



Due Diligence Report

Project Number: 49450-005

Date: June 2017

Cook Islands: Renewable Energy Sector Project (Additional Financing)

Prepared by *the Ministry of Finance and Economic Management* for the Asian Development Bank

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ACRONYMS AND ABBREVIATIONS

ADB	-	Asian Development Bank
AP	-	Affected Person
BESS	-	Battery Energy Storage System
CIGPC	-	Cook Islands Government Property Corporation
CIIC	-	Cook Islands Investment Corporation
DDR	-	Due Diligence / Social Compliance Report
GEF	-	Global Environment Facility
GIS	-	geographic information system
GRM	-	Grievance Redress Mechanism
IA	-	Implementing Agency
MFEM	-	Ministry of Finance and Economic Management
OEC	-	Office of Energy Commissioner
PMU	-	Project Management Unit
PV	-	Photovoltaic
REDD	-	Renewable Energy Development Division
TAU	-	<i>Te Aponga Uira o Tumu Te Varovaro</i>

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1. Introduction

1. This Due Diligence / Social Compliance Report (DDR) is for the proposed Phase 2 subprojects to be funded by the Global Environment Facility (GEF) and the Green Climate Fund (GCF) on the island of Rarotonga. ADB has classified the proposed Phase 2 GEF/GCF-funded subproject on Rarotonga as Category C for Involuntary Resettlement—meaning “A proposed project has no involuntary resettlement impacts. No further action is required” (<http://www.adb.org/site/safeguards/safeguard-categories>). The due diligence review presented here supports that classification.

2. Project Overview

2. The proposed Renewable Energy Sector Project will assist the Government of the Cook Island to reduce the country’s heavy reliance on imported fossil fuels for power generation by providing a secure, sustainable, and environmentally sound source of electricity for private and commercial consumers. The impact of the project will be increased energy security in an environmentally sustainable manner. The outcome will be increased access to a higher share of electricity generated by renewable energy sources.

3. The project will have two outputs: (i) construction of six solar power plants and rehabilitation of existing distribution networks on the six inhabited islands of the southern group (Rarotonga, Aitutaki, Atiu, Mitiaro, Mauke, and Mangaia) and (ii) institutional strengthening and project management support.

4. Project implementation is divided into two phases. Phase 1 will include subprojects on Atiu, Mitiaro, Mauke, and Mangaia. Phase 1 subprojects will construct four solar power generation units with associated equipment, replace two power station buildings (Mitiaro and Mauke), upgrade two others (Atiu and Mangaia), and refurbish distribution systems in three outer islands (Mitiaro, Mauke, and Mangaia).

5. Phase 2 will include subprojects on Aitutaki and Rarotonga. The proposed subprojects on Rarotonga, which is the subject of this DDR, will be funded by GEF and GCF and will install a Battery Energy Storage System (BESS) and a second stage of energy storage (R-ESS-2) subproject into the Rarotonga grid. This will enable more renewable generation to be installed and better utilised than would otherwise be possible. The outcomes will be reduced diesel fuel consumption, greenhouse gas savings, progress towards the Cook Islands renewable policy target, and security for local renewable generation supply businesses.

6. The project Executing Agency is the Ministry of Finance and Economic Management. The Implementing Agencies (IA) are *Te Aponga Uira* (TAU) for the Rarotonga subproject and Renewable Energy Development Division (REDD) for the subprojects on Aitutaki, Atiu, Mitiaro, Mauke, and Mangaia. The Office of Energy Commissioner provides overall planning and coordination. The Cook Islands Investment Corporation (CIIC) provides support to the IAs in project implementation especially for land acquisition. CIIC is the parent company of the state-owned enterprise (TAU) that owns the electric utility assets, and CIIC carries out land acquisitions for those assets.

7. Detailed institutional arrangements for the GEF/GCF-funded subproject on Rarotonga are as follows:

8. MFEM: As the executing agency (EA) of the project, Ministry of Finance and Economic Management (MFEM) will have overall responsibility through the IAs to ensure implementation of the project, including land acquisition, implementation of any mitigation measures, and reporting on safeguards. MFEM will also be responsible to ensure through relevant agencies updating of the RP and obtaining lands required for the project. MFEM will submit social safeguard monitoring reports to ADB.

9. OEC: As the cross-sector coordinating agency, Office of Energy Commissioner (OEC) will coordinate the project implementation with REDD, CIIC, and IAs and provide assistance in liaising with other government ministries and agencies as needed.

10. CIIC: As the government investment corporation and owner of power utilities, CIIC will lead the land acquisition process and compensation payment to landowners. All costs for the project related land acquisition, compensation, surveys, implementation, and monitoring will be provided by the Cook Islands government through CIIC. The costs of consultants and experts will be funded under the ADB loan.

11. REDD: As the Implementing Agency (IA) for Phase 1 subprojects, REDD through the Project Management Unit (PMU) and in coordination with CIIC, has the responsibility to implement day-to-day activities related to land acquisition and compensation. Its responsibilities include:

- (i) Collaborating with relevant government agencies in land acquisition and compensation;
- (ii) Providing resources to carry out surveys and investigations;
- (iii) Collaborating with the government agencies for negotiations and agreements with landowners;
- (iv) Carrying out consultations with APs ensuring that they are informed about the project and its policies and procedures, ensure that all requirements are carried out on public disclosure of the provisions for land acquisition and compensation, and implement and monitor the grievance redress process;
- (v) Updating the RP, including confirmation of the cut-off date, compensation amount, and other details, and submit to ADB with necessary approvals;
- (vi) Monitoring the process of allocation and disbursement of funds and ensuring that funds are available and compensation is paid in a timely manner; and
- (vii) Carrying out all other activities including internal monitoring of land acquisition and compensation activities.

12. PMU: The project management unit (PMU), composed both of consultants and staff from the IA, will be established for implementing the project. The PMU will have a Team Leader/Manager and other project implementation specialists including social safeguards specialists to ensure project activities including the RP are implemented, monitored, and reported to ADB.

3. Methodology

13. The methodology for this DDR included consultation with national and local stakeholders, a site visit, and review of emails, cadastral maps, lease documents, and project design documents.

4. Project Components and Screening of Resettlement Impacts

14. The plan for the first stage GEF-funded subproject on Rarotonga is to install a Battery Energy Storage System (BESS) into the Rarotonga grid. The BESS is to be housed in containers positioned on one of two potential sites located on government-owned freehold land at the Rarotonga airport on the northwest coast of Rarotonga. Access to both sites would be from public roads across the parcels in question. Storage of materials and staging during construction would be on the same respective parcels.

15. The preferred and most likely site for the BESS is on the airport property inside the security fence encircling the existing solar photovoltaic (PV) array just southwest of the terminal building (see Figure 1, right, and Figure 2).



16. The GCF-funded subproject or second stage battery storage (R-ESS-2) is on the south side of the runway adjacent to the substation that serves the airport and its PV array, and also located at the existing TAU main power station site. The R-ESS-2 location was the original alternative site for BESS as illustrated in Figure 2.

Figure 2: Site options for GEF subproject works on Rarotonga (Google Earth photo, 2014).



