



**PRESENTATION & UPDATE OF
THE INDUSTRIAL DEVELOPMENT**

For the Special General Meeting of Owners held
1st March 2023



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FOR THE SPECIAL GENERAL MEETING OF OWNERS 01 MARCH 2023

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Directory

Trust Details

Helen Beckett	Chair
Andrew Kusabs	Trustee
Wally Lee	Trustee
Mike Miller	Trustee
Robert Phillips	Trustee
Lynette Iharaira	Trustee
Bryce Morrison	Trustee

Number of Owners 2389

Peka Trust Secretary & Accountant



Kusabs Lasike Limited Contact - Lau Lasike
1141 Pukaki Street, Rotorua admin@kll.co.nz
PH 07 347 7533

Peka Industrial Park – Project Development Manager



MB Property Consultants Contact - Mike Beattie
Po Box 19-496, Hamilton mike@mbpc.co.nz
PH 027 221 9835 www.peka.nz

Legal Support

Le Pine & Co Tony Devlin
37 Paora Hapi Street, Taupo David Stoevelaar



AGENDA

6pm

1. Karakia Timatanga
2. Apologies
3. Timeline Update
4. Update and Presentation from the Development Manager of the Industrial Development including future plans for extension (if any).
5. Presentation from Le Pine & Co
6. Voting:
 - a) Approval of the Establishment of a Limited Partnership.
 - b) Approval of a 125 Year Head Ground Lease.
 - c) Approval of long term ground leases from the Limited Partnership to tenants.
 - d) Approval of short-term leases for market rent and outgoings
 - e) Establishing a Joint Venture Agreement between the Mere Kanea Trust and Peka Trust and obtaining Consent and ratification from the Maori Land Court
7. Karakia Whakamutunga

7.30pm Dinner at Chapmans Restaurant – Rydges Rotorua

PEKA TRUST

Notice is hereby given that a Special General Meeting of Beneficial Owners of Peka Trust will be held:

VENUE: Wahiao Meeting House, Te Pakira Marae, Wahiao Drive,
Whakarewarewa, Rotorua
DATE: Wednesday 1st March 2023
TIME: 6.00 p.m. (Registrations open from 5.00 p.m.)

AGENDA:

1. Karakia Timatanga
2. Update and Presentation from the Development Manager of the Industrial Development including future plans for extension (if any).
3. Approval of the Establishment of a Limited Partnership as constituted under the Limited Partnerships Act 2008.
4. Approval of a 125 Year Head Ground Lease from Peka Trust to the Limited Partnership for stages 1 and 2 and future development of the Industrial Zone 2 land.
5. Approval of long term ground leases from the Limited Partnership to industrial tenants in consideration of the payment of a premium for each lease up to a term of 99 years each.
6. Approval of short-term leases of premises to be constructed by the Limited Partnership for market rent and outgoings and other apportionments for a term of up to 20 years (inclusive of renewals).
7. Obtaining approval for the trustees to enter into negotiations with the Mere Kanea Trust to establish a Joint Venture Agreement in respect to the Peka Trust Industrial development that extends onto part of the Mere Kanea Trust land, including how those affected tenancies will be managed (including the sharing of costs for that part if the development on the Mere Kanea land) and the establishment of a formed right of way easement with the Rotorua Lakes Council.
8. Approval of all the above including the final Joint Venture Agreement once negotiated and agreed for the Peka Trust to apply for Maori Land Court consent and ratification to commence and complete the Industrial Development.
9. Karakia Whakamutunga

Note: Notices of meeting will be sent to shareholders whose addresses are known. To register or update your details contact the secretary's office of Kusabs Lasike Ltd or online at www.kll.co.nz

RSVP: Please RSVP for catering purposes to the secretary's office by 5pm 24 February 2023.

