



# Premium Stable Prospectus

## NEC Taupo

### Background

Safeguarding the welfare of horses, athletes and grooms participating at competitive equestrian events is recognised by the NEC Taupo, ESNZ, horse owners and competitors as of paramount importance.

The NEC aspires to provide a world class equestrian facility and currently provides a range of different yarding options, from open pens to basic covered yards, and a small number of stallion stables. Each yarding option comes with different levels of comfort, safety and cost.

However, there is recognition within each discipline that there are not enough covered yards and stables available at key competition events. In this regard the NEC is exploring options for the provision of additional facilities including Premium Stables and wooden Covered Yards (similar to the last block completed).

### This Opportunity

This prospectus presents an opportunity to invest in a Premium Stable facility, while achieving a number of key objectives alluded to above, namely increasing the:

- number of covered yards by provision of 48 to 52 stables<sup>1</sup>; and
- safety of yarding available at NEC.

Indicative concept plans of the proposed stable block are presented in Figure 1 and Figure 2, which is likely to comprise the following features (depending on uptake):

- 48 to 52 block premium stables;
- Size may range from 3.65 m to 4 m square (depending on uptake);
- Stables manufactured to UK standards from heavy duty galvanised steel frames and bars, recycled plastic tongue and groove 30 mm boards or similar durable alternative,
- Sliding safety doors on all stallion stables (example shown in Figure 3) with swinging doors on other boxes;
- Rug rails/bridle holders on front of stable;
- Building structure comprising steel columns and portal frame;
- Long run colour steel roofing;
- Rubber lined concrete flooring system;
- Internal breezeway and external verandas suitable for safely tacking up;
- Option for stallion boxes (fully enclosed sides) at the ends of each row (i.e., stables 1, 12, 13, 24, 25, 36, 37, 48 on Figure 1); and
- Solar powered battery for lighting.

<sup>1</sup> The number of stables may increase or decrease depending on the uptake. The minimum number that can economically be built is 24.

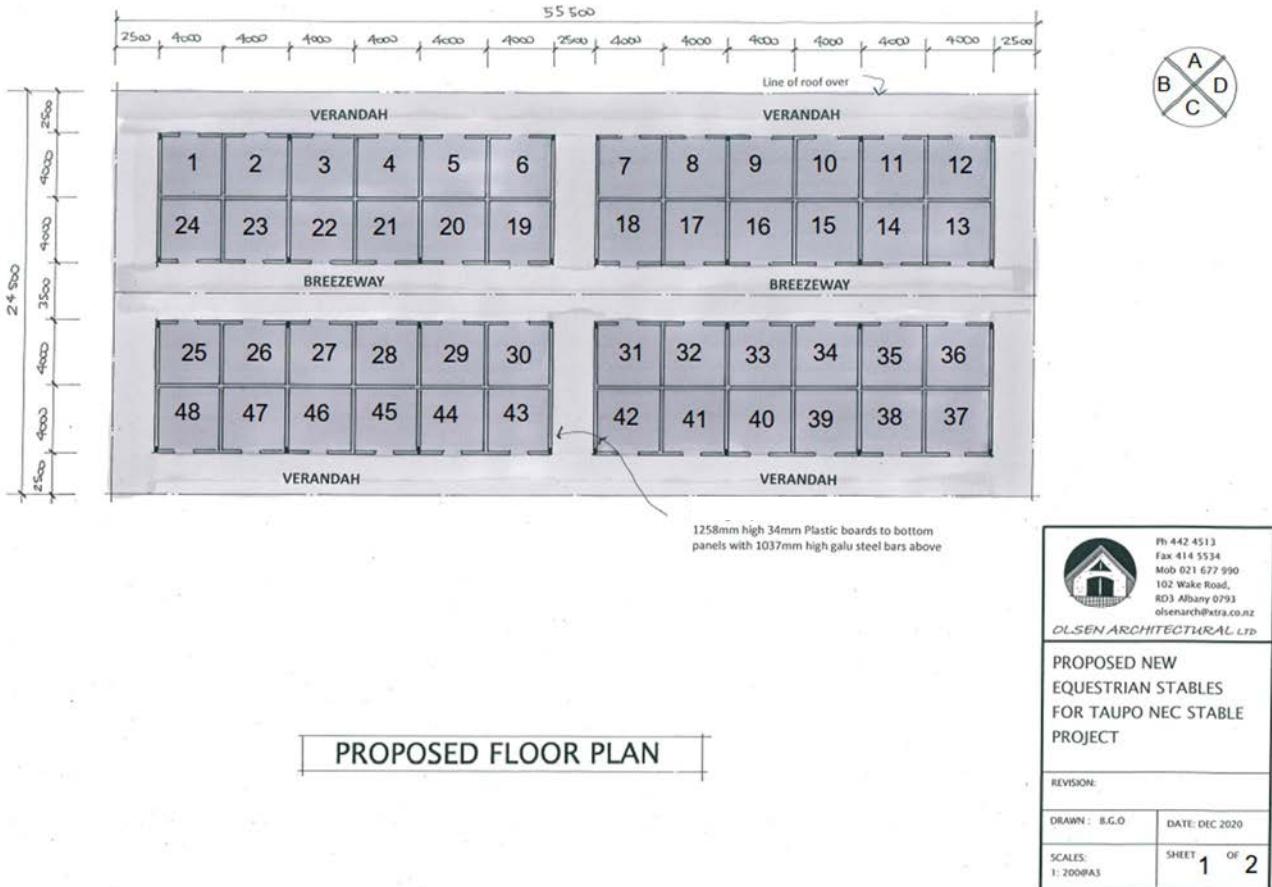


Figure 1. Proposed stable floor plan.