17. Figure 3 (below) shows an aerial photo of the area with GIS overlays of coastal hazard zones (red, blue, and yellow fill) and cadastral boundaries (dashed white lines). The boundary shown in fluorescent-green marks the preferred BESS location inside the security fence surrounding the existing PV array. The R-ESS-2 site at the *Te Aponga Uira o Tumu Te Varovaro* (TAU) substation is marked by an olive-green dot on the south side of the runway.

5. Due Diligence and Compliance Audit

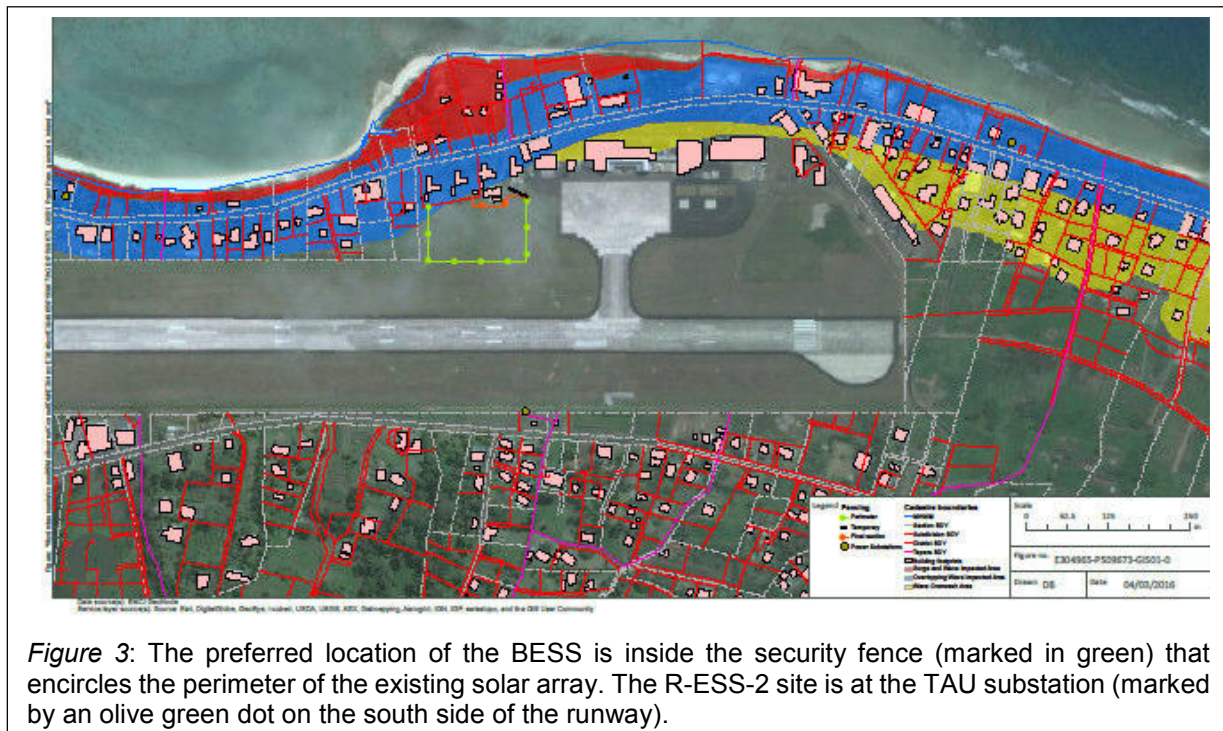
18. All government-owned land is vested in the Cook Islands Government Property Corporation (CIGPC) established under and by virtue of the Cook Islands Government Property Corporation Act 1969 (Section 5, as amended, 1999).

19. The Cook Islands Investment Corporation (CIIC) administers and manages CIGPC as an “in-substance subsidiary” in accordance with Section 31 (2) of the Cook Islands Investment Corporation Act 1998 (CIGPC Annual Report 2013, p. 5). The Cook Islands Investment Corporation (CIIC) is a statutory Corporation of the Cook Islands Government established in 1998 (<http://ciiconline.com/about-ciic/>).

20. The Airport Authority manages the airport (Airport Authority Act 1985) including the airport land.

21. CIIC administers and manages the Airport Authority as its subsidiary (<http://ciiconline.com/about-ciic/>). CIIC also administers and manages the electric power utility, TAU, as its subsidiary (ibid).

22. An “agreement” or lease document dated May of 2014 (Attachment A, second part) shows that TAU has leased the BESS site (“PV site”) from the Airport Authority for a period of 20 years with no right of renewal specified. Article 1 of the Deed of Lease (p. 2) specifies that the land



“shall be used for the establishment, improvement, maintenance, operation and management of facilities for generation, transmission and distribution of energy...and any purpose ancillary thereto” (emphasis added), which would appear to cover the BESS.

23. Another lease document dated May of 2000 (Attachment A, first part) shows that TAU has also leased the R-ESS-2 site (“Substation site”), consisting of two contiguous parcels, from the CIGPC for a period of 60 years computed from the 1st day of April, 1999, with no right of renewal specified. Article 1 of the Deed of Lease (p. 2) specifies that the land “shall be used for the establishment, improvement, maintenance, operation and management of facilities for generation, transmission and distribution of energy...and any purpose ancillary thereto” (emphasis added), which again would appear to cover the R-ESS-2. The last site for the R-ESS-2 is the existing TAU main power station site leased by TAU from the Government of the Cook Islands.

24. By the chain of laws and leases described above, TAU has come to control all potential subproject sites under government leases. All parties to the leases are bodies of the national government. TAU itself will own and operate the BESS and R-ESS-2 proposed for installation on the three sites that TAU itself holds. Therefore, the proposed subproject to install a BESS and R-ESS-2 on these three sites will not require any land acquisition. No private, non-land assets exist on either of the two sites. Thus, the proposed subproject will not involve involuntary resettlement of non-land assets. There are, therefore, no Affected Persons.

25. The PV site appears not to have been surveyed when the Airport Authority leased the area to TAU. Thus, there is no survey map showing the location and boundaries of the area that is the preferred site for the BESS subproject.

26. Nevertheless, numerous design drawings, emails, and face-to-face meetings between the Airport Authority and TAU during planning of the solar project and more recently between the Airport Authority, TAU, and the subproject consultants during planning and due diligence for the BESS subproject, indicate full understanding of and agreement between the Airport Authority and TAU that the leased area proposed as the BESS subproject site is indeed that area now encircled by the security fence around the PV array (Figure 4, above, showing potential local of BESS containers in red).