Helen Beckett
Chair

Kusabs Lasike Ltd
1141 Pukaki Street, Rotorua
07 3477533
admin@kll.co.nz

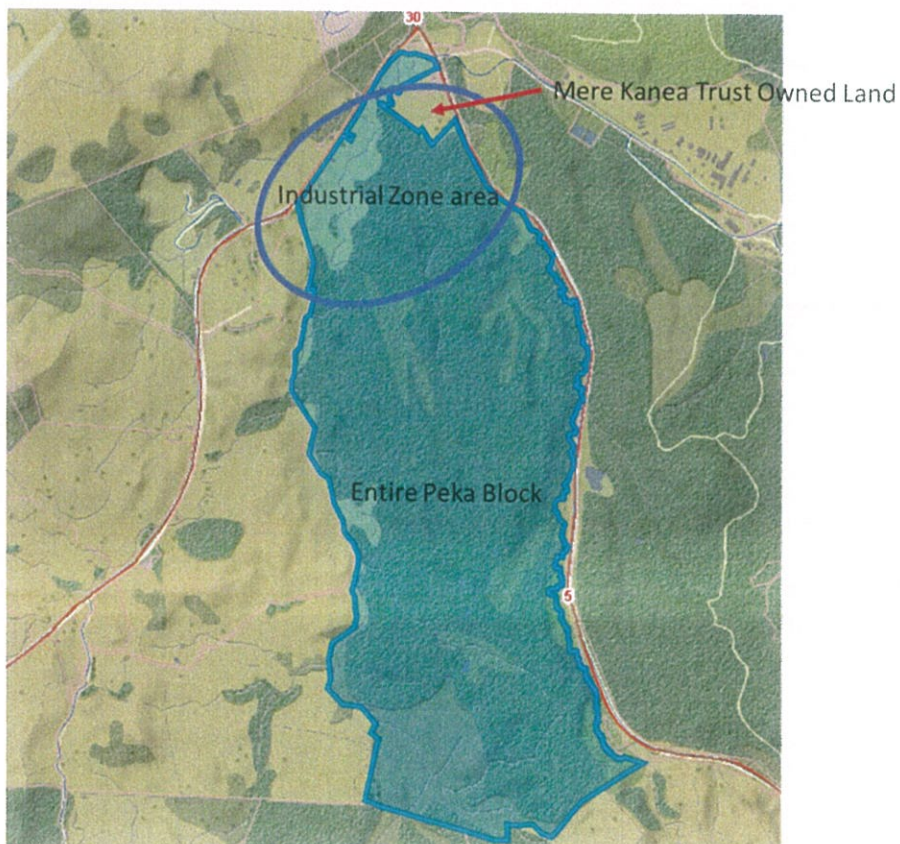


INTRODUCTION

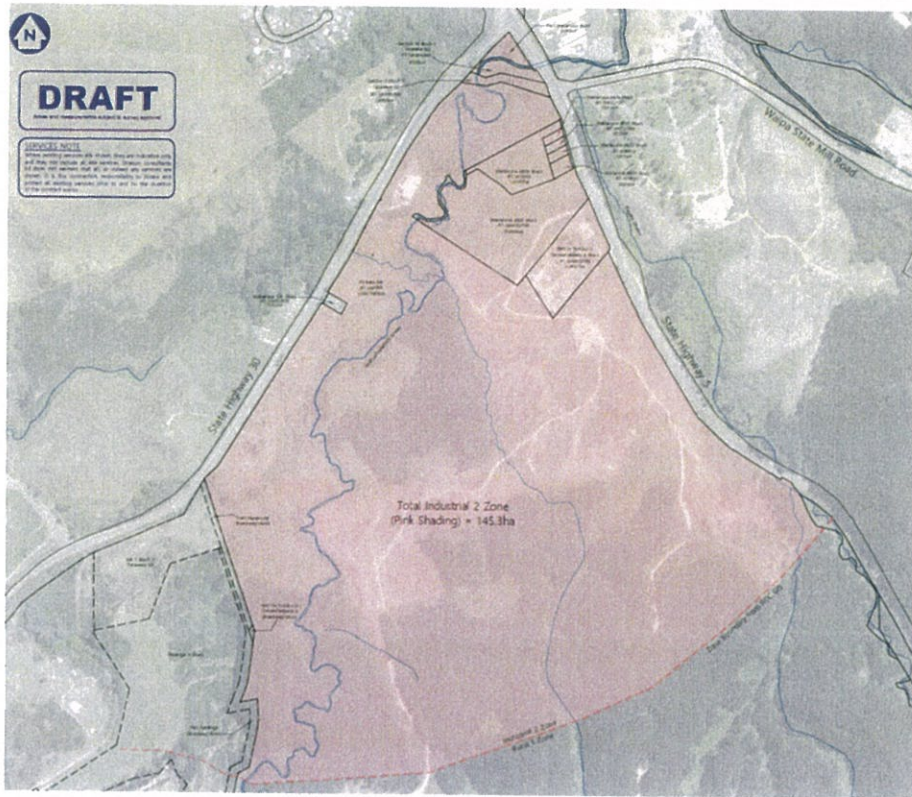
- A. The Trust is an Ahu Whenua Trust pursuant to 132 (6)(a) of the Te Ture Whenua Māori Act 1993 (“the Act”).
- B. By way of vesting order issued pursuant to section 239(1) and 239(3) of the Act, the land located at 50 State Highway 5, Whakarewarewa, Rotorua comprised in record of title 382646 (“the Land”) is vested in Helen Margaret Pinenga Beckett, Lynette Dawn Pinenga Iharaira, Bryce Bennet Kakuere Morrison, Michael John Miller, Wally Victor Hohepa Lee, Andrew Marutuehu Kusabs and Robert John Kihi Mitataupopoki Phillips (“the Trustees”) to hold the Land in trust for the beneficial owners of the Land.
- C. The Trustees are the current Trustees of the Trust.
- D. The Land is approximately 633 hectares with contoured land rolling to a T-intersection on State Highway 5 and State Highway 30, 6.5kms South of the Rotorua Central Business District. Approximately 400 hectares of the Land was planted in Pinus Radiata, 300 hectares of which has been felled and the remaining 100 hectares to be felled approximately within twelve (12) months from December 2022.
- E. The Land is managed by the Trust with approximately 498 hectares zoned Rural and approximately 134.7 hectares zoned Industrial Two. The Trust intends to develop the Industrial Two portion of the Land in accordance with the zone ordinances in stages, being Stage 1 and Stage 2 (“the Development”) with further staged developments of the remaining Industrial Two portion of the Land as identified on the attached draft Stratum Site Development Plan.
- F. To fund the Development, the Trust will invest capital and intends to secure additional funding from Kānoa (previously call the Provincial Growth Fund) in order to support initiating the Development. The Trust intends to develop options to grant up to two long term leases of sections in consideration of the payment of a premium for each lease. One section will be an estimated area of 8,000 sqm and the second section will be an estimated area between 12,000 – 30,000 sqm.
- G. To manage the Development and to protect the Peka Land, the Trust will establish a Limited Partnership and enter into negotiations with the Mere Kanea Trust to establish a Joint Venture Agreement in respect to the Peka Trust Industrial development that extends onto part of the Mere Kanea land. Discussions will include how those affected tenancies will be managed (including the sharing of costs for that part of the development on the Mere Kanea land) and the establishment of a formed right of way easement with the Rotorua Lakes Council. The Trust as the limited partner will be liable to the extent of their capital contribution to the Development, and will remain the overarching ownership entity of the Land and controlling entity of the Limited