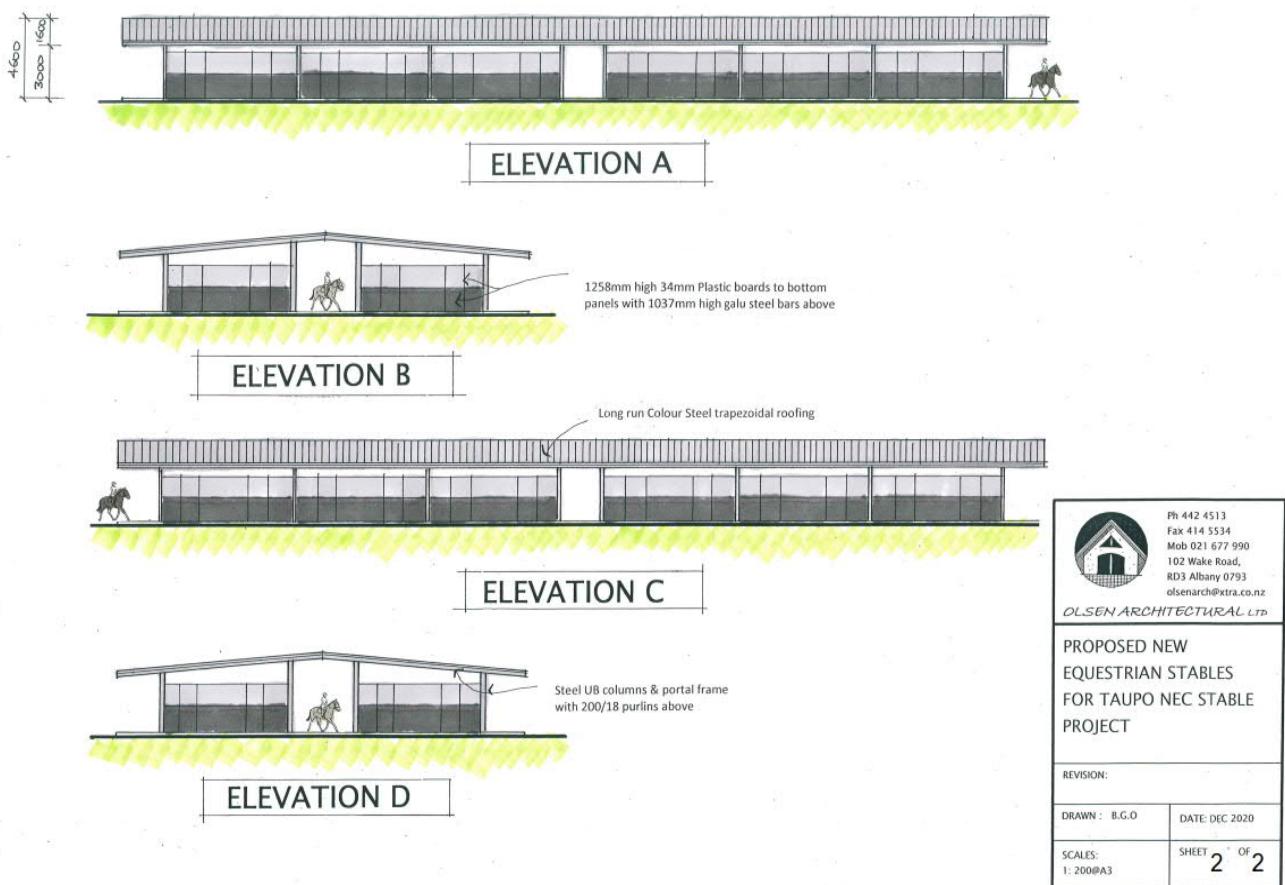


Figure 2. Proposed stable side profiles.



Figure 3. Example stable fronts.

The opportunity will only be realised if private investment can be secured in advance of initiating the build program, which ideally would be scheduled for completion in December 2021.

## Investment Request – Seeking Expressions of Interest

Expressions of interest are sought to purchase one or more of the stables available under a fixed term lease agreement (i.e., like a time share).

The terms of the Contract are described in the following section.

The procedure and timeframe for registering EOIs is summarised in Table 1.

Table 1. Key dates and contact details.