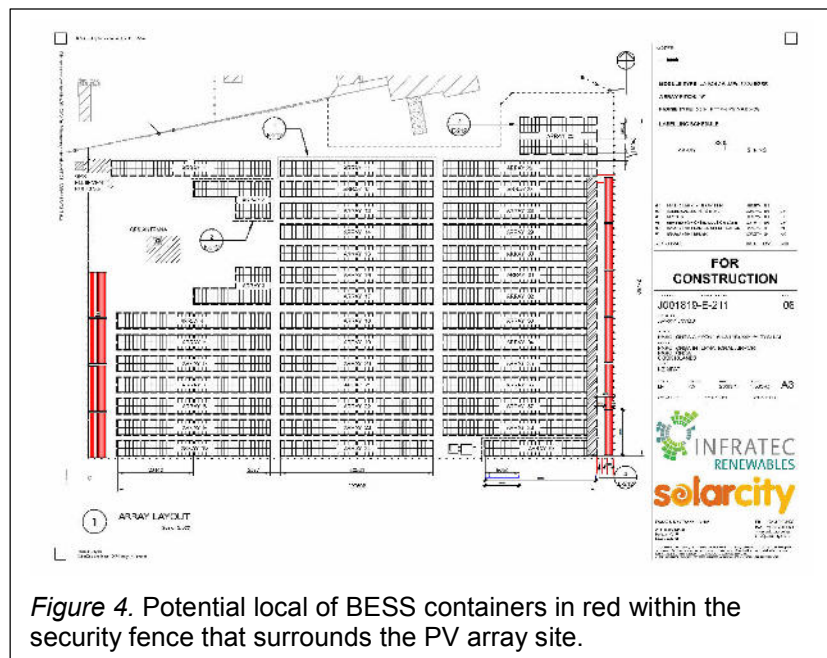


Figure 4. Potential local of BESS containers in red within the security fence that surrounds the PV array site.

27. Figure 5 (right) shows the two surveyed lease areas that together make up the site that houses the TAU substation, which is the preferred option for housing the R-ESS-2.

28. Note that neither survey map ties the surveyed boundaries into a known datum point, so the maps do not indicate the locations of the two leased areas on the ground or how the two leased areas might fit together. Thus, neither the lease documents themselves nor the accompanying survey maps tell us exactly where the parcels are located.

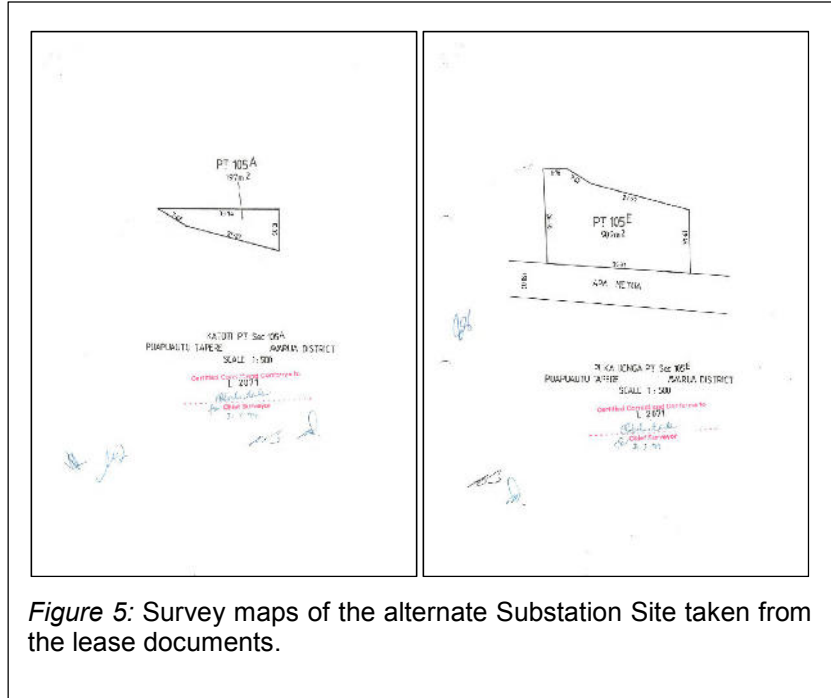


Figure 5: Survey maps of the alternate Substation Site taken from the lease documents.

29. Figure 6 (right) shows where the two lease areas appear to lie on the ground and how they appear to fit together when the survey boundaries are superimposed along with cadastral boundaries on an aerial photo of the area. The two leased areas appear to correspond to the TAU substation site on the south side of the airport runway.

30. As documented above, both potential subproject sites are owned by the national government and are held under valid, long-term leases by the statutory government entity (TAU) that would own and operate the BESS and R-ESS-2. All existing economic assets on the two sites are also owned by TAU.

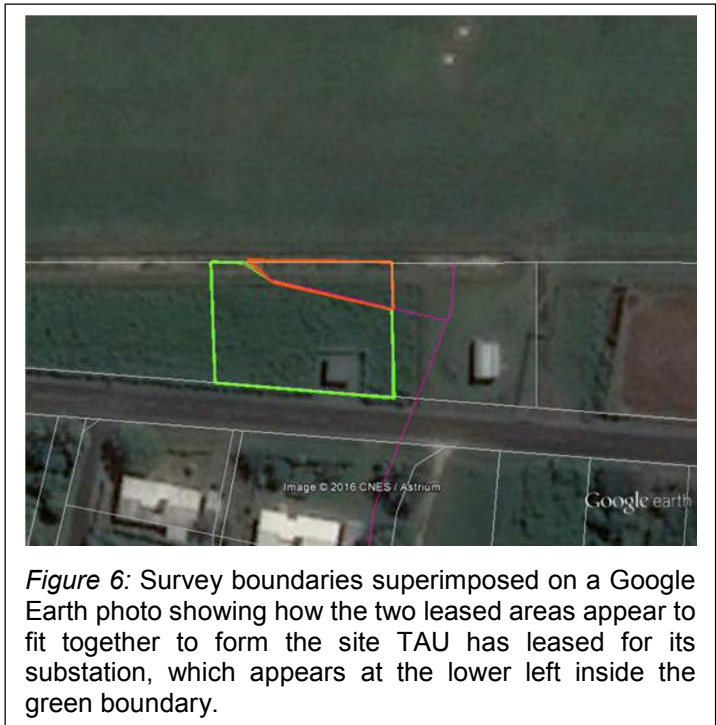


Figure 6: Survey boundaries superimposed on a Google Earth photo showing how the two leased areas appear to fit together to form the site TAU has leased for its substation, which appears at the lower left inside the green boundary.

6. Consultations and Disclosure

31. The project team met in mid to late 2015 with CIIC, Crown Law, TAU, and other officials as listed below:

Name	Organization
Elizabeth Wright-Koteka	Office of the Prime Minister
Repeta Puna	Office of the Prime Minister
Apii Timoti	Te Aponga Uira
Elizabeth Tome	Te Aponga Uira
Alex Napa	Te Aponga Uira
Steve Anderson	Te Aponga Uira
Peter Tierney	MFEM
Vanessa Jenner	MFEM
Charmaine Dolan	MFEM
Tangi Tereapii	REDD
Ngateina Rani	REDD
Tamarii Tutangata	CIIC
Lloyd Miles	CIIC
Mike Henry	CIIC
Malcolm Sword	CIIC
Catherine Evans	Crown Law
Joseph Mahew	NZ High Commission
Steve Henderson	NZ High Commission
Woo Yul Lee	ADB

32. The project team also carried out a site visit on Rarotonga on 23 Feb, 2016, and met with CIIC, TAU, and the Airport Authority in person and by emails and Skype calls as listed below.

