

Crown Pastoral Land Tenure Review

Lease name : *CARRICK*

Lease number : PO 357

Substantive Proposal - Part 2

The report attached is released under the Official Information Act 1982.

May

12

FIRST SCHEDULE

(Description of the Land)

Carrick pastoral lease (CIR OT 338/81) described as

Sections 3, 27, 28, 29, 31, 34, Pt Sec 30 Blk 111 Nevis SD, Sec 1, 3, 4, 5 & 6 Blk III
Bannockburn SD, Sec 13, 14, 15 Blk IV Bannockburn SD, Run 339E

SECOND SCHEDULE

(Copy of Exploration Permit)

original

**DUNEDIN
LAND REGISTRY OFFICE**

**EXPLORATION PERMIT 40 536
CROWN MINERALS ACT 1991**

PERMIT HOLDER: Prophecy Mining Limited
541 Parnell Road
Parnell
AUCKLAND

NOW THEREFORE: I, DARRYL FOSTER THORBURN, Group Manager Crown Minerals, acting under delegated authorities of 4 November 1997 and 3 April 2002, do

HEREBY GRANT to the Permit Holder an exploration permit for the duration of 5 years commencing on the date hereof

WHICH HEREBY gives the exclusive rights to explore for gold in the land described in the First Schedule and delineated on the plan attached hereto

UPON THE CONDITIONS specified in the Second Schedule hereto and subject to the Crown Minerals Act 1991 and any regulations made thereunder.

DATED AT Wellington this *28* day of *June* 2002

Darryl Thorburn
.....
Group Manager Crown Minerals

SECOND SCHEDULE
CONDITIONS OF EXPLORATION PERMIT 40 536

Work Programme

1. The permit holder shall make all reasonable efforts, to the satisfaction of the Chief Executive of the Ministry of Economic Development, to explore the permit area in accordance with good exploration practice, so as to clearly define the potential of the mineral resource to which this permit applies.
2. The permit holder make all reasonable efforts, to the satisfaction of the Chief Executive of the Ministry of Economic Development, to carry out the following minimum work programme:
 - (a) Within 2 years of the commencement date of the permit:
 - i Complete a programme of geological mapping;
 - ii Carry out additional exploration work, including geochemical sampling, to locate new drill targets;
 - iii Commence a programme of diamond drilling and/or RC drilling to test existing and any new targets; and
 - iv Make a commitment by notice in writing to the Chief Executive of the Ministry of Economic Development to complete the work detailed in condition 2(b) below.
 - (b) Within 5 years of the commencement date of the permit:
 - i Complete a programme of diamond and/or RC percussion drilling; and
 - ii Calculate a resource estimate based on drilling undertaken.
3. In accordance with Section 35 of the Crown Minerals Act 1991, clauses 2(a)(i) and 2(b) must be completed to the satisfaction of the Chief Executive for substantial compliance with the work programme to have been achieved.

Reports

4. The permit holder shall report in accordance with the prescribed regulations.

Fees

5. The permit holder shall pay any prescribed fees that apply to this permit.

CERTIFICATE OF CHANGE OF CONDITIONS

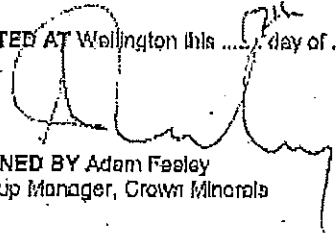
Permit: Exploration permit 40 536

Permit Holder/s: Prophecy Mining Limited

Action:

Pursuant to section 3B(1) of the Crown Minerals Act 1991 and under delegated authority, the conditions specified in the Second Schedule to the above mentioned permit are hereby replaced with those attached to this Certificate.

DATED AT Wellington this 17th day of November 2006


SIGNED BY Adam Feeley
Group Manager, Crown Minerals

634491

**SECOND SCHEDULE
CONDITIONS OF EXPLORATION PERMIT 40 536**

(Terms used in this Schedule shall have the same meaning as in the Minerals Programme for Minerals other than coal and petroleum (1 October 1990) unless the context indicates otherwise.)

Work Programme

1. The permit holder shall make all reasonable efforts, to the satisfaction of the Chief Executive of the Ministry of Economic Development (the Chief Executive), to explore the permit area in accordance with good exploration practice, so as to clearly define the potential of the mineral resource to which this permit applies.
2. The permit holder shall make all reasonable efforts, to the satisfaction of the Chief Executive, to carry out the following minimum work programme:
 - (a) Within 2 years of the commencement date of the permit:
 - i complete a programme of geological mapping;
 - ii carry out additional exploration work, including geochemical sampling, to locate new drill targets;
 - iii make a commitment by notice in writing to the Chief Executive to complete the work detailed in condition 2(b) below.
 - (b) Within 5 years of the commencement date of the permit:
 - i complete a programme of drilling for a minimum of 2,100m;
 - ii calculate a resource estimate based on drilling undertaken;
 - iii provide the Chief Executive with a report detailing all new work completed, including submission of digital data, on this phase of exploration, on a date mutually agreed upon by the Ministry and the permit holder.
3. In accordance with Section 311 of the Crown Minerals Act 1991, clauses 2(a)ii and 2(b)i & iii must be completed to the satisfaction of the Chief Executive for substantial compliance with the work programme to have been achieved.

Reports

4. The permit holder shall report in accordance with the prescribed regulations.

Fees

5. The permit holder shall pay any prescribed fees that apply to this permit.

17 November 2003

THIRD SCHEDULE

(Permit Holder's Certification)

To:

Manager, Crown Property Management Land Information
New Zealand
Private Box 5501
WELLINGTON

Access Agreement for Land at Carrick in respect of Exploration Permit 40 536

I Peter Atkinson, Director of Prophecy Mining Limited hereby certify on behalf of the board of directors of Prophecy Mining Limited that Prophecy Mining Limited has at all times since the commencement date of the Access Agreement complied in all respects with all of its obligations under the Access Agreement.

I Peter Atkinson also certify that Prophecy Mining Limited has been granted all necessary Resource Consents for the Exploration and that copies of those Resource Consents are enclosed and that they are current [or, if appropriate, that no Resource Consents are required].

I Peter Atkinson also certify that the enclosed certificates of currency in respect of the insurance and bond to be maintained by [name of Permit Holder] are true are correct and can be relied upon by LINZ in all respects and that all sums required to maintain the Insurance and bond have been paid. **NOTE:** these will be put in place and submitted to LINZ before Exploration work starts on the permit.

I Peter Atkinson also certify that the Minister of Energy has approved the current Work Programme [or, if appropriate, that the Minister of Energy's approval is not required].