Partnership which will direct the General Partner (who is liable for all the debts and liabilities of the partnership), to manage the Development.

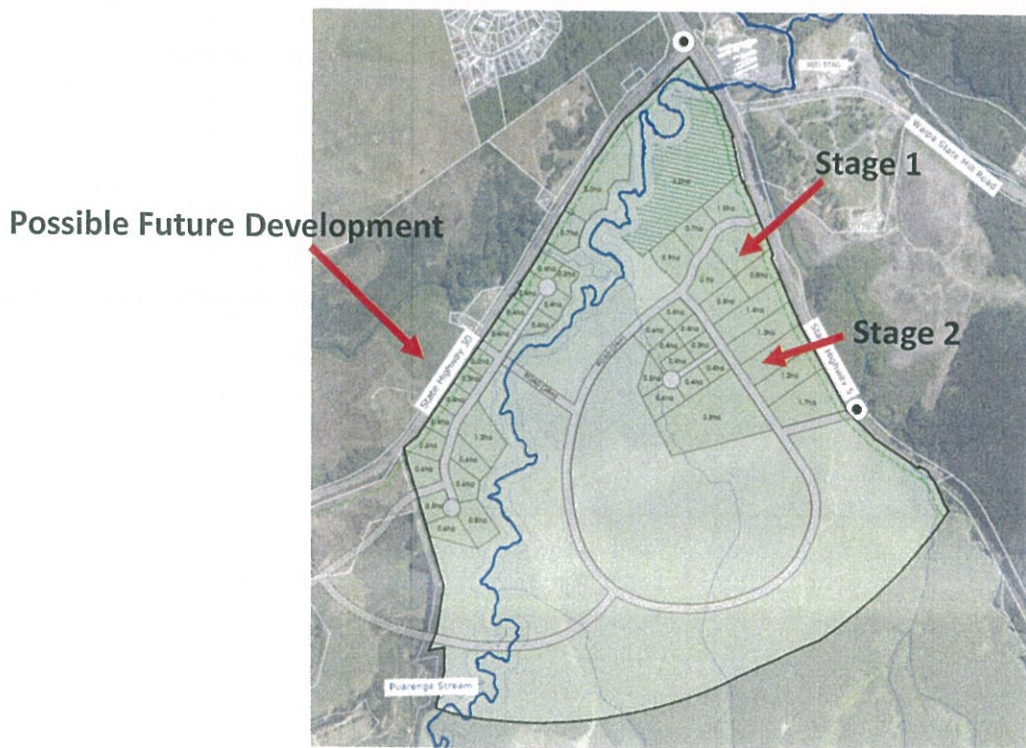
- H. The Trust will grant a registered long term lease of up to 125 years to the General Partner who will enter into the following:
1. Long term leases in consideration of the payment of a premium or market rent for each lease of up to a term of 99 years each;
 2. Short term leases of premises to be constructed by the Limited Partnership for market rent and outgoings and other apportionments for a term of up to 52 years (inclusive of renewals);
 3. Short term ground leases for market rent and outgoings (less than 52 years).
- I. The Trustees recognise that prior to commencing the Development, the Limited Partnership is to be established and approval is to be sought from the Maori Land Court to grant the registered lease to the General Partner and the long term leases.
- J. The Trustees have considered the terms of the vesting order, the relevant provisions of the Act, and in particular the interests of the beneficiaries and the powers contained therein, and the Trustees consider that the actions to be undertaken above are in the best interests of the Trust and the beneficiaries.
- K. Map of the entire Peka Land Trust