Name	Organization
Joe Ngamata	Chief Executive Officer, Airport Authority
Tamarii Tutangata	Chief Executive Officer, CIIC
Lloyd Miles	Legal Advisor, CIIC
Apii Timoti	Chief Executive Officer, Te Aponga Uira
Dallas Young	Commercial Manager, Te Aponga Uira
Tama Heather	Electrical Engineer, Te Aponga Uira
Steve Anderson	Board Member, Te Aponga Uira
Elizabeth Wright-Koteka	Chief of Staff, Office of the Prime Minister

33. This DDR will be disclosed to the general public through distribution of the written reports, posting documents on the government web sites, and electronic access to the reports on the ADB project web site.

7. Grievance Redress Mechanism

34. The Grievance Redress Mechanism proposed for this site will be the same with the other sites as follows:

35. In order to receive and facilitate the resolution of any concerns or complaints of any Affected Person (AP) about the project's social and environmental safeguards compliance, a Grievance Redress Mechanism (GRM) has been developed for the project to be established at each subproject site. When and where the need arises, this mechanism will be used to address any concerns or complaints that may arise during implementation and operation of the project.

36. The GRM will address APs concerns and complaints promptly and transparently through the process outlined below. The GRM will be gender responsive and readily accessible to all APs at no cost. The GRM will not impede APs access to the Cook Islands' judicial or administrative remedies. Implementing Agencies (IAs) in coordination with CIIC and Islands Councils will further inform APs about the GRM.

37. The key functions of the GRM are to: (i) record, categorize, and prioritize the grievances; (ii) resolve the grievances in consultation with complainant(s) and other stakeholders; (iii) inform the aggrieved parties about the solutions; and (iv) forward any unresolved cases to higher authorities for resolution.

38. The Project Management Unit (PMU) will be the grievance focal point to receive, record, review, and address project-related concerns in coordination with government authorities. APs have been and will be made fully aware of their rights during consultations about land requirements. Since the PMU had not yet been set up at the time of consultations with APs and other stakeholders in May and June of 2015, people were advised to submit any concerns or complaints to the REDD office. APs and other stakeholders are all familiar with the REDD office, and the PMU will be located in the REDD office one established.

39. Any complaint will be recorded and investigated by the PMU working with relevant staff of the individual subproject. The PMU will inform or update the relevant IA immediately of any complaints. A complaints register will be maintained that will record the details and nature of each complaint, who makes the complaint, the date, and what actions are taken as a result of the resulting investigation. The register will also cross reference any non-compliance report and/or corrective action report or other relevant documentation.

40. When subproject implementation starts, a sign will be erected at all sites providing the public with updated project information and summarizing the grievance redress process including contact details of the relevant person at the PMU. All corrective actions and responses carried out on site will be reported back to the PMU. The PMU will report on the complaints register and on corrective actions and other responses in its progress reports to the ADB. In the whole process, relevant Cook Islands national agencies will be always available to review public complaints and advice on the PMU's performance for grievance redress.

41. Any APs or village elected or traditional leaders can take a grievance to the PMU or to the site office. On receipt of a complaint in any form (in person, telephone, written), the PMU focal officer for the subproject will log the details in a complaints register. The PMU will review and find a solution to the problem within two weeks in consultation with village or traditional chief and relevant local agencies. Then PMU will report back the outcome of the review to the source within a week. If the complainant is dissatisfied with the outcome at the PMU level or has received no

report in the allotted time period, he or she can take the grievance through island council to relevant national agencies (CICC, REDD, etc.). The relevant national agency reviews and reports back to the source on the outcome. If unresolved or at any time complainants is not satisfied, he or she can take the matter to an appropriate court. The PMU will report both resolved and unresolved complaints to ADB.

42. The table below sets out the process to record and resolve any project-related grievances.

Grievance Redress Process

Stage	Process	Duration
1	Affected Person (AP), island elected or traditional chief, or other concerned party takes grievance to PMU.	Any time
2	PMU reviews and finds solution to the problem in consultation with island elected or traditional chief and relevant agencies.	2 weeks
3	PMU reports back an outcome to people who submitted the grievance.	1 week
If unresolved or not satisfied with the outcome at PMU level		
4	Concerned party takes grievance through Island Council to relevant national agency (CIIC, REDD, etc.).	Within 2 weeks of receipt of decision in step 3
5	National agency reviews and finds a solution.	4 weeks
6	National agency reports back to the people who made the complaint.	1 week
If unresolved or at any stage if AP is not satisfied		
Concerned party can take the matter to appropriate court.		As per judicial system

8. Follow up Actions

43. A Resettlement Plan is not required for this subproject. The subproject will not cause any physical and economic displacements nor require any land acquisition since the scope of work will be confined within state-owned land. CIIC should survey or re-survey the chosen site to tie in the boundaries to a known datum point. This will not affect the proposed subproject, however, and need not be ordered as a project condition.

9. Monitoring and Reporting

45. No monitoring and reporting is required for land acquisition and resettlement issues as there are none. Relevant information related to safeguards, if any, will be reported in the project's progress report. Any unanticipated issues will be dealt with in accordance with ADB's Safeguard Policy Statement (2009) and the project's resettlement framework.

Attachment A: TAU and AA Lease Documents

DEED OF LEASE made this 28th day of

April

2000

BETWEEN THE COOK ISLANDS GOVERNMENT PROPERTY CORPORATION a Corporation established under and by virtue of the Cook Islands Government Property Corporation Act 1969 (hereinafter together with its successors and assigns called "the Lessor") of the one part

AND TE APONGA UIRA O TUMU-TE-VAROVARO an Authority established by the Te Aponga Uira o Tumu-Te-Varovaro Act 1991 (hereinafter together with its successors and assigns called "the Lessee") of the other part

WHEREAS by Order in Council made on the 17th day of September 1969 (hereinafter referred to as "the said Order") ALL THAT PARCEL OF LAND containing SEVEN ACRES THREE ROODS AND TWENTY ONE PERCHES (7a:3r:21p) more or less situated in the District of Avarua, Island of Rarotonga in the Cook Islands and being part of the land named by the Native Land Court KATOTI SECTION 105A & 105B, AVARUA and part of the land contained in an Order on Investigation of Title made by the said Court on the 14th day of April 1903 as the said parcel of land is more particularly described in the said Order (hereinafter referred to as "the first land") was vested in Her Majesty absolutely.