Item	Detail
Issue date of EOI:	<ul style="list-style-type: none"><li>Monday 15 February 2021</li></ul>
Deadline for EOI:	<ul style="list-style-type: none"><li>5 pm Monday 15 March 2021</li></ul>
EOI details required:	<ul style="list-style-type: none"><li>Name or entity of proposed box holder.</li><li>Primary contact person.</li><li>Phone number.</li><li>Email address.</li><li>Number of boxes required.</li></ul>
NEC contact person for questions:	<ul style="list-style-type: none"><li>Jon Williamson (021 65 4422)</li></ul>
Submit EOI to:	<ul style="list-style-type: none"><li>Jon Williamson (<a href="mailto:Jon.Williamson@wwla.kiwi">Jon.Williamson@wwla.kiwi</a>)</li></ul>
Target decision date:	<ul style="list-style-type: none"><li>5 pm Friday 19 March 2021</li></ul>
Indicative date for 50% deposits:	<ul style="list-style-type: none"><li>5 pm Wednesday 31 March 2021</li></ul>
Indicative date for remaining 50% payment:	<ul style="list-style-type: none"><li>5 pm Friday 4 June 2021.</li></ul>
Target Practical Completion date:	<ul style="list-style-type: none"><li>November 4, 2021</li></ul>

## Contract Terms

- Price: \$4,950 + GST per box paid in two tranches (see Table 1).
- Term: 15 years from Practical Completion (use enabled) date.
- Nominated Disciple: Contract Holder must nominate their primary discipline.
- Availability:
  - Guaranteed availability for nominated primary discipline events.
  - First reserve for other discipline events.
  - Availability for overnighting outside of events to only contract holders or their delegates.
- Transfer of Contracts: Lease Contracts can be transferred or on-sold during the term of the Contract, subject to advising NEC of the transfer and providing a signed copy of the transferred Contract.
- Deposit: Deposits paid are non-refundable.
- Payment Default: If the second tranche is not paid by the due date, the NEC reserves the right to re-sell the stable, which will entail offering the stable to the first person on the waitlist.
- Registrar: NEC will hold a register of the Contract Holders.
- Housekeeping: The sables must be cleared of bedding and swept out after each use.

## FAQs

- Am I guaranteed my box at all of my nominated discipline events?
  - Yes.
- At events other than my nominated discipline, if Contract Holders or their delegates are not present and there are boxes available, will I get a box?
  - Yes – subject to the number of boxes available. We do not anticipate this situation to arise regularly.
- How do I work out the cost- benefit of this offer?
  - Consider the number of events available in your discipline each season and calculate the costs of covered yarding (based on current rates). See calculations below assuming premium stable charge of \$50/night.

Nights per season	Return on Investment	Payback (years)
6	6.1%	16.5
7	7.1%	14.1
8	8.1%	12.4
9	9.1%	11.0
10	10.1%	9.9
11	11.1%	9.0
12	12.1%	8.3

- If I give up riding prior to the end of the Contract Term (or for any other reason), can I sell my Contract?
  - Yes – the financial terms of the sale are between yourself as the Vendor and the Purchaser. All other terms remain the same as the original contract. NEC only needs to be made aware of the new Contract Holder.

- I don't compete my own horse but own and/or sponsor a number of horses. Can I purchase a Contract and nominate the rider on an event-by-event basis?
  - Yes – Owners / Sponsors are welcomed to invest in boxes.
- Is this offer open to a corporate / business investor that would be looking for a return?
  - Yes. Please discuss with our Contact Person for assistance with calculating ROI.
- If I am not using my box at an event of my nominated discipline, can I sub-lease my box to a rider of my choice?
  - Yes – you just need to advise NEC or the event organiser who will be using your box for that show within the timeframe for show entries.
- If I am not attending a show of my nominated discipline, will my box be available for sub-lease to someone else and if so, who receives the sub-lease fee?
  - Yes - the sub-lease fee will be paid to NEC unless you have organised the sub-lease (as per the point above).
- When will the stable be ready for use?
  - Ideally if investment is secured by end of March 2021, a nine-month consenting and construction program is considered realistic, hence the stables should be ready for use by the end of November 2021.
- Where will the stable block be located?
  - A key objective of this prospectus is to minimise the time it takes to get to and from the competition arena, particularly for the larger teams with multiple horses competing. The current plan is for the stable to be positioned on the flat grassed area currently used for various implements on the northern side adjacent to the Indoor Arena (refer Figure 4).
- Who will be responsible for the maintenance of the block? i.e., Insurance for replacement in case of fire / or another catastrophe, maintenance, replacement of fixtures and fittings over the 15 years.
  - The asset will belong to NEC Taupo and NEC will be responsible for this.
- Who will be responsible for cleaning the boxes and how often will they be cleaned?
  - Clearing bedding and muck completely (to a bare rubber floor state) after each event will be the responsibility of the stable users. Cleaning the boxes with water blaster will be undertaken twice per year by NEC.
- With regards horse wash down - does that remain the same at existing facilities?
  - Yes.
- What happens after the 15-year lease ends? Can the lease be renewed? And at what cost?
  - After the 15-year term, NEC will seek to renew the leases with first option given to existing lease holders. The new cost will reflect the asset depreciation, but is as yet undetermined.
- Will there be discounts for purchasing leases on multiple stables?
  - No. The cost is linear as it needs to cover the entire build cost.



Figure 4. Proposed stable location.