I Peter Atkinson also certify that where physical access to the Land is required other than over legal road or marginal strip, the prior consent of the Owner and Occupier of that land has been acquired.

I Peter Atkinson also certify that where physical access to the Land is required over marginal strip pursuant to section 24 Conservation Act 1987 the prior consent of the Minister of Conservation has been acquired.

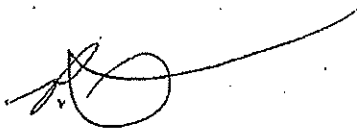
I Peter Atkinson also certify that the Health and Safety in Employment Act 1992 has been complied with in all respects and attach the information and confirmation required under clause 18.6 of the Access Arrangement. **NOTE:** these will be identified and submitted to LINZ before Exploration work starts on the permit.

Dated this 24th day of January

2011 ~~2010~~

Name: Peter Atkinson

Signature:



Appendix 5: Form of Grazing Concession Two over "CA1" to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

DONALD WILLIAM CLARK and MARION ISABELLE CLARK
("the Concessionaire")

GRAZING CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

THIS LICENCE is made this day of

PARTIES:

1. MINISTER OF CONSERVATION, ("the Grantor")
2. DONALD WILLIAM CLARK and MARION ISABELLE CLARK
("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1 as a Conservation Area or Reserve.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant a Concession for a Concession Activity in a Conservation Area and a Reserve under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).
- C. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Document.

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

- 1.1 In this Document, unless the context otherwise requires:

"Access" means the right, in common with others, to pass and repass over the Land and any roads of the Grantor for ingress to and egress from the Land as is reasonably necessary for the Concessionaire to exercise its rights under this Licence.

"Administration Fee" means the amount specified in Item 6(b) of Schedule 1 and is the annual fee for administering the Concession imposed by the Grantor under section 60D of the Conservation Act 1987. It includes any variation in that amount following a Concession Fee Review.

"Background" means the matters referred to under the heading 'Background' on page 1 of this Document.

"Concession" means a concession as defined in section 2 of the Conservation Act 1987.

"Concessionaire" includes the Concessionaire's successors, assigns, executors, and administrators.

"Concession Activity" means the use of the Land for purposes of the activity carried out by the Concessionaire and specified in Item 2 of Schedule 1.

"Concession Fee" means the amount specified in Item 6(a) of Schedule 1 and charged by the Grantor for the Concessionaire's right to carry out the Concession Activity on the Land. It includes any variation in that amount following a Concession Fee Review. It also includes, where relevant, the amount which the parties agree to be the new Concession Fee on a renewal of the Document.

"Concession Fee Payment Date" means the date specified in Item 7 of Schedule 1 on which the Concession Fee falls due for payment.

"Concession Fee Review" means a review of the Concession Fee determined in accordance with clause 6 of this Document.

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"**Concession Fee Review Date**" means the date specified in Item 9 of Schedule 1 on which the Concession Fee Review occurs being at 3 year intervals calculated from the date of commencement of the term of this Document; and includes any additional dates inserted into Item 9 of Schedule 1 following a renewal of this Document.

"**Conservation Area**" has the same meaning as "Conservation area" in section 2 of the Conservation Act 1987.

"**Director-General**" means the Director-General of Conservation.

"**Document**" means this Licence and any subsequent amendments and all schedules, annexures, and plans attached to it.

"**Final Expiry Date**" means the date specified in Item 5 of Schedule 1.

"**Land**" means a Conservation Area or a Reserve (whichever is relevant in the circumstances) being the area more particularly described in Item 1 of Schedule 1.

"**Licence**" for purposes of this Document is the Licence granted under this Document by the Grantor to the Concessionaire under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).

"**Penalty Interest Rate**" means the rate specified in Item 8 of Schedule 1.

"**Renewal Date**" means the date specified in Item 4(a) of Schedule 1.

"**Renewal Period**" means the period specified in Item 4(b) of the Schedule 1.

"**Reserve**" has the same meaning as "reserve" in section 2 of the Reserves Act 1977.

"**Structure**" includes a bridge, a culvert, and a fence.

"**Term**" means the period of time specified in Item 3 of Schedule 1 during which this Document operates. It includes, where relevant, any period of renewal of the Term.

"**Working Day**" means the period between any one midnight and the next excluding Saturdays, Sundays and Statutory holidays in the place where the Concession Activity is being carried out.

1.2 In this Document unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Document;
- (b) schedules and annexures form part of this Document and have effect accordingly;
- (c) words appearing in this Document which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Document to be performed by two or more persons binds those persons jointly and severally;
- (e) words in a singular number include the plural and vice versa;
- (f) words importing a gender include other genders;
- (g) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Document;
- (h) where the Grantor's consent or approval is expressly required under a provision of this Document, the Concessionaire must seek the consent or approval of the Grantor for each separate occasion it

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is required notwithstanding that the Grantor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Document have the same meaning given to them in clause 1.1.

2.0 GRANT OF LICENCE

2.1 In exercise of the Grantor's powers under either section 66 or section 68 of the Crown Pastoral Land Act 1998 (whichever is relevant in the circumstances) the Grantor GRANTS to the Concessionaire a LICENCE under either section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances) to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Document.

3.0 TERM

3.1 The Licence is for the Term specified in Item 3 of Schedule 1.

3.2 Unless otherwise specified in Items 4 and 5 of Schedule 1, if the Concessionaire has not been in breach of this Document and has given to the Grantor written notice to renew the Document at least three months before the end of the Term, the Grantor will, at the cost of the Concessionaire, renew the Document from the Renewal Date for the next Renewal Period on the following terms:

- (a) the new Concession Fee is to be agreed upon before the end of the Term or, failing agreement, is to be determined as though it were a Concession Fee Review under clause 6;
- (b) the Concession Fee is to be subject to review during the Renewal Period on each Concession Fee Review Date;
- (c) the renewed Document is otherwise to be in accordance with and subject to the covenants and agreements expressed and implied in this Document except that the Term of the Document and all renewals, if any, end on the Final Expiry Date;
- (d) pending the determination of the new Concession Fee, the Concessionaire is to pay the new Concession Fee proposed by the Grantor. Upon determination an appropriate adjustment is to be made to the Concession Fee.

4.0 CONCESSION FEE AND ADMINISTRATION FEE

4.1 The Concessionaire must pay to the Grantor in the manner directed by the Grantor on or before the Concession Fee Payment Date specified in Item 7 of Schedule 1:

- (a) the Concession Fee plus GST specified in Item 6(a) of Schedule 1; and
- (b) the Administration Fee plus GST specified in Item 6(b) of Schedule 1.