L. Map of Industrial zoned area



M. Peka Master Plan for Peka Industrial Park



Presented at the 2020 AGM

FUTURE DEVELOPMENT

- Industrial Re-Development
- Support Structure
 - RCG – Architectural & Property Consultants
 - Stratum – Planning & Engineering
- RLDC – Negotiated support
 - Services and off site infrastructure to the site at NO COST
 - \$70,000 traffic/stormwater engineering advice at NO COST
 - RLDC committed to compliance and services support

Kusab's Lasike Limited
Chartered Accountants

FUTURE DEVELOPMENT

- Peka Trust
 - Currently negotiating with owner of existing industrial development to gain control of this asset.
 - A draft master plan has been prepared, awaiting engineering review, design development approval.
 - The Industrial Development proposes to develop approximately 14 hectares of industrial sections along SH5 as Stage 1.
 - A further 20 hectares will follow subject to demand.
 - All traffic engineering, Geotec, and Topographic Survey work is completed
 - Final stormwater report is awaiting.
 - Landform and Civil infrastructure design is underway.

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Presented at the 2020 AGM

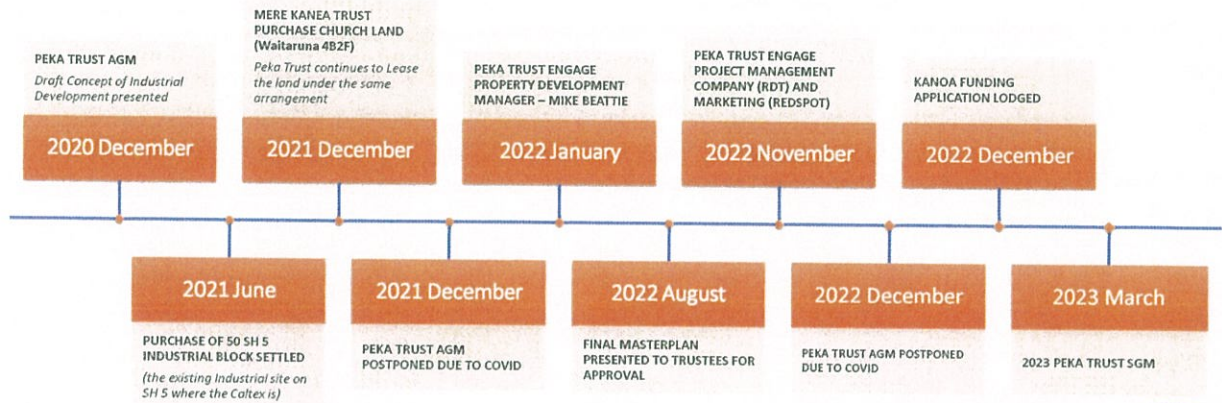
FUTURE DEVELOPMENT

- Forestry
 - As per the forestry report in replanting and harvest continuance
- Considerations
 - The Trustees are aware of the whenua, wetlands, power lines and underground gas infrastructure.
 - The trustees will work alongside Environment BOP, RLDC, Unison and Trust Power to ensure our Kaitiaki responsibilities are followed.

