953

6 December 2001

Matt Ambler
Property Manager
Hutt City Council
Private Bag 31912
Lower Hutt

Dear Matt,

Re: Proposal to Exchange Interests in Land

This serves as a record of the proposal to exchange interests in land which has been agreed to by the officers and managers of the Wellington Regional Council (WRC) and the Hutt City Council (HCC).

It is agreed that a two phase proposal shall be placed before our respective councils, seeking approval.

PHASE ONE

It is agreed:

1. That HCC will transfer to the ownership of WRC its interest in the land detailed in the attached **Schedule One** and which is generally described as the southern lakes esplanades, the land in the Hutt River corridor and a right of way over the Pencarrow Road (for the benefit of the WRC and the public).
2. That WRC will transfer to the ownership of HCC the land detailed in the attached **Schedule Two** and which is generally described as Memorial Park, Taita Drive tennis Club land, land occupied by Harcourt Werry Drive and land occupied by Waione Street. The WRC will also grant a network utility agreement to regularise the existing HCC wastewater and stormwater pipelines within the Hutt River corridor and undertakes to receive applications for future pipelines to be placed within the Hutt River corridor, (see item 11 of this letter).
3. Transfers of the interests in land are to be conducted under Section 50 of the Public Works Act 1981. The responsibility for compliance with the requirements of Section 40 of the Public Works Act 1981 shall pass with the ownership.
4. As HCC has nominated the WRC land it requires for public works purposes and as WRC has nominated the HCC land it requires for public works purposes, neither Council is declaring its land surplus to its requirements and therefore it is not appropriate to make declarations under section 230 of the Local Government Act 1974.
5. The Councils agree, where land jointly caters for road and stopbank, that the land should reside in the ownership of the WRC for water and soil conservation purposes to allow the stopbank height to be controlled by WRC while the right to have a road pass over the stopbank will be guaranteed.

6 December, 2001

6. The WRC will enter into a network utility agreement with the HCC to regularise the existing wastewater and stormwater pipelines within the Hutt River corridor. The WRC also undertakes to give full consideration to applications from HCC for the placement of future pipelines within the Hutt River corridor. If terms are agreed between the councils and further pipelines are to be placed within the Hutt River corridor under a further network utility agreement, no consideration will be payable by HCC to WRC.
7. The Councils agree that it will be a joint responsibility, in equal shares, to arrange for survey and subdivision of those parcels of land which are to be transferred in part only.
8. The Councils agree to take all actions and to complete all documentation necessary to facilitate the timely transfer of the interests in land set out in this agreement.
9. The Councils acknowledge that independent valuations of all the interests in land set out in this agreement were obtained and that the interests acquired by HCC are of equal value to the interests acquired by WRC. The Councils agree that no monetary consideration is required.
10. The Councils acknowledge that notwithstanding any deferred or extended possession dates, the purchase price of the various interests is the lowest price at which the interests could be purchased even had an earlier possession been available. The price for each interest does not include any capitalised interest and it is hereby agreed that the "lowest price" for the purposes of "acquisition price" in section 64BA of the Income tax Act 1976 is equal to the purchase price.
11. In the event of survey to create the interest to be transferred, any differences to the areas defined in the schedules attached hereto emerge, the Councils agree there shall be no change to the purchase price payable in respect of the exchange of interests in land between the Councils.
12. The Councils agree that unless the interests in land to be transferred are separately rated as at the date of this agreement, there shall be no rate apportionment between the Councils. The HCC shall assess the interests in land for rates as from 1 July 2002 or such later date when HCC arranges for separate rating of the various interests.
13. Dated 25 July 1996 the Councils entered into a generic lease whereby WRC leases land adjacent to the Hutt River to HCC. The lease caters for extra areas of land to be incorporated into the lease by way of scheduled additions. It is the intention of the Councils to incorporate several additional areas into the lease following the exchange of the interests in land contained in this agreement. Specifically, but not exclusively, the WRC undertakes to incorporate into the lease those areas of land to be acquired from HCC being:
 - a) Lot 1 DP 65603 and part Lot 4 DP 3286 being the Waimarie Croquet Club grounds at an annual rent of 10 cents. This will allow the continued relationship between HCC and the Club under the present lease arrangement.
 - b) Part Section 1 Block IX Belmont Survey District being part of the Belmont Recreation Reserve at an annual rent of 10 cents.
 - c) Part Lot 2 DP 8182 being part of the river berm recreation land off Harcourt Werry Drive opposite and to the south of the Avalon studios. Some 0.6540 hectares of the 1.6200 hectares acquired at an annual rent of 10 cents.
 - d) Part Lot 1 DP 20518 being part of the land comprising Avalon Park, to the south east of the stopbank (landward side), at an annual rent of 10 cents.