4.2 If the Concessionaire defaults in payment of the Concession Fee and Administration Fee for 14 days after a Concession Fee Payment Date the Concessionaire is to pay interest on the unpaid Concession Fee and Administration Fee from the Concession Fee Payment Date until the date of payment at the Penalty Interest Rate specified in Item 8 of Schedule 1.

4.3 For purposes of clause 6.0, a reference to Concession Fee includes a reference to the Administration Fee.

5.0 OTHER CHARGES

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5.1 In addition to the Concession Fee and Administration Fee the Concessionaire must pay all rates, levies, taxes, duties, assessments, charges, and other outgoings which may be charged, levied, or reasonably assessed, or which become payable in relation to the Land as a result of the grant of this Licence.

6.0 CONCESSION FEE AND ADMINISTRATION FEE REVIEW

6.1 The Grantor will review the Concession Fee and the Administration Fee on the Concession Fee Review Dates.

6.2 The Grantor will commence the review not earlier than 3 months before a Concession Fee Review Date and no later than 9 months following the Concession Fee Review Date by giving written notice to the Concessionaire.

6.3 The notice must specify the Concession Fee which the Grantor considers to be the market value for the Concession Activity as at the Concession Fee Review Date having regard to the matters specified in section 17Y(2) of the Conservation Act 1987. The Notice must also specify the Administration Fee which the Grantor intends to impose until the next Concession Fee Review Date.

6.4 If, within 28 days of receipt of the Grantor's notice, the Concessionaire gives written notice to the Grantor that the Concessionaire disputes the proposed new Concession Fee the new Concession Fee is to be determined in accordance with clause 18.

6.5 Until determination of the new Concession Fee, the Concession Fee payable by the Concessionaire from the Concession Fee Review Date is to be the Concession Fee payable immediately before the Concession Fee Review Date. On determination of the new Concession Fee an adjustment is to be made and paid, either by the Grantor or by the Concessionaire, whichever is applicable notwithstanding anything in this clause, the new Administration Fee will be payable by the Grantor upon receipt of the Notice referred to in clause 6.3.

6.6 If the Concessionaire does not give notice to the Grantor under clause 6.4 the Concessionaire will be deemed to have accepted the Concession Fee specified in the Grantor's notice.

7.0 CONCESSION ACTIVITY

7.1 The Concessionaire is not to use the Land for any purpose other than the Concession Activity.

8.0 COMPLIANCE

8.1 The Concessionaire will comply where relevant:

- (a) with the provisions of any conservation management strategy or conservation management plan under Part IIIA of the Conservation Act 1987 together with any amendment or review of the strategy or plan whether approved before, on, or after the date on which this Document takes effect; and
- (b) with the Conservation Act 1987, the Reserves Act 1977, the Health and Safety in Employment Act 1992, the Resource Management Act 1991, and any other statute, ordinance, regulation, bylaw, or other enactment affecting or relating to the Land, or affecting or relating to the Concession Activity.

9.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

9.1 The Concessionaire must not erect or bring on to the Land any Structure, install any facility, or alter the Land in any way without the prior written consent of the Grantor.

9.2 The Concessionaire must keep and maintain at the Concessionaire's cost any Structures, facilities and alterations to the Land in good repair.

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9.3 On expiry or early termination of this Document either as to the whole or any part of the Land, the Concessionaire will not be entitled to compensation for any improvements (including pasture) and any Structures or facilities remaining on the Land are to become the property of the Grantor.

9.4 If requested by the Grantor, the Concessionaire must, within such time as the Grantor determines, remove all Structures, facilities or other improvements erected or installed by the Concessionaire and make good at the Concessionaire's own expense all damage done by the removal and must leave the Land in a clean and tidy condition to the satisfaction of the Grantor.

10.0 PROTECTION OF THE ENVIRONMENT

10.1 Except as approved in writing by the Grantor the Concessionaire will not, whether by act or omission:

- (a) interfere with, remove, damage, or endanger the natural features, indigenous animals and plants, or historic resources on the Land; or
- (b) bring any plants, or animals (other than farm stock described in Item 2 of Schedule I, farm dogs and horses for purposes of the Concession Activity) on to the Land; or
- (c) deposit on the Land debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Land; or
- (d) pile or store materials in any place on the Land where they may obstruct the public or create a nuisance; or
- (e) conduct any noxious, noisome, dangerous or offensive activity on the Land; or
- (f) top-dress, burn, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Land; or
- (g) disturb or allow stock to disturb any stream or watercourse on the Land; or
- (h) light any fire on the Land.

10.2 The Concessionaire, must at the Concessionaire's expense:

- (a)(i) if required by the Grantor take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Land or any Structure or facility on the Land;
- (a)(ii) if considered necessary by the Grantor, engage a pest exterminator approved by the Grantor; and
- (b) comply strictly with the provisions of the Biosecurity Act 1993.

10.3 The Concessionaire must ensure that the Concessionaire's employees, agents, contractors, licensees and invitees comply with the obligations imposed on the Concessionaire under clause 10.

10.4 The Concessionaire may bring firearms on to the Land for use in connection with the Concession Activity and pest control operations.

10.5 The Concessionaire for purposes of the Concession Activity may take onto or use farm vehicles on the Land on existing formed access tracks only.

11.0 HEALTH AND SAFETY

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11.1 The Concessionaire is to carry out the Concession Activity on the Land in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations.

11.2 The Concessionaire must notify the Grantor of any natural events or activities on the Land or the surrounding area which may endanger the public or the environment.

12.0 TEMPORARY SUSPENSION

12.1 The Grantor may suspend this Document:

- (a) if, in the opinion of the Grantor the activities of the Concessionaire, its employees, agents, contractors, licensees or invitees are having or may have an adverse effect on the environment and the Grantor considers that the effect can not be avoided, remedied or mitigated to an extent satisfactory to the Grantor;
- (b) while the Grantor investigates any of the circumstances contemplated by this clause and also while the Grantor investigates any potential breach or possible offence by the Concessionaire related to the Concession Activity under the Conservation Act 1987 or any of the Acts mentioned in the First Schedule of that Act of which the Grantor has become aware.

12.2 The Grantor is not liable to the Concessionaire for any loss sustained by the Concessionaire by reason of a suspension under clause 12.1 including loss of profits.

12.3 During any period of temporary suspension the Concession Fee payable by the Concessionaire is to abate in fair proportion to the loss of use by the Concessionaire of the Land.

13.0 ASSIGNMENT

13.1 The Concessionaire is not to transfer, sublicense, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it without the prior written consent of the Grantor. The Grantor may, in the Grantor's discretion, decline to grant consent under this clause.

