

purchaser will be retained by the Commissioner, and the sum yielded therefrom lodged in the Receiver-General's Deposit Account as a guarantee that the purchaser will commence full-scale sawmilling operations within a period of two years from the date of acceptance of the tender. If such operations are not so commenced the sum so yielded and deposited will become wholly forfeited to the Commissioner.

In addition to the sum of £1,000 deposited as aforesaid, the purchaser shall, at least twenty-eight days before the first delivery of logs is made as herein provided, deposit with the Conservator of Forests, Invercargill (hereinafter referred to as the Conservator), as delegate of the Commissioner, a further sum of five thousand pounds (£5,000) in the form either of cash or of approved securities, which, along with the sum of £1,000 deposited as aforesaid if not forfeited in terms of the preceding paragraph, shall be held as security against default on the part of the purchaser in making payment for logs purchased and delivered as herein provided or in complying with the conditions of sale hereinafter set out.

Securities may be in the form of marked or bank cheques, inscribed stock, Government bonds, or other form acceptable to the Commissioner.

If the said further sum of £5,000 or any part of it is in cash or converted into cash that sum or part will be lodged in the Receiver-General's Deposit Account.

While and so long as no breach of the terms and conditions of the sale has occurred, the interest earned on all sums converted into cash and lodged in the Receiver-General's Deposit Account as aforesaid will be paid on the due interest dates to the purchaser.

On the full conclusion of the sawmilling operations under this sale the sum of £1,000 deposited as a guarantee of performance, if not forfeited in terms hereof, and the further sum of £5,000, in cash or securities, deposited as security against default on the part of the purchaser as aforesaid, shall, if all payments due under the sale have been made by the purchaser and no claim for breach of the conditions of sale is outstanding and unsettled, be returned to the purchaser.

MEASUREMENT OF VOLUME

The volume of logs sold and delivered as herein provided will be assessed in cubic feet from measurements made and recorded by officers of the State Forest Service of the length and of the diameter at the small end inside bark of saw-logs crosscut from the said logs by the purchaser in lengths of from 10 ft. to 18 ft. inclusive, but exclusive of an allowance of 3 in. which shall be made upon the overall length of each such saw-log of from 10 ft. to 18 ft. The length of saw-logs will be recorded in integral feet, without fractional part, however expressed, the said allowance of 3 in. on the overall length having first been deducted. The diameter at the small end inside bark of saw-logs will be recorded in integral inches, without fractional part, however expressed, which is interpreted as the inch below except when the true measured diameter is an exact integral inch. The volume of the saw-logs so measured will be taken from the New Zealand State Forest Service Insignis-pine Log-scale in use at the date on which the measurement is made.

The purchaser shall cut long logs commencing from the butt end and shall not, unless in exceptional instances approved by the Conservator, crosscut such logs at lengths exceeding 3 in. over and above any integral foot from 10 ft. to 18 ft. inclusive, provided that this requirement shall not operate with respect to the small end of long logs delivered to the purchaser.

If for any special purpose approved by the Conservator the purchaser desires to use logs of or to cut logs into longer lengths than 18 ft., he shall be permitted to do so, and the volume of such longer logs will then be calculated as multiple saw-logs within the 10-foot to 18-foot class.

The purchaser shall provide ample facilities, approved if necessary by the Conservator, for the scaling of logs and saw-logs by officers of the State Forest Service.

CONDITIONS OF SALE

1. The sale will be made in accordance with the provisions of the Forests Act, 1921-22, the regulations in force thereunder, and the terms and conditions herein or incorporated in a written agreement to be drawn up in terms hereof.

2. If subsequent to the date of advertising the sale or if during the currency of the sale any adjustments in the prices of timber are made pursuant to the Price Stabilization Emergency Regulations 1939, proportionate adjustments may be made by the Commissioner or claimed by the purchaser in the upset or tendered prices or in the prices revised as hereinbefore provided.

3. The State Forest Service, unless prevented by circumstances wholly beyond its control, will deliver on to the mill skids at the purchaser's sawmill, or alternatively at a log-storage site or log-storage sites prepared by the purchaser at or near the said mill-site, sufficient logs during each four-weekly Forest Service period to average for each working-day not less than 3,700 cubic feet and not more than 4,200 cubic feet, and the purchaser, unless prevented by circumstances wholly beyond his control, shall accept delivery of all logs so delivered. The purchaser shall provide unloading facilities to the satisfaction of the Conservator at the said mill skids and log-storage site or sites, and shall keep such mill skids and log-storage sites sufficiently clear to permit of the immediate unloading of log-carrying vehicles on their arrival thereat.

4. Logs will be delivered in lengths of from 10 ft. 3 in. to 58 ft.

5. All logs delivered to the purchaser as herein provided shall be converted into sawn timber in the sawmill erected on the said mill-site, and such logs may not be transported from that site in log form.

