Riverstone Holdings Limited

Fiordland Link Experience

Implementation Protocol

3 November 2011



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1. INTRODUCTION

Riverstone Holdings Limited ('RHL') proposes the 'Fiordland Link Experience' which is intended as a high quality tourism experience connecting Queenstown with Te Anau Downs. The Fiordland Link Experience involves a surface transport system in three sections from Queenstown to the edge of Lake Te Anau. The proposal would improve access to Te Anau, Milford Sound and Fiordland generally by reducing travel times from Queenstown. The three sections of the proposed Fiordland Link Experience are:

- Across Lake Wakatipu A 20 km trip by catamaran from Queenstown Bay to Mt Nicholas Station (at White's Bay).
- Mt Nicholas to Kiwi Burn A 45 km trip by an all-terrain vehicle from wharf facilities at White's Bay along the Von River valley (on the Mt Nicholas/Von Road) to Mavora Lakes Road and then to a purpose built terminus near the Mararoa River just upstream from Kiwi Burn.
- Kiwi Burn to Te Anau Downs A 43.8 km trip by an electrically powered monorail from near Kiwi Burn to a second terminus at the edge of Lake Te Anau at Te Anau Downs. From there travellers could connect to other road or lake-based transport services.

As part of the experience RHL is seeking a concession from the Department of Conservation (the Grantor). The concession activity includes:

Monorail;

Construction and operation of a Monorail on marginal strip, stewardship area, and national park within the area shown on the map attached; (200 m wide easement increasing to 300 m wide at 'Bluff Slip')

Construction Track/Mountain Bike Track;

Construction of a Construction Track (including spur tracks) and adaptation of that construction track at the conclusion of construction of the Monorail to a Mountain Bike Track on stewardship area within the area shown on the map attached; (200 m wide easement increasing to 300 m wide at 'Bluff Slip')

Kiwi Burn Terminus;

Construction and operation of a of terminus building and associated facilities on marginal strip (Mararoa River) as shown on the map attached;

Te Anau Downs Terminus;

Construction and operation of the terminus building and associated facilities on national park (Te Anau Downs) as shown on the map attached;

• Cycle Link Route

The construction and maintenance of a Mountain Bike Track across public conservation land as shown on the map attached;



• Kiwi Burn Public Hut;

Construction of a new Public Hut in the Kiwi Burn Valley, at a final location to be determined in consultation with the Grantor, but within the area shown on the map attached;

Mountain Bike Track Public Toilets;

Construction, maintenance and servicing of public toilets at a location or locations along the Mountain Bike Track, at a final location to be determined in consultation with the Grantor:

Other Public Recreational facilities;

Construction, maintenance and servicing of any other public recreational facilities (including but not limited to, the existing Kiwi Burn Hut, road-end car parking and signage) as provided for or required by this Concession.

The purpose of this Implementation Protocol is to ensure that a good faith relationship is established and maintained between RHL and the Grantor (the parties) at all times through all phases of this concession. It is contemplated that the Implementation Protocol will be modified from time to time as the project moves through each stage.

The Implementation Protocol will set out the role of the Project Liaison Officer and will set out the process for conducting relationships and reaching agreement between the parties. The Implementation Protocol will also set out the process to resolve disputes or conflicts.



2. PROJECT LIAISON OFFICER

Prior to the commencement of construction of the monorail and associated facilities a Project Liaison Officer shall be appointed by the Grantor, in consultation with RHL.

The role of the Project Liaison Officer shall be agreed between RHL and the Grantor. It is recorded that the role shall include:

- (a) Assist in the preparation of this implementation protocol;
- (b) Being involved in the final route selection process, which will be led by RHL, and will be presented as part of the Construction and Operational Specifications and Plans to be submitted to the Grantor;
- (c) Facilitating review of Construction and Operational Specifications and Plans and other documentation submitted to the Grantor;
- (d) Monitoring compliance by the Concessionaire with Construction and Operational Specifications and Plans required by the concession;
- (e) Monitoring and liaising over the success or otherwise of on-going rehabilitation works and making recommendations regarding successful progressive and long term restoration and rehabilitation of the site.

The Project Liaison Officer shall be a senior position (or company), with a range of professional skills necessary for liaising effectively and autonomously with the Concessionaire and the Grantor and other relevant stakeholders or parties. The Project Liaison Officer shall have proven expertise and performance in relationship management for large scale development in environmentally sensitive areas.

The Project Liaison Officer will be appointed at the time of exercise of this concession, which is no later than 5 years after the commencement date. Prior to this, an interim appointment may be made if it is considered appropriate to do so. The role of the Project Liaison Officer will cease once the construction of the monorail and termini are completed. Any involvement of the Project Liaison Officer past this point will need to be agreed between RHL and the Grantor. The role of the Project Liaison Officer shall be redefined at this point.