13.2 If the Grantor gives consent under this clause the Concessionaire is to remain liable to observe and perform the terms and conditions of this Document throughout the Term and is to procure from the transferee, sublicensee, or assignee a covenant to be bound by the terms and conditions of this Document unless the Grantor otherwise provides in writing.

13.3 The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.

13.4 Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire will be deemed to be an assignment and will require the consent of the Grantor.

14.0 TERMINATION

14.1 The Grantor may terminate this Document by notice in writing to the Concessionaire if:

- (a) the Concession Fee or the Administration Fee or any other money payable to the Grantor under this Document is in arrears and unpaid for 14 days after any of the days appointed for payment whether it has been lawfully demanded or not; or
 - (b)(i) the Concessionaire breaches any terms of this Document; and
 - (b)(ii) the Grantor has notified the Concessionaire in writing of the breach; and
 - (b)(iii) the Concessionaire does not rectify the breach within 28 days of receiving notification; or

- (c) the Concessionaire ceases to conduct the Concession Activity; or
- (d) the Concessionaire is convicted of an offence, related to the Concession Activity, under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act; or the Resource Management Act 1991; or the Biosecurity Act 1993; or the Health and Safety in Employment Act 1992; or
- (e) the Concessionaire is dissolved; or enters into any composition with or assignment for the benefit of its creditors; or is adjudged bankrupt; or being a company has a receiver appointed; or is put into liquidation; or is placed under statutory management; or has a petition for winding up presented against it; or is otherwise unable to pay its debts as they fall due; or the estate or interest of the Concessionaire is made subject to a writ of sale or charging order; or the Concessionaire ceases to function or operate.

14.2 If the Grantor terminates the Document under this clause 14 all rights of the Concessionaire are to cease absolutely; but the Concessionaire is not to be released from any liability to pay the Concession Fee or Administration Fee or other monies up to the date of termination or for any breach of any term up to the date of termination.

14.3 The Grantor may exercise the Grantor's right under this clause to terminate the Concession notwithstanding any prior waiver or failure to take action by the Grantor or any indulgence granted by the Grantor for any matter or default.

15.0 INDEMNITIES AND INSURANCE

15.1 The Concessionaire will indemnify and keep indemnified the Grantor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Concessionaire, its employees, contractors, or invitees or otherwise caused as a result of its use of the Land or the Concessionaire's carrying out of the Concession Activity on the Land.

15.2 This indemnity is to continue after the expiry or other determination of this Document in respect of those acts or omissions occurring or arising before its expiry or determination.

15.3 Without prejudice to or in any way limiting its liability under clause 15.1 the Concessionaire must take out and keep in force during the Term if required by the Grantor:

- (a) a policy of public liability insurance against liability for loss, damage or injury from any one single accident or event arising out of its conduct of the Concession Activity on the Land and covering:
 - (i) general indemnity for a sum not less than the amount specified in Item 10 of Schedule 1; and
 - (ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 11 of Schedule 1; and
- (b) statutory liability insurance for the amount specified in Item 12 of Schedule 1; and
- (c) such other policy or policies of insurance against any other liability and for such other sums which the Grantor specifies in Item 13 of Schedule 1.

15.4 With respect to clause 15.3 the Concessionaire must, before commencing the Concession Activity and on each renewal of insurance provide the Grantor with certificates of insurance issued by the Concessionaire's insurer confirming the nature, amount and duration of cover.

16.0 ENVIRONMENTAL MONITORING

16.1 The Concessionaire must, during the Term, if required in writing by the Grantor, pay to the Grantor the annual environmental monitoring contribution specified in Item 14 of Schedule 1 to enable the Grantor to design and undertake a programme to monitor the environmental effects of the Concessionaire's conduct of the Concession Activity on the Land.

17.0 FORCE MAJEURE

17.1 Neither party will be liable to the other party for any delay in performance of, or failure to perform, its obligations (other than a payment of money) under this Document as a result of any cause beyond its reasonable control.

18.0 DISPUTE RESOLUTION AND ARBITRATION

18.1 If any dispute arises between the parties in connection with this Document, the parties must, without prejudice to any other rights they have under this Document, attempt to resolve the dispute by negotiation or other informal dispute resolution techniques agreed by the parties.

18.2 If the dispute is not capable of resolution by agreement within 14 days of written notice by one party to the other (or such further period as the parties may agree to in writing) either party may refer the dispute to mediation with a mediator agreed between the parties.

18.3 If the parties do not agree on a mediator, the President of the local branch of the New Zealand Law Society in the region in which the Land is situated is to appoint the mediator.

18.4 In the event that the dispute is not resolved by mediation within 2 months of the date of referral to mediation the parties agree that the provisions of the Arbitration Act 1996 will apply.

18.5 Notwithstanding anything to the contrary in the Arbitration Act 1996, if the parties do not agree on an arbitrator within 10 working days of a party giving written notice of the requirement to appoint an arbitrator the President of the local branch of the New Zealand Law Society in the region in which the Land is situated is to appoint the arbitrator. In either case the arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.

18.6 All arbitration proceedings are to take place in New Zealand and to be governed by New Zealand law.

18.7 The parties agree that the results of any arbitration are to be binding on the parties.

19.0 NOTICES

19.1 Any notice to be given under this Document by one party to the other is to be in writing and made by personal delivery, by pre-paid post or by facsimile addressed to the receiving party at the address or facsimile number set out in Item 15 of Schedule 1.

19.2 A notice given in accordance with clause 19.1 will be deemed to have been received:

- (a) in the case of personal delivery, on the date of delivery;
- (b) in the case of pre-paid post, on the third working day after posting;
- (c) in the case of facsimile, on the Working Day on which it is dispatched or, if dispatched after 5.00pm on a Working Day, or if dispatched on a non-working day, on the next Working Day after the date of dispatch.

20.0 RELATIONSHIP OF PARTIES

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20.1 Nothing expressed or implied in this Document shall be construed as:

- (a) conferring on the Concessionaire any right of exclusive occupation or use of the Land;
- (b) derogating from the rights of the Grantor and the public to have access across the Land;
- (c) preventing the Grantor from granting other concessions (except a grazing licence) to other persons.

21.0 OFFENCES

21.1 Where any breach of this Concession by the Concessionaire also constitutes an offence under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act:

- (a) no waiver or failure to act by the Grantor under this Document is to preclude the Grantor from prosecuting the Concessionaire; and
- (b) no failure by the Grantor to prosecute the Concessionaire is to preclude the Grantor from exercising the Grantor's remedies under this Document; and
- (c) any action of the Grantor in prosecuting the Concessionaire is not to preclude the Grantor from exercising the Grantor's remedies under this Document.