6. After the delivery of a log is completed the purchaser shall be liable for full payment therefor, notwithstanding that the log or saw-log cut therefrom may subsequently be damaged by fire, water, insect or fungal attack, or any other cause.

7. If the purchaser shall at any time make default in any of the payments due for the logs purchased as herein provided or in any manner in connection therewith, the Commissioner shall have in addition to other remedies the right to cease delivering logs until all such payments have been met or guaranteed to his satisfaction or to the satisfaction of the Conservator.

8. The purchaser, his agents, contractors, servants, and employees shall not be permitted to enter and shall not enter State forests at other than the said mill-site without the written consent of and subject to such conditions as may be imposed by a Forest Officer.

9. The purchaser shall erect a sawmill with the necessary buildings on the said mill-site.

10. The purchaser shall provide living accommodation for the mill-manager, nightwatchman, shift engineers, and essential night-shift workers at the said mill-site and for the remainder of the sawmill employees at Tapanui. In addition, the purchaser shall provide means of transport to and from the sawmill each day for employees accommodated at Tapanui.

11. Each tenderer shall submit with his tender preliminary draft plans and specifications of the sawmill and other buildings proposed to be erected on the said mill-site.

12. The purchaser shall, within three months of the date of acceptance of his tender, forward to the Conservator for approval final plans and specifications for the sawmill and other buildings to be erected on the said mill-site pursuant to clause 9 hereof, and he shall not proceed with the erection of any buildings without such approval, nor shall he make any amendment to such plans and specifications after receiving such approval without the consent of the Conservator. All buildings are to be equipped with fire-prevention and fire-suppression appliances, including hydrants and sprinklers. The sawmill and other buildings are to be so sited as to reduce to a minimum the risk of a serious conflagration.

13. Each tenderer shall enclose with his tender particulars of the sawmill equipment he proposes to install, and such equipment shall not be installed without the approval of the Conservator. The sawing equipment shall consist of two log gang-saw frames and one circular breakdown unit with Pacific-type carriage.

14. The dwellings for the employees referred to in clause 10 hereof shall be of substantial construction and modern design and shall be equipped with drainage and water reticulation. They shall be of a standard at least equivalent to that of timber-workers' houses erected under the provisions of Part III of the Finance (No. 2) Act, 1946.

15. The purchaser shall erect on the said mill-site dry kilns of a design approved by the Conservator, and the kilns shall have an annual capacity of at least 4,000,000 board feet.

16. The purchaser shall convert all slabs surplus to his own fuel requirements into firewood for sale. All other sawmill refuse shall be burned in steam-boiler furnaces.

17. The purchaser shall, if required by the Commissioner, enter into a written agreement that shall give full effect to the terms and conditions of this sale, and such agreement shall contain such further terms and conditions as may be required by the Commissioner and as are usual in log sales of this nature made by the State Forest Service.

18. The Commissioner reserves the right to purchase at the termination of this sale all machinery, buildings, fences, and other improvements at a price agreed upon between the Commissioner and the purchaser, and failing such agreement at a price to be determined by arbitration. If, however, the Commissioner does not wish to exercise this right of purchase, the purchaser may sell for removal to persons approved by the Commissioner, otherwise the purchaser will be allowed six months in which to remove all the aforesaid improvements. Any improvements remaining on the ground at the end of the said period of six months shall become the property of the Crown.

19. Every duly authorized Forest Officer shall have during the period of this sale full liberty and right to enter at reasonable times upon any premises of the purchaser for the purpose of examining the machinery, equipment, and fire-prevention and fire-suppression appliances, and also for the purpose of inspecting the cutting of the logs and saw-logs and examining the mill books and taking extracts therefrom with the object of verifying the contents of the logs sold under this sale and the quantities of timber produced therefrom.

20. Intending tenderers are expected to visit the locality and to satisfy themselves in every particular on all matters relative to the sale.

21. Each tenderer shall state the price per cubic foot he is prepared to pay for each log size in each species group. The highest or any tender will not necessarily be accepted, and the logs as described are submitted for sale subject to the final acceptance of the tender by the Commissioner.

22. The purchaser shall not transfer, assign, or in any way part with the rights and privileges acquired under the sale without the precedent consent in writing of the Commissioner.

23. Unless the Conservator otherwise permits on application in writing being made to him, timber produced from the logs sold and delivered under this sale shall be so disposed of by the purchaser that approximately fifty per centum of such timber shall remain in that part of the South Island south of the Clutha River and the balance be distributed north of the Clutha River.

24. The sale to the purchaser shall date from the day on which the purchaser is notified that his tender has been accepted by the Commissioner.

25. Except as provided by clause 9 hereof, nothing herein shall be construed to confer or take effect in any way as conferring upon the purchaser any right to the possession of any land so as to create any leasehold estate or interest therein.

26. The acceptance of the purchaser's tender shall not operate to give or be construed to take effect in any way as giving the purchaser any exclusive right or claim to logs sold from State Forests Nos. 68, 77, and 92.