6 December, 2001

- e) Part Lot 1DP 42781 being part Fraser Park (stopbank), at an annual rent of 10 cents.
14. By exchanges of correspondence between HCC and WRC dated August - October 1990 an agreement was reached whereby HCC would use river berm land HCC and WRC owned between Ewen and Melling bridges for the purpose public carpark with pay and display facility. HCC provided the carpark seal, the pay and display hardware and the carpark administration. WRC received 16% of the gross annual income generated from the parking fees collected from this carpark facility. The Councils agree that the carpark agreement shall remain unaltered as part of this agreement, despite all land now to be held in WRC ownership. WRC shall incorporate into the generic lease the riverbank carpark at an annual rental of 16% of the gross annual income generated from the parking fees collected from this carpark facility. The rent shall be payable quarterly on 1 January, April, July and October each year and there shall be no review of the rent.
15. The Councils agree that each shall be responsible for the legal fees and disbursements each incurs. Generally the principle to be adopted will be that the vendor council shall meet all costs of making ready the interest in land to be transferred, the vendor council shall meet the costs normally associated with the transferor and the purchasing council shall meet the costs normally associated with the transferee. Except for the cost of survey, which it has been agreed will be shared 50/50 between the Councils, it is acknowledged that each interest in land to be transferred has been valued on the assumption that the vendor of each parcel will be responsible for providing an unencumbered freehold parcel.
16. The Councils agree that should further land be nominated or defined as appropriate for transfer between them, to achieve regularisation of ownership with primary user, further transfers may take place as per and with reference to this agreement.

PHASE TWO

Subject to obtaining the support of the Department of Conservation to the concept and also an undertaking received from the Department that a positive recommendation will be made to the Minister of Conservation in terms of the Reserves Act 1977, it is agreed:

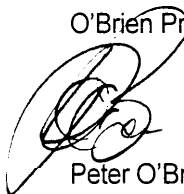
- A. That HCC land detailed in the attached **Schedule Three** which falls within the existing Belmont Regional Park, together with the HCC owned land which falls within the East Harbour Regional Park, shall be designated as Reserve (reservation to be agreed between the Councils) and the control and management vested in the WRC.
- B. That HCC land detailed in the attached **Schedule Four** is occupied in part by a walking track through the bush clad hillside. The track provides public access to the southern portion of the Belmont Regional Park. HCC grants WRC and the public continued rights to use this track for the duration of the period of control and management of the Belmont Regional Park by the WRC. The WRC shall have the right to maintain and upgrade the track as if were part of the Belmont Regional Park.
- C. As an exception to item A, all land within the Kilmister and Sweetacre blocks within the Belmont Regional Park but which is currently zoned for residential use is not to be designated as Reserve and HCC shall be free to dispose of or to develop and dispose of this land for residential purposes.
- D. WRC shall, if it ceases to control and manage the land detailed in item A as a Regional Park, seek the consent of the Minister of Conservation to return the control and management to HCC and will not object, at that time, to HCC uplifting the designation as Reserve.

6 December, 2001


E. On completion of the designation as Reserve and the vesting of control and management as set out in item A, the WRC shall assume responsibility for maintaining volunteer networks and the like.

I ask that you sign both copies of this duplicate letter. You should retain one copy and the other copy should be returned to me. The copies of this letter should be attached to our respective report and recommendations to our councils to ensure that each council is resolving to adopt an identical proposal.

Yours sincerely
O'Brien Property Consultancy Limited.

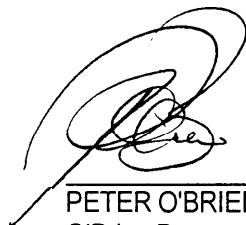


Peter O'Brien



MATT AMBLER
Property Manager, Hutt City Council
For and on behalf of Hutt City Council

Dated December 2001



PETER O'BRIEN
O'Brien Property Consultancy Limited
For and on behalf of Wellington Regional
Council