22.0 SPECIAL CONDITIONS

22.1 Special conditions relating to this Document are set out in Schedule 2.

22.2 The standard conditions contained in this Document must be read subject to any special conditions.

Signed by :

for and on behalf of
the Minister of Conservation
pursuant to a written delegation (or designation as the case may be)
in the presence of :

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Witness _____

Occupation _____

Address _____

Signed by :

as Concessionaire

in the presence of :

Witness _____

Occupation _____

Address _____

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SCHEDULE 1

1. **Land:** The land is shown on Designations plan as "CA1" and is known as the "Top Block". The estimated size is 2446 ha. *(see definition of Land in clause 1.1)*
2. **Concession Activity:** Grazing of no more than 3000 wethers or dry ewes for a period of 3mths in any one year is permitted on the Land (Wethers are 0.8 SU therefore this is 600 SU/annum).*(see definition of Concession Activity in clause 1.1)*
3. **Term:** 5 years commencing on the date of signing of the substantive proposal for the tenure review of P357 or such residual period that remains of this term when the Concession is granted.*(see clause 3)*
4. (a) **Renewal Date:** Nil *(see clause 3.2)*
 (b) **Renewal Period:** None.
5. **Final Expiry Date:** The 5th anniversary of the date of signing the substantive proposal for the tenure review of P357. *(see clause 3.2)*
6. (a) **Concession Fee:** The concession fee is to be calculated on the basis of \$8/SU/annum, for the stock run on the Land for that year. In order that the grazing fee may be calculated, a return of stock will be made by 30 of June of each year showing the stock carried on the land over the preceding year. If a return is not made by this date, a fee will be charged assuming the maximum stock numbers had been run (600SU). *(see clause 4)*
 (b) **Administration Fee:** \$100 per annum + GST *(see clause 4)*
7. **Concession Fee Payment Date:** *(see clause 4)*
 On or before the date specified on the invoice generated by the Grantor
8. **Penalty Interest Rate:** *(see clause 4.2)*
 Double the Grantor's bank's current highest 90 day bank bill buy rate
9. **Concession Fee Review Date:** Every three year anniversary from the date of commencement for the term of the Concession. *(see clause 6)*
10. **Public Liability General Indemnity Cover:** *(see clause 15.3)*
 for \$1,000,000.00
11. **Public Liability Forest & Rural Fire Extension:** *(see clause 15.3)*
 for \$500,000.00
12. **Statutory Liability Insurance:** *(see clause 15.3)*
 NA
13. **Other Types of Insurance:** *(see clause 15.3)*
Amounts Insured for Other Types of Insurances: *(see clause 15.3)*
 Amount NA
14. **Environmental Monitoring Contribution:** \$ NA *(see clause 16)*
15. **Address for Notices (including facsimile number):** *(see clause 19)*

- 12 -

- (a) Grantor: C/- PO Box 5244, Dunedin. (03) 4778 626
- (b) Concessionaire: Donald W. Clark, Bannockburn Road, RD2, Cromwell Fax (03) 445 0917

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SCHEDULE 2

Special Conditions

1. The Concessionaire will take care not to overstock the Land and will ensure that grazing is not having an adverse impact on the indigenous vegetation within the Land.

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Appendix 6: Copy of easement 885721.2 in favour of the Carrick Irrigation Company Limited

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Approved by the Registrar-General of Land, Wellington, No. B319989.1/93

Memorandum of Transfer

~~(herein called "the Transferor") being registered as proprietor of an estate~~

17C1734

~~subject however to such encumbrances, liens and interests as are notified by memoranda underwritten or endorsed hereon in the piece or pieces of land situated in the Land District of containing more or less being~~

1.0 BACKGROUND

- 1.1 The Carrick Irrigation Company Limited at Bannockburn (called "the Irrigation Company") has purchased the Bannockburn Irrigation Scheme pursuant to a Sale and Purchase Agreement between MURRAY THOMAS DENNISON, RICHARD STEVEN CLARK and EDGAR PARCELL all of Bannockburn Farmers as agents for the Irrigation Company then yet to be incorporated and DAVID FRANCIS CAYGILL, Minister of Finance and COLIN JAMES MOYLE, Minister of Agriculture on behalf of the Crown, dated 18 December 1989 and subsequently adopted by the Irrigation Company as the Purchaser. The Bannockburn Irrigation Scheme (called "the Irrigation Scheme") is more particularly described in the said Sale and Purchase Agreement.
- 1.2 HER MAJESTY THE QUEEN acting by and through the Commissioner of Crown Lands (called "the Crown") is the proprietor of that land containing 9,250.0534 hectares more or less being Sections 3, 27, 28, 29, 30, 31 and 34 Block III Nevis Survey District, Section 1, Block III and Sections 9, 10, and 11, Block IV Bannockburn Survey District, Run 339E Nevis, Lorn and Lornside Survey Districts and Part Run 330B Nevis and Bannockburn Survey Districts (part of the said land and adjoining Crown land now known as Sections 3, 4, 5 and 6, Block III Bannockburn Survey District and Sections 13, 14 and 15, Block IV Bannockburn Survey District) subject to Pastoral Lease Number P56 comprised in Register Book Volume 338 Folio 81 (Otago Land Registry). (called "the Crown's land").
- 1.3 DONALD WILLIAM CLARK of Bannockburn Farmer and MARION ISABELLE CLARK of Bannockburn Farmer (called "the Lessee") are registered as the lessee of the said Pastoral Lease.
- 1.4 The Minister of Agriculture (called "the Minister") had the right immediately before the date of sale of the Irrigation Scheme to the Irrigation Company,

DS
M I Clark
D W Clark

-2-

pursuant to Section 223 of the Public Works Act 1981 or the corresponding provisions of any former enactment relating to irrigation, to enter, use, occupy, carry out work on, store water on, or convey water over the Crown's land and in the manner, detailed in this Instrument, for the purposes of the Irrigation Scheme.

- 1.5 Section 4 of the Irrigation Schemes Act 1990 provides the statutory mechanism to transfer from the Landowners to the Irrigation Company, the same easement rights as the Crown previously had over the Crown's land, and the Crown, lessee and the Irrigation Company have agreed to the transfer of these easement rights to the Irrigation Company.

2.0 GRANT OF EASEMENT

- 2.1 The Crown pursuant to section 60 of the Land Act 1948 and section 4 of the Irrigation Schemes Act 1990 TRANSFERS AND GRANTS to the Irrigation Company as an easement in gross forever, the right to irrigation works (in this instrument referred to as "water works") over the said Crown's land comprising of the following rights:

- (a) The right to convey water marked "A-B" on the plan No.1 annexed and marked "A-B", "C-D", "E-F-G", "F-H", "I-J", "A-K", "P-Q" and "Q-R" on plan No.5 annexed.