3. OBJECTIVES OF THE IMPLEMENTATION PROTOCOL

The objectives of this Implementation Protocol are to:

- (a) Maintain an effective working relationship and mutual trust;
- (b) Promote the free flow of timely information between the parties;
- (c) Establish a procedure on which to determine agreement;
- (d) Establish a process to manage any disagreements or conflicts.



4. FACILITATION PROCESS

The purpose of this protocol is to facilitate an open and positive line of communication between the parties at all times during the implementation of this concession.

4.2 RHL OBLIGATIONS

RHL will comply with all conditions of the concession.

RHL will prepare and submit the following specification and plans prior to the commencement of any construction activities:

- (a) Final Designation Specifications including final proposed 'on the ground' location of all structures and activities proposed or required by the concession:
- (b) A Construction Management Plan;
- (c) A Recreation Users Management Plan;
- (d) A Vegetation and Habitat Management Plan;
- (e) An Operational Management Plan.

RHL will work with the Project Liaison Officer to identify the likely timing of delivery of these specifications and plans. The timing of delivery of these specification and plans and approval shall be set out and agreed between both RHL and the Grantor.

Once the specification and plans are approved by the Grantor, RHL will observe and ensure that it and its employees, contractors, agents and invitees will observe and comply with the requirements and obligations set out within those specifications and plans.

RHL will have a clearly nominated contact person within its own organisation or within one of its local agents at all times. This person will act as the facilitator of information between RHL, the Project Liaison Officer and the Grantor.

4.3 DEPARTMENT OF CONSERVATION OBLIGATIONS

The Grantor (or its employees, contractors or agents) shall work with RHL to agree an appropriate delivery and approval timeframe for all specifications and plans submitted for approval by the Grantor.

The Grantor will take a no surprises approach, and will act in good faith in all matters relevant to the project.

The Grantor will not unreasonably or arbitrarily withhold approval of any information submitted for its approval. The decision makers within the Department will be visible and accessible to RHL.



5. DISPUTE RESOLUTION

RHL and the Grantor acknowledges that they will endeavour to settle any dispute arising between the parties in respect of or in connection with this protocol amicably and without recourse to litigation and therefore agree that any such dispute shall be determined in accordance with the procedure set out below.

In the event of a dispute, RHL and the Grantor shall immediately explore in good faith whether the dispute can be resolved by agreement between them using informal and private dispute resolution techniques such as negotiation, mediation, independent expert appraisal or any other alternative dispute resolution technique.

The rules governing any alternative dispute resolution technique adopted by RHL and the Grantor shall be as agreed between the parties or, if no agreement is reached within five working days of notification by any party of a dispute, then by such procedure as is selected by the chairman for the time being of the New Zealand Chapter of Lawyers Engaged in Alternative Dispute Resolution (LEADR).

Both RHL and the Grantor agree to use their best endeavours to achieve resolution of any dispute in the manner contemplated by paragraphs 5.1 - 5.4 above and neither party will initiate arbitration without first pursuing such informal alternative dispute resolution technique.

In the event that any dispute is not resolved by agreement within 20 working days of written notice being given by one party to the other of a dispute (or such further period as may be agreed in writing between the parties), either party may refer the dispute to arbitration by a single arbitrator pursuant to the Arbitration Act 1996. The arbitrator shall be as agreed between the parties within ten working days of written notice of referral by the referring party to the other party or, failing agreement, shall be as appointed by the President for the time being of New Zealand Law Society.

The parties agree to co-operate to assist the arbitrator in proceeding with expedition to deliver an award as soon as reasonably practicable after the referral to arbitration is made. No person who has participated in any informal alternative dispute resolution procedure in respect of the dispute shall act as an arbitrator.

The parties agree that the award of the arbitrator shall be final and binding as between the parties and that they and each of them hereby waive any right to appeal against the award or to seek any review of it or the dispute in Court.



6. FINAL ROUTE SELECTION PROCESS

Prior to construction of the monorail and associated facilities, RHL will consult with the Project Liaison Officer to determine the following:

- (a) The final route selection having particular regard to the management of significant habitats identified along the route;
- (b) The appropriate actions that will be taken in order to appropriately mitigate any significant adverse effects;
- (c) Construction Specifications and Plans of the monorail and associated facilities:
- (d) The route and form of the mountain bike track, from that location where it will deviate from the monorail track.

Prior to finalising the monorail route, RHL will walk the proposed route with the Project Liaison Officer.

The final route location shall form part of the final design plans and specifications submitted to the Grantor for approval in accordance with paragraph 4.2.2 of this protocol.