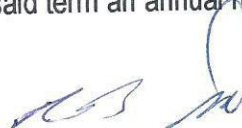
AND WHEREAS pursuant to the Cook Islands Government Property Corporation Act 1969 the first land was vested in the Lessor

AND WHEREAS the Lessee has constructed an electrical power supply substation on part of the first land

AND WHEREAS the Lessor has agreed to lease to the Lessee that part of the first land comprising ONE HUNDRED AND NINETY SEVEN SQUARE METRES (197m²) more or less as the same is more particularly delineated and described in the plan deposited at the Office of the Chief Surveyor at Rarotonga under L2071 thereof drawn hereon (hereinafter referred to as "the said land") on which the electrical power supply substation is located

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants and conditions on the part of the Lessee herein contained and by law implied the Lessor DOTH HEREBY LEASE unto the Lessee the said land TO HOLD the same unto the Lessee for a term of SIXTY (60) YEARS computed from the 1st day of February 2000 ("the said term"), yielding and paying therefore:

- (a) For and during the first ten (10) years of the said term an annual rental of ONE DOLLAR (\$1.00)



- (b) For and during each succeeding period of ten (10) years of the said term annual rentals as shall be agreed upon by the Lessor and Lessee or failing agreement at such annual rental as shall be fixed by arbitration in accordance with the Arbitration Act 1908 (New Zealand), such rentals to be based upon then current market rentals for comparable unimproved land of a similar value to the said land in its unimproved condition and the terms conditions and provisions of this Deed.

SUCH RENTAL to be payable to the Lessor in advance on the 1st day of February in each and every year of the said term subject to the following terms and conditions:-

1. **THE** said land shall be used for the establishment, improvement, maintenance, operation and management of facilities for generation, transmission and distribution of energy in accordance with Section 16 of the Te Aponga Uira O Tumu-Te-Varovaro Act 1991 and any purpose ancillary thereto.
2. **THE** Lessee shall pay all rates and taxes which may during the said term be levied and payable in respect of the said land.
3. **THE** Lessee shall during the said term keep the said land free from all noxious weeds and growths and shall comply with the laws for the time being in force in the Rarotonga relating thereto.
4. **THE** Lessee may transfer or assign by way of mortgage or otherwise charge its interest under this Deed as security for loans to the Lessee.
5. **THE** Lessee shall not transfer assign sublet or otherwise part with the possession of the said land or any part thereof (except by way of mortgage as security for advances) without the Lessor's prior written consent, which consent shall not be unreasonably or arbitrarily withheld or delayed.
5. **IF** at any time during the term hereof the Lessee wishes to transfer assign or sublease the whole or any part of the said land for any term the Lessor shall have the right of first refusal to the transfer assignment or sublease (together called "the alienation") as the case may be upon the following conditions:
 - (a) The Lessee shall give notice in writing to the Lessor ("the Lessee's notice") specifying the terms and conditions including consideration upon which the Lessee wishes to transfer assign or sublease, such notice to be delivered or posted by registered post to the Lessor residing at its last known address in Rarotonga.



- (b) The Lessor may within one month after the receipt of the Lessee's notice give notice in writing to the Lessee of its intention to accept the alienation upon the terms and conditions specified in the Lessee's notice.
 - (c) If the Lessor does not within the said period of one month signify its intention to accept the said alienation upon the terms and conditions specified in the Lessee's notice or if the Lessor signifies its intention not to accept the said alienation, the Lessee may transfer assign or sublease to any other person upon the terms and conditions specified in the Lessee's notice.
 - (d) The Lessees may not assign or sublease any part of the said land for any term to any other person on any conditions other than those specified in the Lessee's notice without first giving to the Lessor a further notice in writing specifying the terms and conditions pertaining to the proposed alienation whereupon the provisions of paragraphs (b) and (c) of this clause shall apply mutatis mutandis to any alteration of the conditions specified in any such notice or notices.
 - (e) In the event of the Lessor exercising its rights to the alienation as aforesaid the Lessor and the Lessee shall do all things and execute all such deeds and documents as may be necessary to enable completion of the said alienation.
6. **THE** Lessee performing all and singular the covenants conditions and restrictions on its part herein expressed or implied shall quietly enjoy and hold the said land throughout the said term without any interruption by the Lessor or any person lawfully claiming under it.
7. **THE** Lessee shall be entitled at any time during the said term to demolish or remove any building erected on the said land without the payment of any sum of money to the Lessor by way of compensation or otherwise provided that the sites of any buildings or other improvements so removed shall be left in a clean and tidy condition.
8. **IF** the rental hereby reserved or any part thereof shall be in arrears and unpaid for the space of three calendar months after becoming due or if the Lessee for a like period fails to observe or perform any of the covenants or conditions on its part herein contained or implied the Lessor may thereupon or at any time thereafter re-enter upon the said land and terminate this Lease but without prejudice to the rights of the Lessor to recover any rent which may be in arrears or unpaid at the date of such termination.



9. **THE** Lessee shall indemnify the Lessor from all claims and demands of every kind resulting from any accident, damage or injury occurring on or from the said land and the Lessee expressly agrees that the Lessor shall have no responsibility or liability for any loss or damage to fixtures on the said land.

IN WITNESS WHEREOF these presents have been executed the day and the year first hereinbefore written.

THE COMMON SEAL of the **COOK ISLANDS INVESTMENT CORPORATION** was hereunto affixed in accordance with Section 28A of the Cook Islands Investment Corporation Act 1998



[Handwritten signature] *[Handwritten signature]*

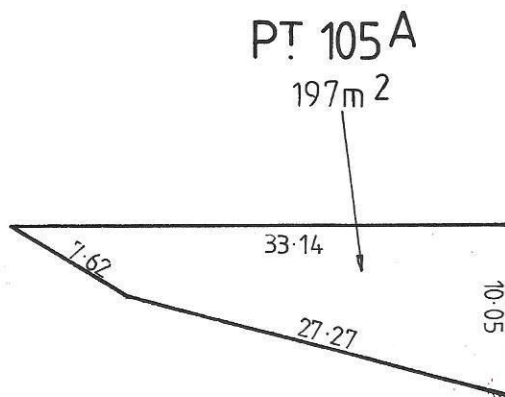
SIGNED for an on behalf of **TE APONGA UIRA O TUMU-TE-VAROVARO** as Lessee by its duly authorised nominee pursuant to a Cabinet decision made on 4th April 2000

[Handwritten signature]
Chairman

in the presence of: Tim Murray
ACCOUNTANT

[Handwritten signature]
CEO

[Handwritten signature]



KATOTI PT Sec 105A
PUAPUAUTU TAPERE AVARUA DISTRICT
SCALE 1:500

Certified Correct and Conforms to
L 2071

Rah. Lake
for Chief Surveyor
31.3.99.

[Handwritten signature]

[Handwritten signature]

CERTIFICATE OF CONFIRMATION

(Rule 51)

THE COOK ISLANDS ACT 1915

AT a sitting of the High Court (Land Division) held at Rarotonga this day of
2000 before

WHEREAS the said Court, after due inquiry, is satisfied that the alienation purporting to be effected by the within Deed has been effected in all respects in accordance with the law in force at the time of the execution thereof and as to all the matters upon which the said Court is by law required to be satisfied, the said Court hereby confirms the alienation purporting to be effected by the within Deed.

GIVEN under the seal of the Court at Rarotonga this day of 2000.