- ~~(b) The right of access marked "C-D-E" and "D-F" on the plan No.1 annexed and marked "L-M-N" and "M-O" on the plan No.5 annexed.~~

- (c) The right of support for a weir marked "A" on the plan No.1 annexed.

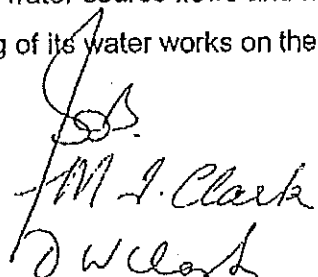
M. J. Clark
D. H. Clark

which rights shall have attached to them the rights, powers and obligations detailed in the following clause 3.0.

3.0 RIGHTS AND POWERS RELATING TO THE GRANT OF EASEMENT

3.1 The Irrigation Company together with any person (as defined in Section 4 of the Acts Interpretation Act 1924) acting with the authority, or on the instructions, of the Irrigation Company and together with all tools, implements, machinery, vehicles, equipment and materials of whatsoever nature shall have the uninterrupted and unrestricted rights:

- (a) To situate and maintain water works including the weir at the stipulated position on the Crown's land, and the rights of access and rights to convey water unimpeded along the stipulated course on the Crown's land, shown on the plan attached and for this purpose to have the right to use, have access over, occupy, construct, maintain, reconstruct and carry out such works (in this Instrument called "water works") as the Irrigation Company considers necessary or desirable on the Crown's land along the stipulated course and at the stipulated position including, but without limitation, structures and works for; the weir, intakes, conveying water, water flow control and supply, turnouts, monitoring and discharges.
- (b) To monitor and control its waterflows and the water source flows and to carry out viewing, surveillance and monitoring of its water works on the Crown's land.


M. I. Clark
D. W. Clark

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(c) Generally and without restriction to access ~~only over the positions marked on the attached plans, to enter~~ the Crown's land and to have access across the Crown's land by the most practicable route.

(d) To erect and maintain such fixtures or markers as may be necessary to indicate the location of any pipeline and associated works provided that such fixtures or markers do not interfere with the reasonable management of the Crown's land.

(e) To generally do anything necessary or convenient for the full exercise of the rights under this Instrument and to give full effect to the purposes of this Instrument.

It being acknowledged that the words "convey water" and "conveying water" include "bye-wash water" and "bye-washing water".

3.2 In exercising its rights and powers under this Instrument, the Irrigation Company shall:

(a) Cause as little disruption and disturbance to the occupation and enjoyment by the Crown and the lessee of the Crown's land, as is reasonably possible.

(b) Cause as little damage to the Crown's land and the fixtures on it and the surface of it as is reasonably possible.

(c) After exercising its rights and powers, restore the Crown's land and the fixtures on it as nearly as is reasonably possible to its former condition but as shall be reasonable in the circumstances having regard to the

M. J. Clark.
D. W. Clark.

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economic and amenity values to the Crown and the lessee of the land and the fixtures affected.

- 3.3 (a) When the Irrigation Company requires entry with machinery on the Crown's land to carry out maintenance or construction works, it shall take reasonable steps to give to the lessee or occupier of the land not less than 24 hours notice by direct personal contact, ordinary letter, facsimile transmission, or telephone prior to such entry and works being undertaken, unless there is an emergency and in which case no notice shall be required.
- (b) If the lessee or occupier has received such notice the lessee or occupier shall notify the Irrigation Company, prior to the entry and work being undertaken, of the presence of pipes or other underground facilities in the Crown's land and if the lessee or occupier fails to notify the Irrigation Company then the Irrigation Company will not be liable for any damage it may cause to such underground pipes or underground facilities.
- 3.4 (a) It is acknowledged that the Irrigation Company shall not fence the boundaries of the easements.
- (b) The Crown and lessee shall not do, or permit to be done, anything, including planting trees or constructing works or buildings, which will prevent or interfere with the free passage of water along the stipulated course or prevent or interfere with the Irrigation Company's full rights of access and full use by it of its rights created by this Instrument and shall not interfere, or permit any interference, or allow trees, tree roots or other vegetation growing on or from the landowners land or stock pastured on the crown's land to interfere with the support, structure or integrity of the Irrigation Company's water works.

M. J. Clark
D. W. Clark

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(c) Without limiting the extent of this clause 3.4, the Crown and lessee shall not, without the prior written consent of the Company, plant or permit to be planted trees or construct or permit to be constructed works or buildings within 4 metres of the centre line of a pipe or within 3 metres from the edge of a water race or other water works.

3.5 The rights and powers contained in paragraphs ~~4~~ 2 and 5 of the Seventh Schedule to the Land Transfer Act 1952 shall apply except insofar as they are varied by this instrument and with the deletion from both paragraphs 2 and 5 of the words "(in common with the grantor, his tenants and any other person lawfully entitled so to do)".

3.6 Any right of action or remedy which shall at any time after the date of this instrument accrue to the irrigation company because of any breach or non-observance by or on behalf of the Lessee of any of the covenants expressed or implied in this instrument and to be observed or performed by the Crown, shall be enforced only against the registered proprietor for the time being of the Pastoral Lease in respect of which such breach or non-observance shall occur or against the lessee of the Pastoral Lease at the time of such occurrence aforesaid but to the intent that any lessee of the Pastoral Lease shall only be liable for acts or defaults occurring while that person is so registered.

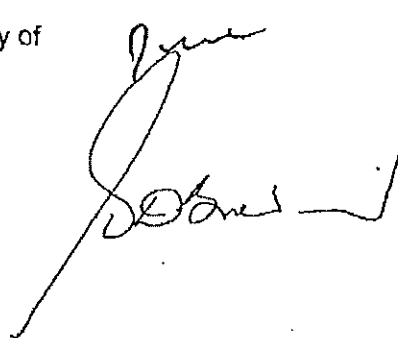
3.7 The lessee agrees to the terms of this instrument and is bound by them to the extent that the terms apply to the lessee and the lessee consents, without payment of compensation, to the terms of this instrument.

