

WITHOUT PREJUDICE

Kia Ora My Name is Russell Hollis, I am one of your three Advisory Trustees. Seated with me are Len Brown and John Hata, the other two Trustees. On behalf of us three Advisory Trustees I welcome you very warmly to this meeting of us owners.

This morning I speak to you as the Nominated Negotiator. (Under agreement by Judge Karen Fox of the Maori Land Court). I wish to speak covering three topics.

Legal Position

The Advisory Trustees as your elected representatives began the year in discussions and negotiations with the following:

a. The Maori Trust Office

Mr Maui Tangohau

b. The Local legal representative

Mr John Bunbury of Egan & Kite

In the previous year the Advisory Trustees were inundated/buried with an enormous quantity of damning evidence against the Crown and others – all contained in the Crown's files, obtained under the Official Information Act 1982.

It was immediately recognised that this evidence, to be clearly understood and clarified would require thorough examination to be recorded and catalogued under subject and quantities tabulation. The task was split two ways:

a. The huge amount of records and summaries of metal delivered from the Motuhora Quarry would need to be tabulated. It was agreed between Mr Tangohau and us three Advisory Trustees that the mammoth task be undertaken by our colleague and advisor of three years, Mr Alan Bright.

All facts were recorded on dissection sheets over a period of many months. The summaries of metal delivered from the Motuhora Quarry were checked against Mr Bright's dissection sheets and computer processed by Miss Rose Wharehinga. I present Miss Wharehinga's documents to you owners for your perusal. At this point I wish to record our sincere thanks to Miss Wharehinga for her brilliant computer expertise in compiling these two huge documents.

b. The damning evidence recorded in correspondence to and from various parties including the crown and Cabinet officials is not only alarming but clearly confirms how us natives have been subjected to many, many years of grievous intent.

ADVISORY TRUSTEES REPORT

This report is based on the outcome of the meeting of owners 1 May 2006 held at Omaramutu Marae.

The following decisions and recommendations were made by the beneficial owners on the recommendations of the Advisory Trustees and their legal advisers, Annette Sykes and Jason Pou.

- 1. **Not to accept** the recommendation by the Maori trustee by accepting their offer, proposal of \$20,000 from Fulton Hogan. (Arbitration)
- 2. Not to extend boundary to incorporate trespass area.
- 3. Not to extend lease for an additional 5 year term from 2009.
- 4. Report from QC

The following was through the Maori Land Court "Judge Karen Fox." Advisory Trustees legal advisers recommendation was to employ QC. Judge Karen Fox, Maori Land Court would cover the costs of QC. Maori Trustee to work with the Advisory Trustees and their legal advisers in any negotiations made by the Maori Trustee on their proposal with Fulton Hogan Ltd. The Court was informed by the Advisory Trustees legal advisers that they nominate one Advisory Trustee to be a negotiator with the Maori Trustee, this was granted. The Advisory Trustee nominated was: Henry Russell Hollis. It was also established by the Court that the Maori Trustee to forward updated accounts, these were to be audited and sent to the Advisory Trustees legal advisers Ms Annette Sykes and Jason Pou as they requested – two separate accounts.

Question: Why amalgamated into one account?

The following is a report on the last three months:

Advisory Trustees met with QC, his opinion: Arbitration still stands. Maybe able to work around the fringes, the same opinion was given to the Maori Trustee by the QC.

Negotiations with Fulton Hogan:

The Maori Trustee adopted the original proposal (\$20,000) plus. Also to extend the boundary. This was **declined** by the Advisory Trustees Negotiator.

Maori Trustee forwarded a second proposal: Increase royalty from original proposal and to extend the lease for a further five years from 2009.

This was also declined by the Advisory Trustees Negotiator.

Opinion: If Fulton Hogan cannot show they have a legal lease, licence – NO negotiations. Fulton Hogan have nothing to negotiate with.

The Advisory Trustees Negotiator questioned the Maori Trustee on the legality of Fulton Hogan's lease, licence. Document from Minister Duynhoven – Quote: Fulton Hogan Ltd have overlooked this, my associates will work through this with Fulton Hogan Ltd.

Question to the Maori Trustee:

Legality of the lease/licence (no response). Maori Trustees lawyer Mr James Johnson fax: "Maori Trustee is the Responsible Trustee, they have the power to authorise a lease, licence, variation or whatever they may determine." The Advisory Trustees and Adviser add a vital condition – ONLY WITH THE CONSENT OF THE OWNERS GIVEN AT A LEGALLY NOTIFIED MEETING OF OWNERS.

However, it is the opinion of the Advisory Trustees and Adviser that Fulton Hogan do not have a valid lease, licence to extract metal under the terms of the Public Work Act. They only have a variation to the original which has specific terms of the Act: a maximum of 7,600 cubic metres extracted per annum.