BY THE COURT

(Deputy) Registrar

DATED

2000

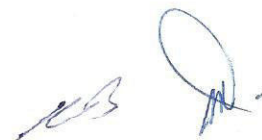
THE COOK ISLANDS GOVERNMENT PROPERTY
CORPORATION

AND

TE APONGA UIRA O TUMU-TE-VAROVARO

DEED OF LEASE
KATOTI SECTION 105A & 105B, AVARUA

CLARKES P.C.
SOLICITORS
RAROTONGA



DEED OF LEASE made this

8th day of

May

1999

BETWEEN THE COOK ISLANDS GOVERNMENT PROPERTY CORPORATION a Corporation established under and by virtue of the Cook Islands Government Property Corporation Act 1969 (hereinafter together with its successors and assigns called "the Lessor") of the one part

AND TE APONGA UIRA O TUMU-TE-VAROVARO an Authority established by the Te Aponga Uira o Tumu-Te-Varovaro Act 1991 (hereinafter together with its successors and assigns called "the Lessee") of the other part

WHEREAS by Order in Council made on the 22nd day of August 1945 (hereinafter referred to as "the said Order") ALL THAT PARCEL OF LAND containing ONE ACRE THREE ROODS AND TWENTY ONE PERCHES (1a : 3r : 21p) more or less situated in the District of Avarua, Island of Rarotonga in the Cook Islands and being part of the land named by the Native Land Court PUKAUENGA SECTION 105E, AVARUA and part of the land contained in an Order on Investigation of Title made by the said Court on the 21st day of June 1905 as the said parcel of land is more particularly described in the said Order (hereinafter referred to as "the first land") was vested in Her Majesty absolutely.

AND WHEREAS pursuant to the Cook Islands Government Property Corporation Act 1969 the first land was vested in the Lessor

AND WHEREAS the Lessee has constructed an electrical power supply substation on part of the first land

AND WHEREAS the Lessor has agreed to lease to the Lessee that part of the first land comprising NINE HUNDRED AND NINE SQUARE METRES (909m²) more or less as the same is more particularly delineated and described in the plan thereof drawn hereon (hereinafter referred to as "the said land") on which the electrical power supply substation is located

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the covenants and conditions on the part of the Lessee herein contained and by law implied the Lessor DOETH HEREBY LEASE unto the Lessee the said land TO HOLD the same unto the Lessee for a term of SIXTY (60) YEARS computed from the 1st day of April 1999 ("the said term"), yielding and paying therefore:

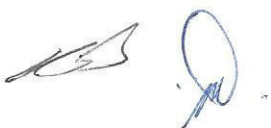
- (a) For and during the first ten (10) years of the said term an annual rental of ONE DOLLAR (\$1.00)



- (b) For and during each succeeding period of ten (10) years of the said term annual rentals as shall be agreed upon by the Lessor and Lessee or failing agreement at such annual rental as shall be fixed by arbitration in accordance with the Arbitration Act 1908 (New Zealand), such rentals to be based upon then current market rentals for comparable unimproved land of a similar value to the said land in its unimproved condition and the terms conditions and provisions of this Deed.

SUCH RENTAL to be payable to the Lessor in advance on the 1st day of April in each and every year of the said term subject to the following terms and conditions:-

1. **THE** said land shall be used for the establishment, improvement, maintenance, operation and management of facilities for generation, transmission and distribution of energy in accordance with Section 16 of the Te Aponga Uira O Tumu-Te-Varovaro Act 1991 and any purpose ancillary thereto.
2. **THE** Lessee shall pay all rates and taxes which may during the said term be levied and payable in respect of the said land.
3. **THE** Lessee shall during the said term keep the said land free from all noxious weeds and growths and shall comply with the laws for the time being in force in the Rarotonga relating thereto.
4. **THE** Lessee may transfer or assign by way of mortgage or otherwise charge its interest under this Deed as security for loans to the Lessee.
5. **THE** Lessee shall not transfer assign sublet or otherwise part with the possession of the said land or any part thereof (except by way of mortgage as security for advances) without the Lessor's prior written consent, which consent shall not be unreasonably or arbitrarily withheld or delayed.
6. **IF** at any time during the term hereof the Lessee wishes to transfer assign or sublease the whole or any part of the said land for any term the Lessor shall have the right of first refusal to the transfer assignment or sublease (together called "the alienation") as the case may be upon the following conditions:
 - (a) The Lessee shall give notice in writing to the Lessor ("the Lessee's notice") specifying the terms and conditions including consideration upon which the Lessee wishes to transfer assign or sublease, such notice to be delivered or posted by registered post to the Lessor residing at its last known address in Rarotonga.
 - (b) The Lessor may within one month after the receipt of the Lessee's notice give notice in writing to the Lessee of its intention to accept the alienation upon the terms and conditions specified in the Lessee's notice.



- (c) If the Lessor does not within the said period of one month signify its intention to accept the said alienation upon the terms and conditions specified in the Lessee's notice or if the Lessor signifies its intention not to accept the said alienation, the Lessee may transfer assign or sublease to any other person upon the terms and conditions specified in the Lessee's notice.
 - (d) The Lessees may not assign or sublease any part of the said land for any term to any other person on any conditions other than those specified in the Lessee's notice without first giving to the Lessor a further notice in writing specifying the terms and conditions pertaining to the proposed alienation whereupon the provisions of paragraphs (b) and (c) of this clause shall apply mutatis mutandis to any alteration of the conditions specified in any such notice or notices.
 - (e) In the event of the Lessor exercising its rights to the alienation as aforesaid the Lessor and the Lessee shall do all things and execute all such deeds and documents as may be necessary to enable completion of the said alienation.
7. **THE** Lessee performing all and singular the covenants conditions and restrictions on its part herein expressed or implied shall quietly enjoy and hold the said land throughout the said term without any interruption by the Lessor or any person lawfully claiming under it.
8. **THE** Lessee shall be entitled at any time during the said term to demolish or remove any building erected on the said land without the payment of any sum of money to the Lessor by way of compensation or otherwise provided that the sites of any buildings or other improvements so removed shall be left in a clean and tidy condition.
9. **IF** the rental hereby reserved or any part thereof shall be in arrears and unpaid for the space of three calendar months after becoming due or if the Lessee for a like period fails to observe or perform any of the covenants or conditions on its part herein contained or implied the Lessor may thereupon or at any time thereafter re-enter upon the said land and terminate this Lease but without prejudice to the rights of the Lessor to recover any rent which may be in arrears or unpaid at the date of such termination.
10. **THE** Lessee shall indemnify the Lessor from all claims and demands of every kind resulting from any accident, damage or injury occurring on or from the said land and the Lessee expressly agrees that the Lessor shall have no responsibility or liability for any loss or damage to fixtures on the said land.

IN WITNESS WHEREOF these presents have been executed the day and the year first hereinbefore written.