3.8 A reference to any party to this instrument includes that party and that parties transferees and successors.


M. J. Clark.
D. W. Clark

Dated the 28th day of June 1995

SIGNED by and on behalf)
of HER MAJESTY THE)
QUEEN by the)
Commissioner of Crown)
Lands as landowner)
in the presence of:)



Witness Helen Hansen

Occupation Administrative Consultant

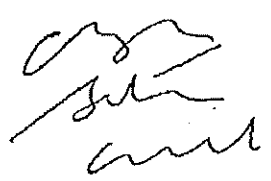
Address Wellington

SIGNED by the CARRICK) R. S. Clark

IRRIGATION COMPANY) Director

LIMITED) M. J. Clark

Director



D. W. Clark
M. J. Clark

SIGNED by DONALD)
WILLIAM CLARK and) *DW Clark*
MARION ISABELLE CLARK) *M. I. Clark*
as lessee in the presence of:)

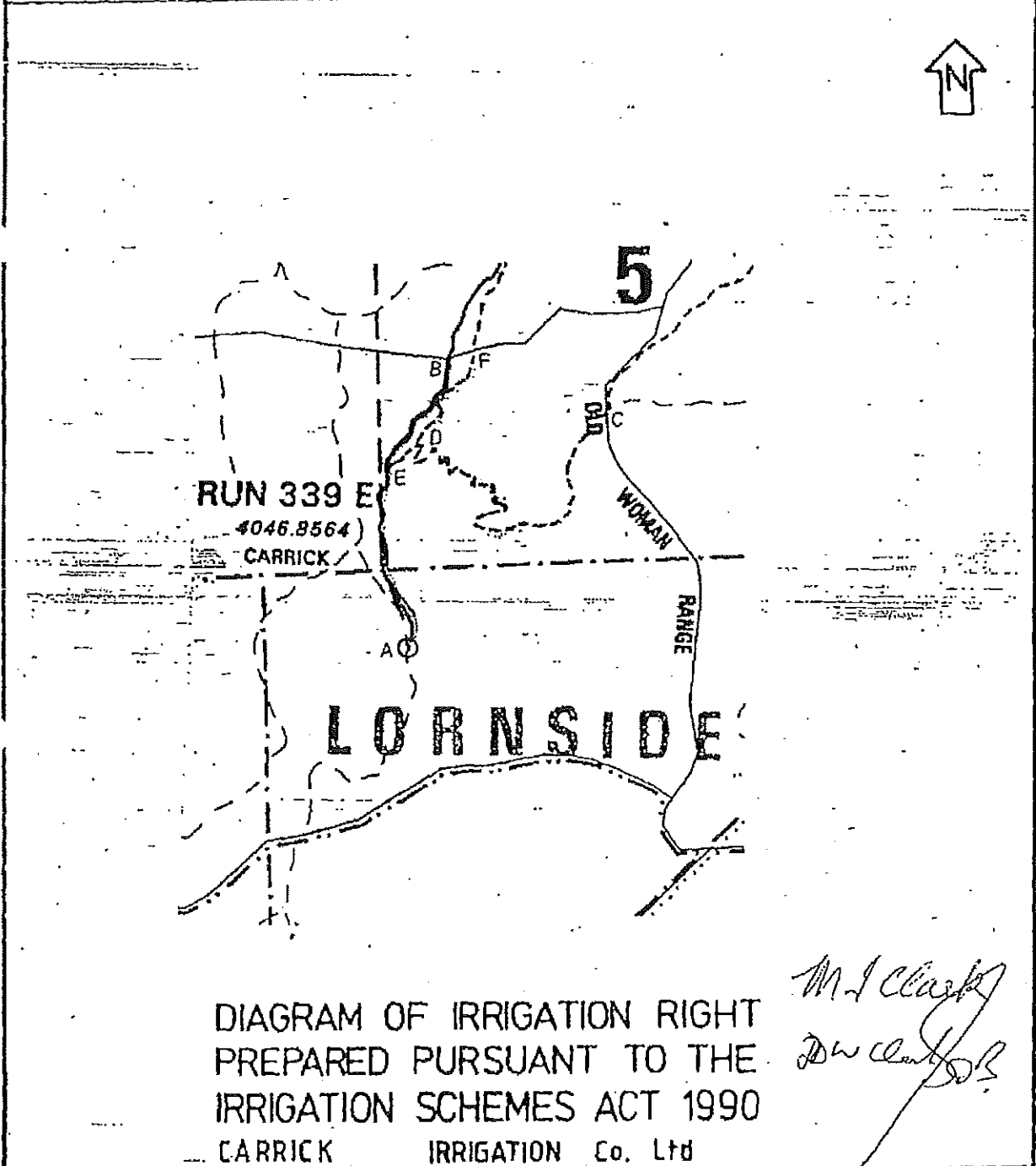
Witness *W. Brown Jr.*

Occupation *Farmer*

Address *Comwell*

JDS

SCHEDULE OF EASEMENTS				C T	Owner	Plan No
Shown	Purpose	Servient Tenement	Grantee			
A-B	RIGHT TO CONVEY WATER	RUN 339E LORNSIDE S.D BLK III, V NEVIS S.D	CARRICK IRR Co. Ltd	388/81	D.W & M.I CLARK	1
C-D-E-D-F	RIGHT OF ACCESS	" " "	" "	" "	" "	" "
(A)	RIGHT OF SUPPORT	" " "	" "	" "	" "	" "



M.I. Clark
D.W. Clark

PREPARED BY C. HUGHES & ASSOCIATES SURVEYING CONSULTANTS CROMWELL	Scale 1:50 000
	Date 5/94
	Job No 3665

SCHEDULE OF EASEMENTS

Shown	Purpose	Servient Tenement	Grantee	C T	Owner	Plan N ^o
A-B, C-D E-F-G, F-H I-J, A-K, P-Q, Q-R	RIGHT TO CONVEY WATER	RUN 330B BLK II, IV NEVIS S.D BLK II, III BANNOCKBURN S.D	CARRICK IRR Co. Ltd	338/81	D.W & M.I CLARK	5
L-M, N, M-O	RIGHT OF ACCESS	" " "	" " "	" "	" " "	"