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Chartered Accountants



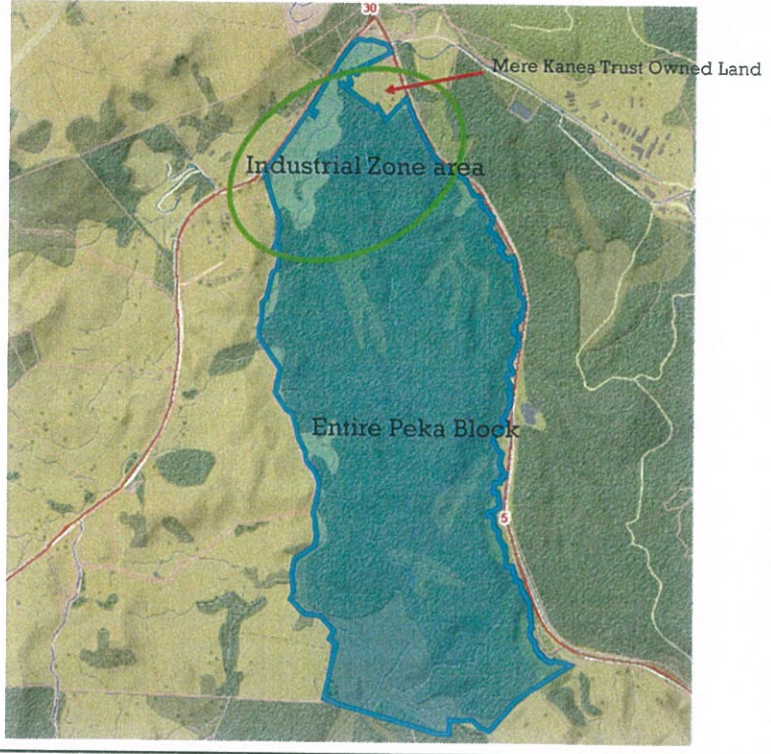
TIMELINE UPDATE



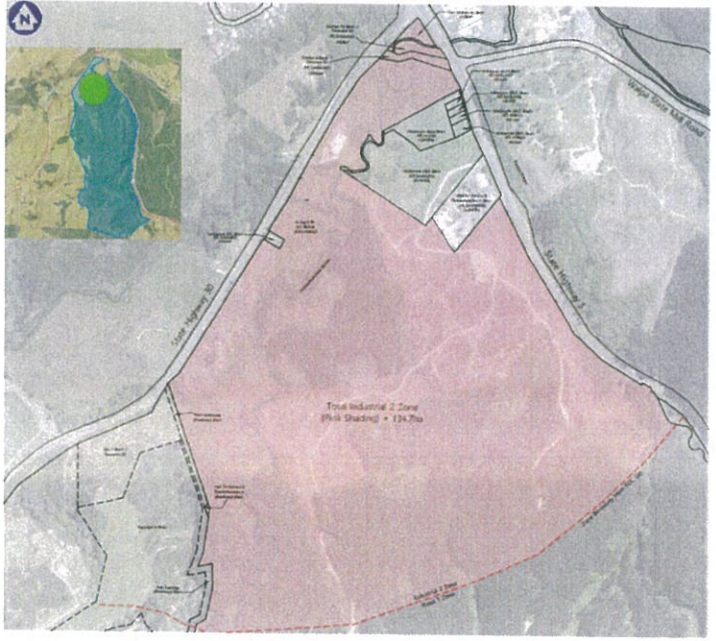
A Peka Trust Development



Peka Trust



Zone Industrial - 2





GOAL, VISION
AND
OBJECTIVES

GOAL

- To undertake the orderly development of an Industrial Park
- To protect the whenua and waterways

VISION

- To create competitive production bases to serve the region's economy, that will
- Lead to the establishment of a highly efficient business community

OBJECTIVE

- To secure the future prosperity and wellbeing of the owners of the land



OPPORTUNITIES
/CONSTRAINTS

OPPORTUNITIES / PROS

- Industrial Zone
- Existing Accesses
- Natural features
- Road Network
- Proximity to Rotorua
- Significant Support from Council

CONSTRAINTS / CONS

- Northern routes congested
- Environmental considerations
- Flood prone in parts
- Lay of the Land
- Fault lines
- State Highway limitations
- No utilities on site



- Rental levels rising
- Industrial Land supply shortage for local tenants
- Location Attractive for national tenants
- RLC initiatives to unlock central city industrial land for housing
- Heavy industry associated with region's economy
- Farm and forestry service industries



- Limited competition within Rotorua
- Red Stag both a competitor and a Colleague
- Regionally – Tauriko and Rangiora
- Nationally – Auckland and Hamilton



PEKA Industrial Park

RED STAG WAIPA VALLEY

HEAVY INDUSTRY - FORESTRY AND FORESTRY SERVICES
 FARMING SUPPORT - FREIGHT HANDLING
 CONSTRUCTION - HEAVY MANUFACTURING
 WAREHOUSING - DANGEROUS GOODS
 RECYCLING AND RENEWAL - HEAVY VEHICLE SERVICING