~~THE COMMON SEAL of THE COOK ISLANDS
GOVERNMENT PROPERTY CORPORATION~~

~~as Lessor was hereunto affixed pursuant to a
Cabinet decision made on~~

~~in the presence of:~~

SIGNED for an on behalf of **TE APONGA
UIRA O TUMU-TE-VAROVARO** as Lessee
by its duly authorised nominee pursuant to a
Cabinet decision made on 15th June 1999

) *NITOA KAIRAU*
)
)
)

in the presence of: **RONALD BATES**

) *R Bates*
)

Tim Murray
ACCOUNTANT

)
)
)
)
)

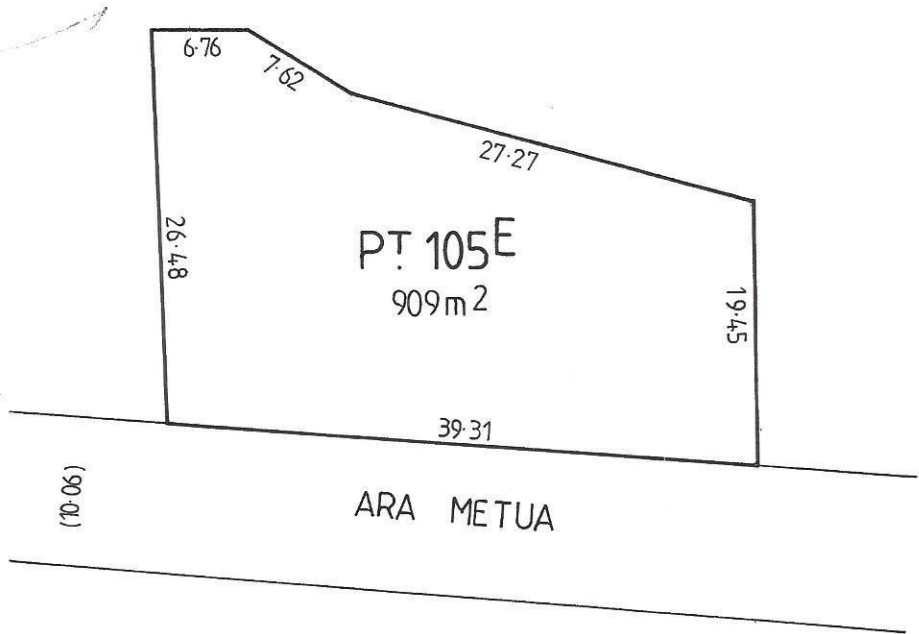
THE COMMON SEAL of the
**COOK ISLANDS INVESTMENT
CORPORATION** was hereunto
affixed in accordance with the provisions
of section 28A of the Cook Islands
Investment Corporation Act 1998 in
the presence of:

) *[Signature]*
)
)

) *[Signature]*
)
)
)
)



[Signature] *[Signature]*



PUKA UENGA PT Sec 105^E
PUAPUAUTU TAPERE AVARUA DISTRICT
SCALE 1 : 500

Certified Correct and Conforms to
L 2071

Dahiteru
Chief Surveyor
31.3.99.

AS
M

DATED

8th May 2000

THE COOK ISLANDS GOVERNMENT PROPERTY
CORPORATION

AND

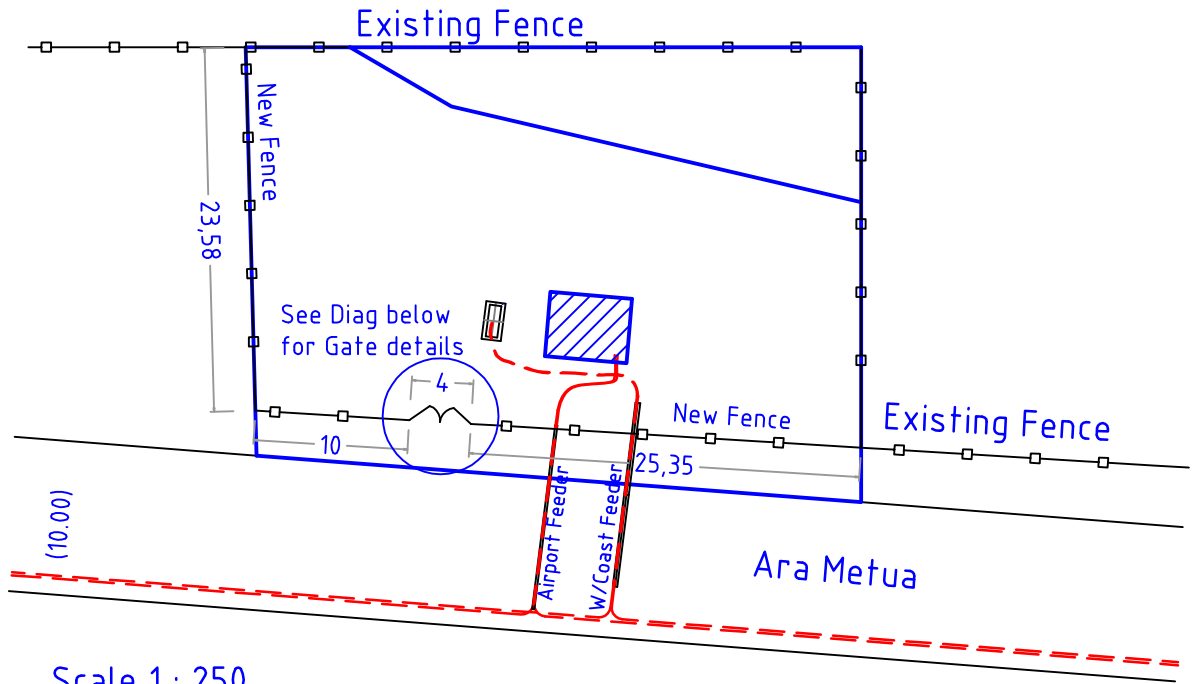
TE APONGA UIRA O TUMU-TE-VAROVARO

DEED OF LEASE

PUKAUENGA SECTION 105E, AVARUA

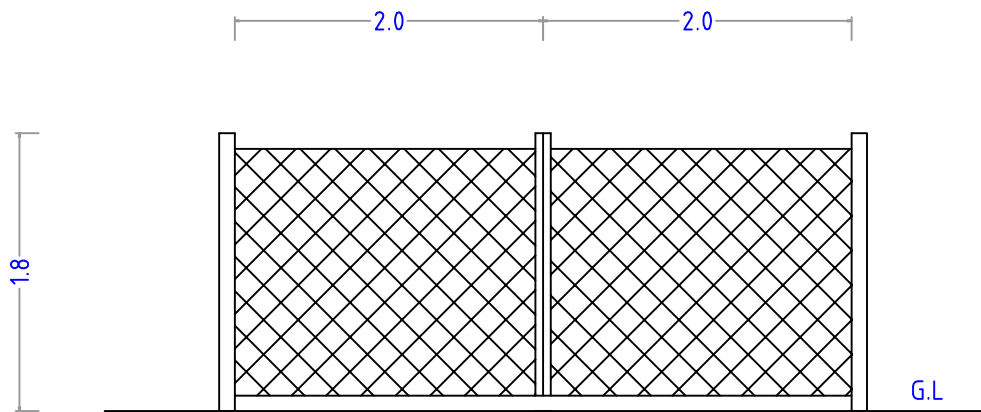
CLARKES P.C.
SOLICITORS
RAROTONGA

Airport Authority



Scale 1 : 250

Gate Opening



Scale 1 : 50

AMENDMENT	BY	CH'D	APP	BY	CHECKED
					RECOM'D
					APPROVED
					RECOM'D FOR ISSUE
					APPROVED FOR ISSUE

SCALE	As Shown
DRAWN BY	DATE
A.J.N	20/10/14

DEED OF LEASE made this

5th

day of

May

2004

Handwritten initials

BETWEEN THE LANDOWNERS of the land hereinafter described (hereinafter with their respective successors called "the Lessors") of the one part