Basing these findings on the Act it is also the Advisory Trustees opinion that Fulton Hogan have breached the lease/licence by extracting over 7,600 cubic metres per annum – refer to Quarry Sales Fulton Hogan.

It is also the opinion of the Advisory Trustees and Adviser that the excessive extraction by Fulton Hogan Ltd is theft.

Mining Permit 41482 Issued in Error (Minerals Never Left Native Ownership)
The Advisory Trustees and Adviser Opinion is: That the Maori Trustee has been incompetent on negotiations for the claims for the beneficial owners – lack of credibility, integrity and honesty. ie Signing documents; changing clauses in arbitration to be false and misleading; using farm investment funds without consent and notification to owners or Advisory Trustees.

KO TE WHENUA WHAKAPAUPAKIHI 2 MOUTOHARA QUARRY

Hui of Owners 1 MAY 2006

Ngā Take

- Mihimihi / Apologies
- Current Administration
- Hei Whakamārama / Whenua
- Report by the Māori Trustee
- **Owners View on Settlement Offer**
- Review of role of Māori Trustee
- Financial Report
- General Business

Current Administration

- Te Ture Whenua Māori Act 1993 Māori Freehold Land
- ☐ Māori Trustee Appointed Responsible Trustee by MLC Order 22nd February 1963
- **3 Advisory Trustees**

Whakapaupakihi 2 - Location

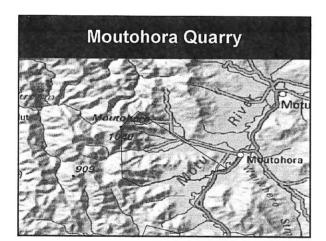
Hei Whakamārama Whenua – Whakapaupakihi 2

- ☐ Area: 794.1635 ha.
- 1374/3311 Owners notified on 11 April
- Leased to Mullooly Family Partnership x 22 January 1997
- **Expires 21 January 2007**
- Annual Rental

\$5,000 for 1st 5 years

\$20,000 for remainder

plus Rates



		 -
	*	
	-	

Waitangi Tribunal Claim – Wai 864 The Claim is broken down as follows · What extent the Crown obtained title to the metal • Did the taking give rise to a breach of the Treaty Waitangi Tribunal Claim Claim now being conducted by Advisory Trustees ¹Preliminary Stages -Maoti Trustee withdrawing as a party District Court (Fulton Hogan) Claim

District Court Claim control	
District Court Claim…cont'd ■ The Fulton & Hogan Offer:	****
Increased royalty to \$1 for chip	
and 0.50c on all other processed	
products. Currently 0.30c	
2. \$2,500 scholarship per year3. Ongoing regard for environmental	
standards re: planting of natives	
4. Extension of the lease to 2038	
5. Boundary adjustment to allow access	

District Court Claimcont'd	
■ Offer declined ■ On 18 November 2002 the Māori	
Trustee agreed with the support of the	·
Advisory Trustees to the appointment of solicitors Egan & Kite to act.	
■ After a further 10 months of extensive	
discussions with the Advisory Trustees and others a counter offer was	
prepared.	
District Court Claim…cont'd	
■ On 3 September 2003 a counter offer	
was prepared and Egan & Kite instructed to serve.	·

District Court Claim...cont'd **■ There were further meetings in 2004 on** this with the Advisory Trustees & then Solicitors. Strong views were expressed. On legal advice proceedings were filed. - Alleging trespass by Fulton Hogan - Seeking damages from wrongful use of - Seeking an appropriate Royalty for the wrongful use of land District Court Claim...cont'd By agreement with Advisory Trustees arbitration process entered into Experts were appointed and agreed by both parties Peter Madden was appointed on the advice of the Advisory Trustees District Court Claim...cont'd ■ The Experts views Both experts agreed that In relation to the access breach that

■ \$20,000 be paid in full and final

to extend the lease to 2014

■ or \$30,000 if the Māori Trustee agreed

settlement

District Court Claim - cont'd **Independent expert engaged (George** Cunningham) ■ Meeting with Bob Fulton of Fulton Hogan held 7 December 2005 where received 'without prejudice offer' from **Fulton Hogan District Court Claim - Summary** ■ Offer put to the Advisory Trustees on 20 December 2005 and rejected Recommendation ☐ The Māori Trustee recommends the following:-- \$20,000 in full settlement of all claims between the parties - Royalties of \$2 per m³ for PSV Chip 0.50c per m³ for processed products 0.30c per m³ for unprocessed products Effective from 1 September 2004 - That the existing lease run its term to 31 August 2009 - Rental to be \$1,500 per year from 1 September 2004 - Minimum Royalty \$5,000 per year - Apprenticeship scheme offered by Fulton Hogan