ACCOMMODATION -- RETAIL/HOSPITALITY
 FAST FOOD - FILM STUDIO
 COMMERCIAL USES - MEDIUM INDUSTRIAL/OFFICES
 STORAGE SHEDS

DRAFT

Industrial Park MASTER PLAN

- Internal road network - industry standard, modest gradient
- Entry Points
- Accounting for contour and watercourses
- Stage 1&2 centred on existing industrial access points
- Possible Future Development
- Adjusted as design imperatives become known

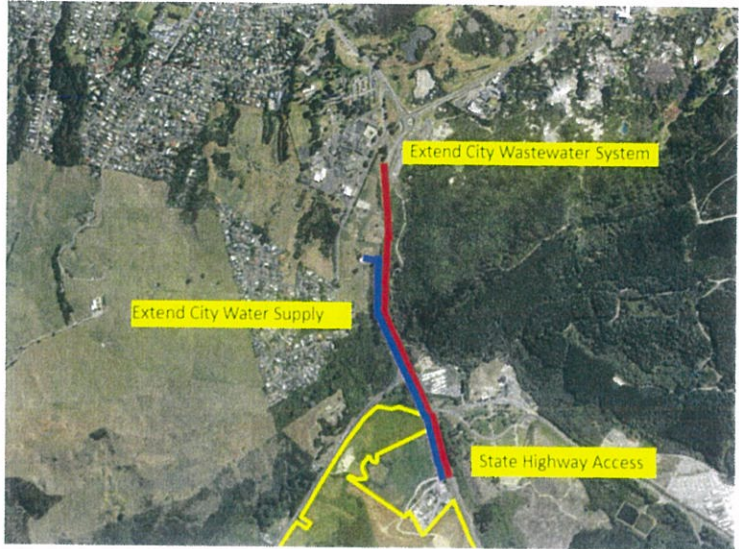
Possible Future Development

Stage 1

Stage 2



CITY SERVICES



STAGE 1&2 DEVELOPMENT





STAGE ONE BUDGET

COST	Dec-22	Mar-23	Dec-23	Jun-24	Oct-25
	DESIGN	CONSENT	CONSTRUCT	RELOCATE	SETTLE
DESIGN AND CONSENT	326,250	172,750	0	0	0
ENGINEERING	159,000	126,000	523,500	65,500	0
CONSTRUCTION	0	0	11,569,000	0	0
SETTLEMENT OF LEASES	0	0	60,000	275,000	0
DEVELOPMENT LEVIES	0	0	0	3,600,000	0
OTHER COSTS	192,100	64,200	270,000	128,200	67,500
TOTAL COST	677,350	488,950	12,422,500	4,068,700	17,725,000
DEVELOPED LAND VALUE	12.1 HECTARES \$400PSM			48,400,000	



FUNDING MODEL

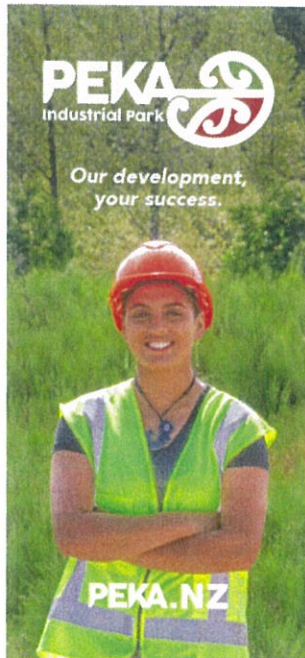
SOURCE	AMOUNT	
Kānoa	Government Agency	\$ 6,000,000
	Enabling Infrastructure	\$ 3,600,000
		\$ 9,600,000
Peka Trust	Available Capital	\$ 6,000,000
Other	Bank Finance, Capital Leases	\$ 2,125,000
		\$ 17,725,000