AND TE APONGA UIRA O TUMU-TE-VAROVARO an authority established by the Te Aponga Uira o Tumu-Te-Varovaro Act 1991 (hereinafter with its successors and assigns called "the Lessee") of the other part

WHEREAS by a certain Deed of Lease dated 09 March 1979 (hereinafter referred to as "the said Deed") the Landowners therein described leased to the Cook Islands Government Property Corporation (hereinafter referred to as "the Headlessee") ALL THAT PARCEL OF LAND containing EIGHT THOUSAND AND THIRTY SQUARE METRES (8,030m²) more or less situated in the Island of Rarotonga in the Cook Islands and being PART of the land named by the Native Land Court URUAU SECTION 77B2, AVARUA and part of the land comprised in a Freehold Order made by the said Court on the 02nd day of September 1949 together with a right of way as the said parcel of land and right of way are more particularly delineated and described in a plan attached to the said Deed (hereinafter referred to as the said land) TO HOLD the same unto the Headlessee for a term of THIRTY (30) YEARS computed from the 07th day of November 1973 together with an option to renew for a further term of thirty (30) years but otherwise subject to the covenants and conditions contained therein

AND WHEREAS by a certain Deed dated 27th June 2000 (hereinafter referred to as "the Deed of Assignment") the estate and interest of the Headlessee in the said Deed was vested in the Lessee

AND WHEREAS the Lessee is desirous of renewing the term of the said Deed so far as it affects the estate and interest in the said land

AND WHEREAS by a certain Order of the High Court of the Cook Islands made on the 15th day of March 2004 the Registrar of the High Court was directed to execute this Deed on behalf of and as agent for the Lessors

NOW THEREFORE in consideration of the covenants and conditions on the part of the Lessee herein contained and by law implied the Lessors DO HEREBY GRANT unto the Lessee a renewal of the term contained in the said Deed for a further term of THIRTY (30) YEARS commencing the 07th of November 2003.

IN WITNESS WHEREOF these presents have been executed the day and the year first hereinbefore written.

SIGNED by the REGISTRAR OF THE HIGH COURT)
as agent for and on behalf of the Lessors by NOOAPII)
TEAREA Registrar of the High Court in the presence of:)

Handwritten signature of Nooapii Tearea
Deputy Registrar
Rarotonga

Handwritten signature of Nooapii Tearea

SIGNED for and on behalf of TE APONGA UIRA O)
TUMU-TE-VAROVARO as Lessee by its duly authorized)
Nominee pursuant to a Cabinet decision made on)
in the presence of:)

Handwritten signature of Kay Enoka
KAY ENOKA
ACCOUNTANT

Handwritten signature of Kay Enoka

DATED

2004

LANDOWNERS

to

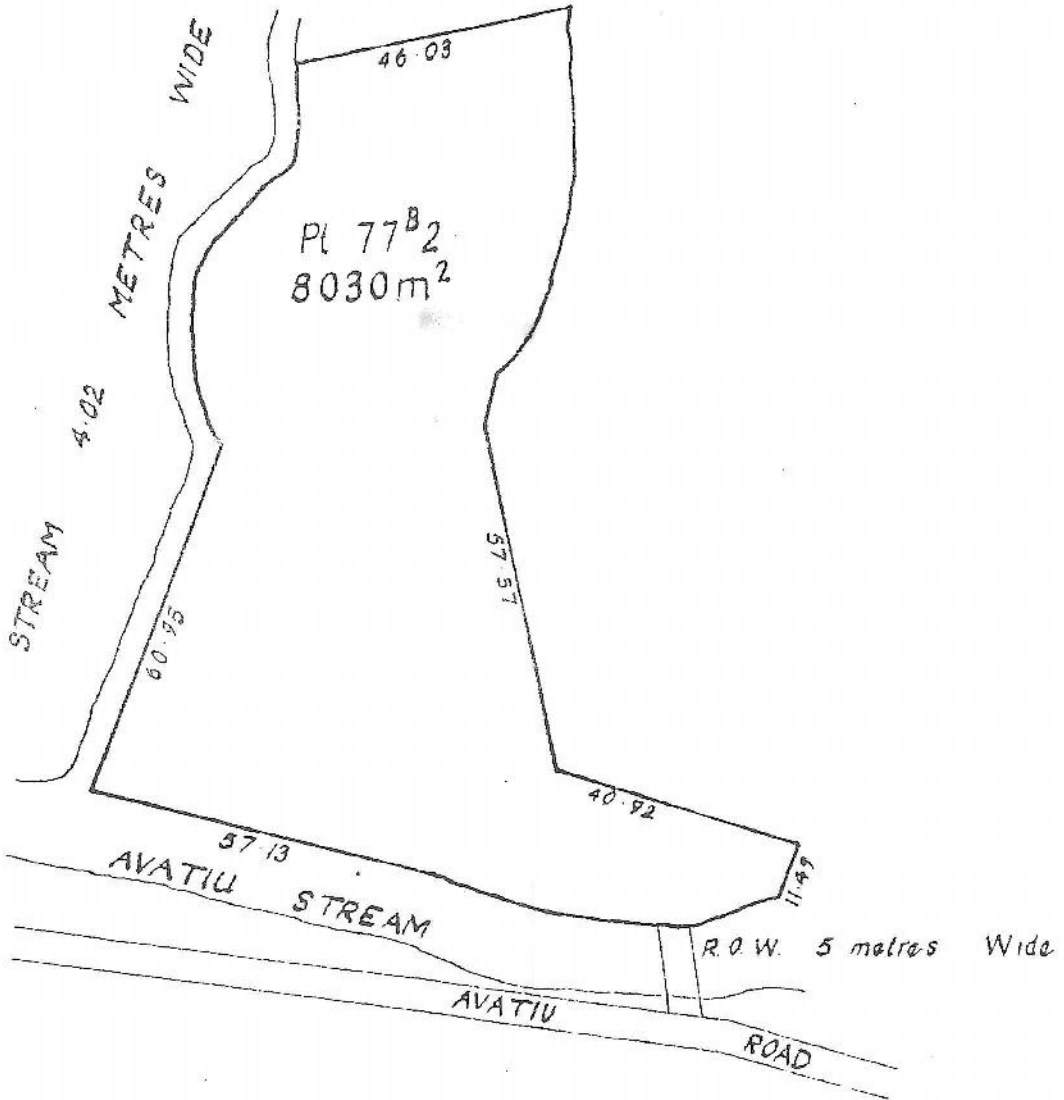
TE APONGA UIRA O TUMU-TE-VAROVARO

DEED OF RENEWAL OF LEASE

URUAU SECTION 77B2, AVARUA

BROWNE GIBSON HARVEY P.C.
SOLICITORS
RAROTONGA





Uruau Pl Sec 77^B2
 Avatiu Tapere Avarua District
 Scale: 1:1000
 S.O 888

Signature
 17.12.71