Dated 6th, December 2001

Schedule One - page 1
HCC transfer to WRC

Ref	CT	Legal	Comment	Parcel Area	Independent Value
		Pencarrow Road		55.9539	\$5,595
1a	938/2	Pt. Sections 50, 52, 54, 56, 58, 60, 61, 67 & 69 Harbour District and Pt. Lot 1 DP 2619	Interest to be valued is a right of way in perpetuity. This is over the Pecarrow Raod and the escarpment. Refer to present access agreement for the current arrangement which would normally be extended for a further 5 year term. Hutt City retains the right in perpetuity to maitain/renew the sewer pipeline and to place a second pipeline in the road. See Alan Bannatyne for detail.	15.1339	
1b	D1/1106	Pts Parangarhu Blk and Pts. Parangarhu 5B & 6		10.4838	
1c	B2/620	Sec. 84 Harbour Dist. & Sec 1 Blk. V Pencarrow SD		30.3362	
		Southern Lakes Esplanades		11.0500	\$11,050
2a		Lot 10 DP 53891	Esplanades surrounding lakes Kohangapiripiri and Kohangatera	3.2500	
2b		Part Lot 11 DP 53891		7.8000	

Schedule One - page 2

Hutt River, Flood Protection

Ref	CT	Legal	Comment	Parcel Area	Independent Value
10b		Part Lot 3 DP 7974	Riverbank carpark, High Street	0.2200	7,700
10c		Lot 1 DP 88805	Riverbank carpark, High Street. Riverbed	0.3060	107
10d		Lot 2 DP 88805	Riverbank carpark, High Street. Tree lined riverbank	0.6255	4,691
10e		Lot 3 DP 88805	Riverbank carpark, High Street.	1.1090	38,815
10e(1)		Balance CT 379/210, north Ewen Bridge	additional to original land	0.0740	555
10g		Part Lot 4 DP 3286	Waimarie Croquet Club, Melling Road. Lease back @ 10 cents.	0.6977	24,420
10 h		Lot 1 DP 65603	Waimarie Croquet Club, Melling Road. Lease back @ 10 cents.	0.5303	18,561
10i(1)		Part Lot 1 DP 20518	Part Avalon Park	3.0550	91,650
10i(2)		Part Lot 1 DP 20518 Part Lot 1 DP 20518	River berm River bed	3.2090 4.3030	64,180 1,506
10j(1)		Part Section 1 Block I Belmont SD	Part Belmont Recreation reserve. Lease back @ 10 cents. Area A on plan supplied	2.0970	31,455
10j(2)		Part Section 1 Block I Belmont SD	Part riverbed. Area E on plan supplied	0.3800	133
10k		Part Lot 2 DP 8182 (Area A: 6540m2) (Area C: 9660m2)	Harcourt Werry Drive. Lease back @ 10 cents.	0.6540 0.9660	13,080 14,490
10l		Part Sections 46 and 49 Hutt District	Harcourt Werry Drive	2.6512	928
10m		Part Section 49 Hutt District Pt Lot 1 DP 20518. Pt lot 1 DP 10786	Harcourt Werry Drive	0.7818	274

Schedule One - page 3

Ref	CT	Hutt River, Flood Protection Legal	Comment	Parcel Area	Independent Value
10m(1)		Pt Section 49, Pt Lot 1 DP 24491 opposite Pt Lot 1 DP 24491	cnr Harcourt Werry and Fairway Drive	0.6555	19,665
10m(2)		HCC owned land	north and south side Harcourt Werry Drive	0.0985	1,478
10n		Part Lot 1 DP 42781	Fraser Park stopbank, Taita Drive. Lease back @ 10 cents.	0.4045	6,068
10o		Section 1 Block x Belmont SD	Eastern Hutt Road	0.7858	11,787
10p		Parts Lot 1 DP 25002	Eastern Hutt Road	0.1771	177
10q		Part Lot 1 DP 6556	Eastern Hutt Road	0.1585	55
10r		Part Lot 3 DP 6507	Lower Strand Park, Whites Line	2.3472	82,152
10s		Lot 55 DP 8048	The Square, Manor Park	1.3142	16,428
				Hutt River Corridor total	\$450,355
				Total overall	\$467,000

Schedule Two
WRC transfer to HCC

Ref.	CT	Legal	Comment	Parcel Area	Independent Value
B	19A/1338	Lot 2 DP 23667 (Area A only)	Memorial Park. WRC retain land for stopbank & buffer. Balance transferred and buffer leased at 10 cents to HCC.	6.3225	379,350
C	19D/338	Lot 1 DP 49170	Taita Drive Tennis Club land.	0.3643	21,858
	19D/339	Lot 2 DP 49170	WRC retain 544 sq m for flood protection & lease to HCC	0.3136	18,816
D	26D/59	Part only, estimated area	Waione Street. To regularise ownership. Contains Saturn optic cable and Nova Gas pipe	1.5000	90,000
F		WRC owned oad	Harcourt Werry Drive, between stopbank and river	3.0000	45,000
		Flood Protection land general	To regularise water and wastewater pipes in WRC land.	1.5696	5,494
				Total overall	\$560,518