TENANTS

- **ROTORUA LAKES COUNCIL**
TWO TENANTS
- **LEAF RESOURCES LTD**
LISTED ASX COMPANY
- **THREE TENANTS FROM SITE**

MARKETING

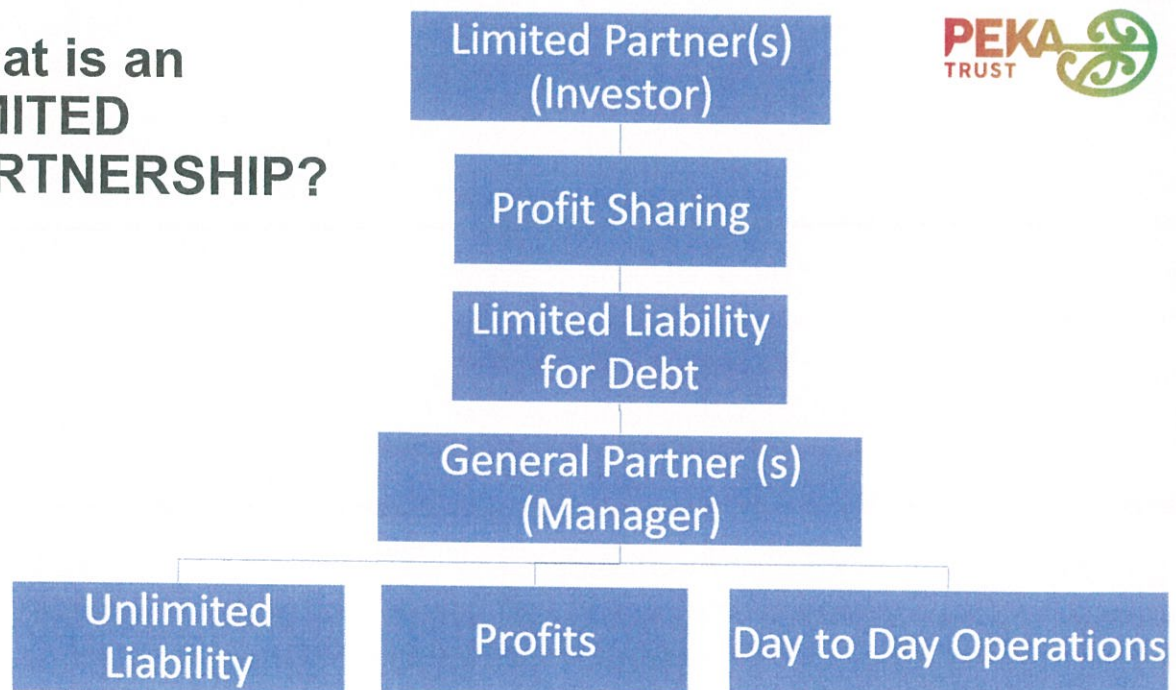


LE PINE & CO

1. Formation of Limited Partnership
2. Lease Structure
3. Mere Kanea Trust involvement
4. Joint Venture (JV) Agreement



What is an LIMITED PARTNERSHIP?

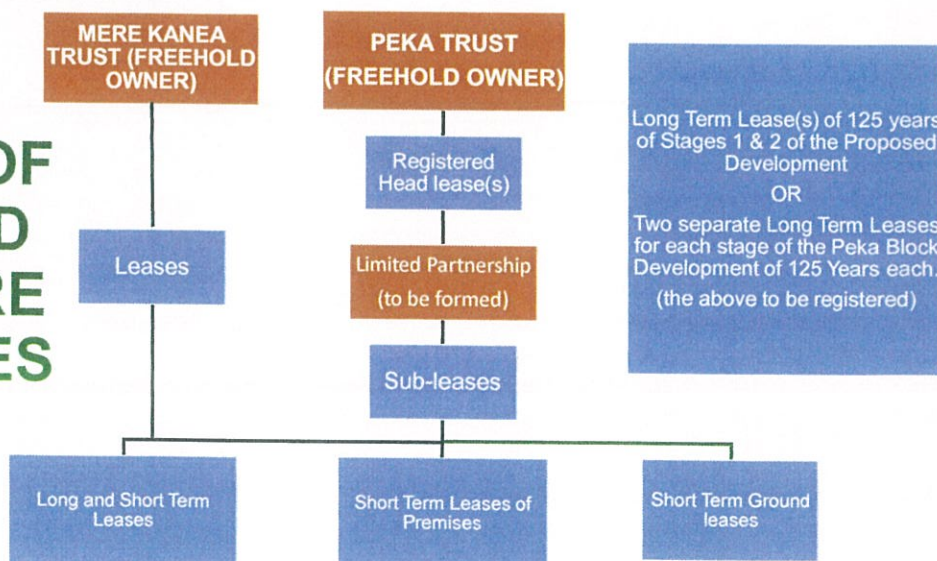


THE NEED TO ESTABLISH A LIMITED LIABILITY PARTNERSHIP

- To receive funding from Kanoa Economic Development Fund
- The General partner is responsible for the Industrial development
- To provide protection to the Trust and its whenua
- This is an agreement between partners that establishes a limited partnership and governs the terms and conditions of the partnership relationship.
- A limited partnership must comply with the Limited Partnership Act 2008.



DIAGRAM OF PROPOSED STRUCTURE AND LEASES



THE NEED TO HAVE A 125 YEAR HEAD LEASE IN PLACE

- The Head Lease will only be the industrial area of Peka Trust Land (approximately 135 ha). The total Peka Land is 633 ha.
- The Head Lease will allow the Limited Partnership to engage with tenants to establish short and long term leases, without the need to get approval from MLC each time.



