

14 May 2004

Mr E A P Howarth
P O Box 5
Waikanae

Dear Ted,

Re: Proposal to Acquire Land for Flood Protection - Waikanae

Thank you for meeting Graeme Campbell and me on Thursday 13 May 2004.

This letter is to confirm that Greater Wellington Regional Council (GWRC) does have an interest in acquiring part of your property at Waikanae, being shown as areas A, B & C on the aerial photo attached. The land would be used for flood protection purposes, being improvement work in the Waikanae River. GWRC proposes to commence its detailed planning for the work design in June 2004 and hopes to have the work commenced in December 2004.

I have previously provided you with a copy of the valuation of the land undertaken for GWRC by Brian Whitaker. Brian has assessed the value of the land at \$25,000 (exclusive of GST). I confirm that I am prepared to recommend to GWRC that it purchase the land from you at that sum assessed on and subject to the following conditions:

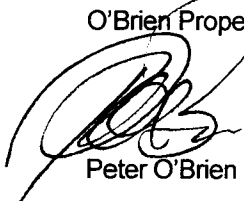
1. GWRC to acquire, for flood protection purposes, parts of lot 1 DP 90442 contained in CT 57D/533 being those areas shown as A, B and C on the aerial photo attached, totalling 1.0230 hectares, for the consideration of \$25,000 plus GST (if any).
2. GWRC would meet the cost of survey to define the land to be acquired and any consequential costs associated with registration and title adjustments.
3. GWRC would meet the reasonable legal costs incurred in the transaction, being the legal costs incurred both by GWRC and yourself.
4. GWRC would undertake to survey the land immediately upon confirmation of this agreement, in advance of the flood protection works, and make every reasonable endeavour to facilitate settlement at the earliest reasonable date.
5. It is to be agreed between GWRC and yourself that the assessed area of 1.0230 hectares is a best estimate of area, the consideration agreed shall remain unaltered should any area variation occur between this estimate and the actual survey. In this respect it shall be agreed between GWRC and yourself, prior to survey, the location of the new boundary. GWRC undertakes to instruct the surveyor to make every endeavour to ensure that the area defined to be acquired should fall between 1.0000 and 1.0230 hectares.
6. Settlement of the consideration will take place after the time the survey is completed, the plan is approved and the transfer documents are completed and signed.

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7. On completion of the proposed flood protection works, planned for the 04/05 year, GWRC shall be responsible for the new boundary created being suitably fenced in a similar manner as presently exists, at its cost.

If you agree to proceed and offer the land to GWRC on the terms set out above, I ask that you sign and return to me the attached duplicate copy of this letter. On receipt of your response I will seek the approval of GWRC to the transaction and will also have the GWRC solicitors draft an agreement for sale and purchase for the consideration and comment of you and your solicitor.

Yours sincerely
O'Brien Property Consultancy Limited.



Peter O'Brien

Peter O'Brien
O'Brien Property Consultancy Limited
Floor 3
82 Willis Street
Wellington

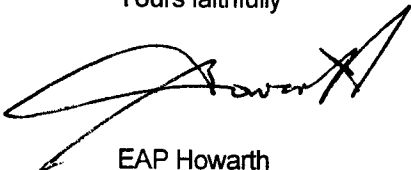
Dear Peter,

I refer to your letter dated 14 May 2004 and confirm:

1. that I do grant Greater Wellington Regional Council, its officers and agents right of entry on to my land contained in CT 57D/533 for the purpose of survey and assessment of the proposed flood protection works in the Waikanae river, and
2. that I do offer to sell the areas shown A, B & C on the aerial photo to Greater Wellington Regional Council on the terms set out in your letter.

Please proceed to seek the council consent to the transaction and have a draft agreement for sale and purchase drawn up for my consideration.

Yours faithfully



EAP Howarth
Dated 18/5/2004