Schedule Three - page 1

HCC land to be designated Reserve and the Control and Management vested in WRC

Ref	CT	Legal	Comment	Parcel Area
		Belmont Regional Park - Sweetacres Block		109.0742
3a		Lot 22 DP 53605		20.5778
3b		Lot 1 DP 52494		23.3163
3c	22A/29*	Lot 4 DP 53605		0.0258
3d		Pt. Sections 314, 425, 426 Hutt District, Blk. IX Belmont Survey District	NZ Gazette 171902.1 1977 p 1102	65.1543
		Belmont Regional Park - Korokoro Block		336.0784
4a	911/42	Pt. Section 78 Hutt District		6.8391
4b		Section 133 Korokoro Settlement	NZ Gazette 1956 p 1188	2.0892
4c	55/284	Maungaraki No 5		33.6648
4d	45D/237	Lot 3 DP 79178		0.7830
4e	37C/96	Lot 3 DP 66704		0.2104
4f	36B/553	Lot 4 DP 68103 and Lot 13 DP 33346	To be retained by HCC for roading purposes	1.9080
4g	13C/81	Lot 4 DP 41842		2.2937
4h	831/28	Section 39 Maungaraki Settlement		28.1425
4i	578/215	Section 104 Korokoro Settlement		7.5959
4j	37C/95	Lot 2 DP 66704		1.3763
4k		Lot 4 DP 74710	Part of former CT 9C/242	0.8800

Schedule Three - page 2

HCC land to be designated Reserve and the Control and Management vested in WRC

Ref	CT	Legal	Comment	Parcel Area
4L		Lot 1 DP 15895	Cancelled CT 558/82	2.2484
4m	488/71	Section 29 Maungaraki Settlement SO 14759		15.9243
4n	172/165	Pt. Maungaraki Subdivision No. 3 SO 15156	NZ Gazette 1904 p 1479	79.2678
4O	1161280	Pt. Maungaraki Subdivision No. 8A SO 16308	NZ Gazette 1911 p 704	4.0468
4P	56/7	Maungaraki Subdivision No. 8B	NZ Gazette 1911 p 704	21.5495
4q	55/283	Maungaraki Subdivision No. 4	NZ Gazette 1911 p 704	35.5111
4r	55/285	Maungaraki Subdivision No. 6 SO 14762	NZ Gazette 1911 p 3015	23.7753
4s	117/15	Pt. Maungaraki Subdivision No. 8A SO 14762	NZ Gazettes 1911 p 3015, 1934 p 6, 1950 p 1647	19.8296
5a	16A/1270	Belmont Regional Park - Kilmister Block Pt. Sections 333, 334, 336 & 431 Hutt District all DP 3015, Pt. Lot 2 DP 14817		703.8465 141.5066
5b	25B/233	Pt. Section 436 Blk. III Belmont SD SO 10984		58.8817
5c	25B/234	Section 430 Blk. III Belmont SD SO 11410		63.7379
5d	2581235	Pt. Secs. 345, 346, 433, 434, 435 Blk III Belmont SD		108.0879
5e	25B/236	Pt Secs. 341 & 342 Blk III Belmont SD SO 21903		10.2901
5f	12D/56	Pt. Sec.429 Hutt Dist - SO 10984, 31.5655 Sec 785 Hutt Dist. - SO 25911, 5.3848		36.9503
5g	20A/1000	Sections 675, 676, Pt. 677 Hutt Dist. SO 23420		40.7359

Schedule Three - page 3

HCC land to be designated Reserve and the Control and Management vested in WRC

Ref	CT	Legal	Comment	Parcel Area
5h		Sections 325 & 428 & pt. Sec. 315 Hutt District so 35419	Former CT 936/19 NZ Gazette 1979 p 2279	172.6113
5j	352/116	Pts. Section 183 Hutt District		3.2122
5k	282/98	Lots 9 and 26 DP 8466		1.5899
5l	886/82	Lot 9 DP 23370		0.3023
5m	4551200	Pt. Lots 52 and 53 DP 23934	and 1.3018 and 2.0879	0.7861
5n		Pt. Secs. 314, 425 and 426 Hutt District	Former CT A3/623 NZ Gazette 171902.1 1977 p 1102	65.1543

Schedule Four

HCC grant of access right to WRC and the public for access to Belmont Regional Park

Ref	CT	Legal	Comment	Parcel Area
6a	56D/420	Belmont Regional Park - Old Rahui Reservoir Site Lot 6 DP 89394, Pt Sec. 110 Korokoro Village and 1/4 share in Lot 4 DP 89394	WRC interest limited to the bush hillside only for bush track access.	2.0710