THE NEED TO NEGOTIATE WITH THE MERE KANEA TRUST TO ENTER A JOINT VENTURE AGREEMENT

- The Mere Kanea Trust land is adjacent to the Peka Industrial Park and will allow for a more cohesive site for tenants by developing the larger area.
- The proposed access way to SH5 will be on the Mere Kanea Land.
- The purpose of the Joint Venture is to establish a relationship moving forward.
- A JV agreement will support and protect both entities as a commercial deal

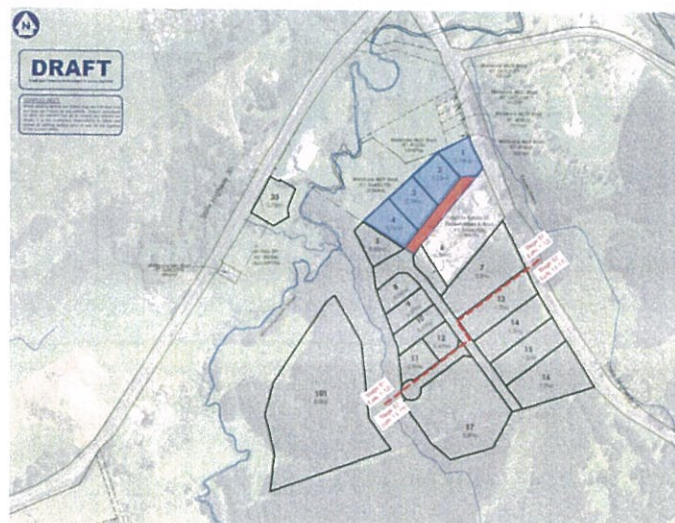
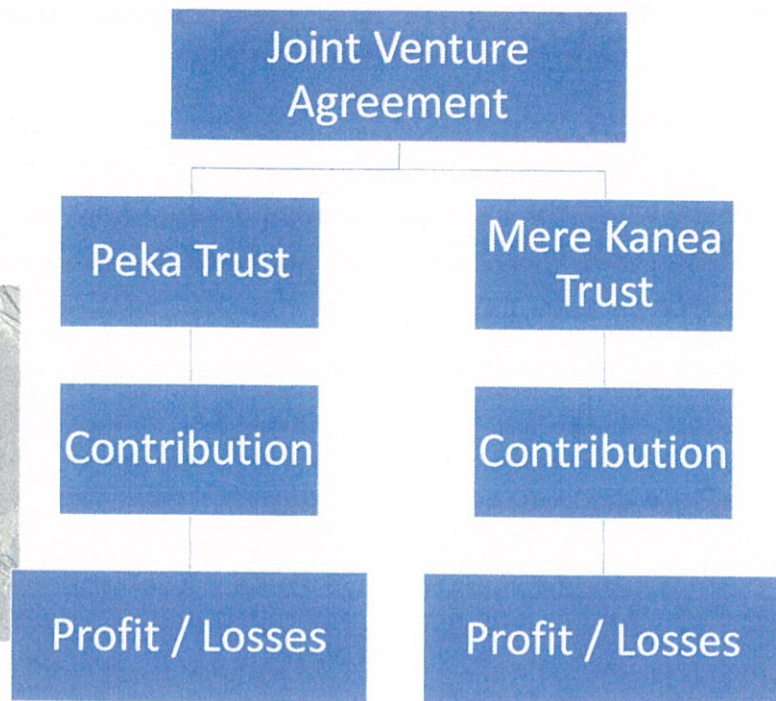


DIAGRAM OF A JOINT VENTURE



RESOLUTIONS TO BE VOTED ON:

1. Approval of the Establishment of a Limited Partnership.
2. Approval of a 125 Year Head Ground Lease.
3. Approval of long term ground leases from the Limited Partnership to tenants.
4. Approval of short-term leases for market rent and outgoings
5. Establishing a Joint Venture Agreement between the Mere Kanea Trust and Peka Trust and obtaining Consent and ratification from the Maori Land Court



VOTING REQUIREMENTS:

1. Shareholders as per the Maori Land Court Listing can vote
2. Shareholders who are eligible to vote must be present at the meeting in order to vote.
3. If an owner can't be present at a hui, they cannot appoint a 'proxy' to attend on their behalf, **unless the trust order allows it**. This means that even if someone can't be at a hui in person, they are not eligible to:
 - take part in making decisions about the whenua
 - have their say on what's happening.
 - Therefore, no vote can be made on behalf of another Shareholder who is not present.
4. Voting and resolutions are done on the basis of the number of shares a shareholder has (Known as poll voting), rather than the number of votes received. This is due to the nature of the resolutions being tabled.