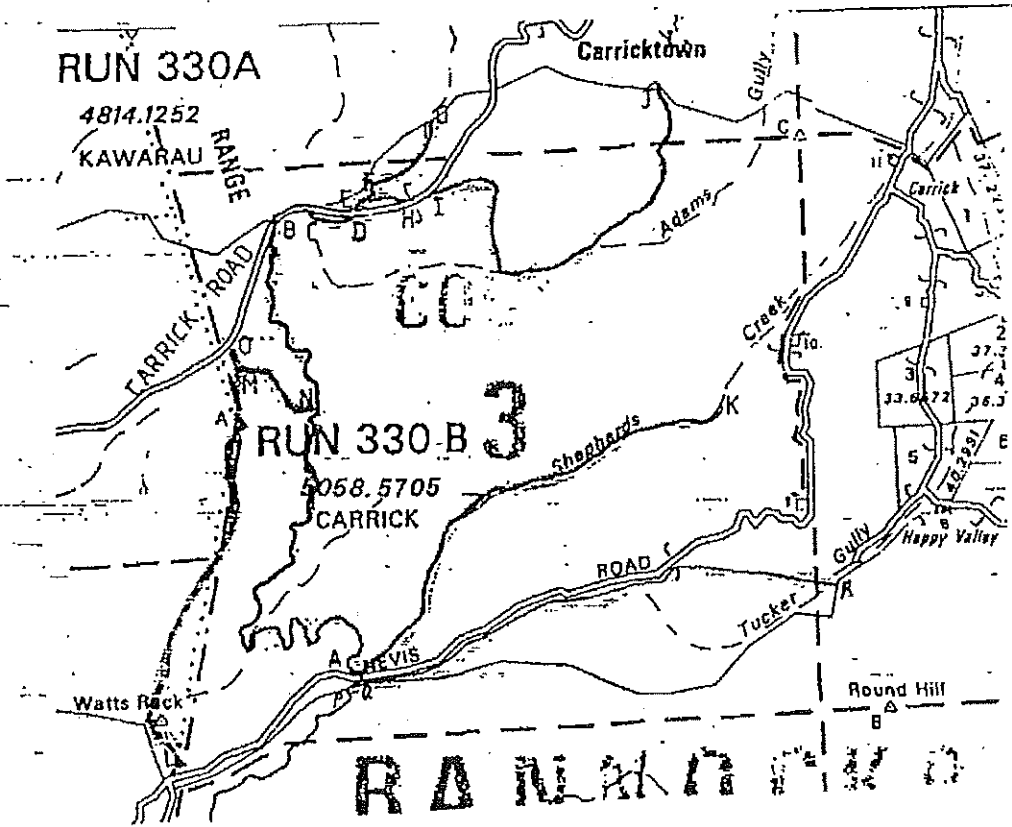


DIAGRAM OF IRRIGATION RIGHT
PREPARED PURSUANT TO THE
IRRIGATION SCHEMES ACT 1990

CARRICK IRRIGATION Co, Ltd

M I Clark
D W Clark

PREPARED BY C. HUGHES & ASSOCIATES
SURVEYING CONSULTANTS
CROMWELL

Scale 1:50 000
Date 5/94
Job N^o 3665

~~In Consideration of the sum of~~

paid to the Transferor by

(herein called "the Transferee") the receipt of which sum is hereby acknowledged ~~Hereby Transfers to the~~
Transferee all the Transferor's estate and interest in the said piece or pieces of land

~~In witness whereof~~ these presents have been executed this day of 19

~~Signed by the Transferor~~

~~(by the affixing of its common seal)~~

~~in the presence of:~~

**MEMORANDUM OF TRANSFER
MENTS IN GROSS FOR IRRIGATION
WORKS**

170/34
170/734

GARRICK IRRIGATION COMPANY..... Transferor
LIMITED

CLARK DW & MI..... Transferee

Particulars entered in the Register as shown herein on the date and at the time endorsed below.

Assistant / District Land Registrar of the

District of OTAGO

Correct for the purposes of the Land Transfer Act 1952

[Signature]
SOLICITOR FOR THE TRANSFEEE

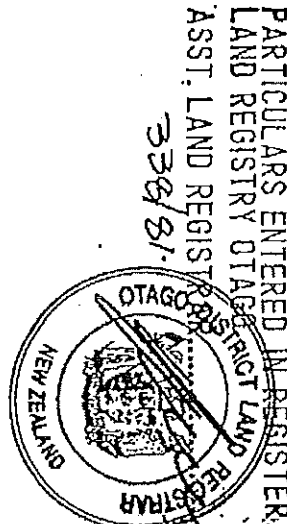
I hereby certify that this transaction does not contravene the provisions of Part IIA of the Land Settlement Promotion and Land Acquisition Act 1952.

[Signature]
SOLICITOR FOR THE TRANSFEEE

I hereby certify for the purposes of the Stamp and Cheque Duties Act 1971 that no conveyance duty is payable on this instrument by reason of the application of Section 24(1) of the Act and that the provisions of subsection (2) of that section do not apply.

SOLICITOR FOR THE TRANSFEEE

CHECKETTS MCKAY
LAWYERS
CENTRAL OTAGO



PARTICULARS ENTERED IN REGISTER
LAND REGISTRY OTAGO
ASST. LAND REGISTRAR
336/81

12.11.30.JUN.95 8857211/2

170/734

Appendix 7: Copy of unregistered Deemed Permit for water takes pursuant to sections 413-417 RMA in favour of the Carrick Irrigation Company Limited, No. 2002.448

Consent No: 2002.448

DEEMED PERMIT

This is a Deemed Permit pursuant to Sections 413-417 of the Resource Management Act 1991.

Name: Carrick Irrigation Company Limited

Address: 283 Bannockburn Road, Cromwell

to take and use up to 1,247,011 cubic metres per month at a maximum rate of 1,732 cubic metres per hour of water from Coal Creek and five tributaries of Coal Creek in the Nevis Valley and Shepherds Creek and Smiths Gully in the Bannockburn Valley and to retake 204 cubic metres per hour from Smiths Gully.

for the purpose of irrigation and stockwater supply.

for a term expiring 1 October 2021

Location, Map Reference and Legal description of Land at Point of Take:

Location	Present amount of water taken (heads)	Present amount of water taken (litres per second)	Map Grid Ref: NZMS 260 series	Legal Description	Previous Authorisation by Mining Privilege No.
Coal Ck	8	226	F42:984-428	Run 339E Lornside SD	WR3937Cr
Snow Ck	1	28.3	F42:985-432	Run 339E Block V Nevis SD	WR3937Cr
Good Ck	1	28.3	F42: 986-453	Run 339E Block V Nevis SD	WR3937Cr
Xmas Ck	2	56.6	F42: 991-468	Run 339E Block V Nevis SD	WR1731Cr
Long Gully	1	28.3	F42: 005-485	Run 339E Block V Nevis SD	WR1731Cr
Long Gully	0.5	14	F42: 005-486	Run 339E Block V Nevis SD	WR1731Cr
Long Gully	0.5	14	F42: 005-489	Run 339E Block V Nevis SD	WR1731Cr
Barn Creek	0.5	14	F42: 005-505	Run 339B Block IV Nevis SD	WR1731Cr
Barn Creek	0.5	14	F42: 004-509	Run 339B Block IV Nevis SD	WR1731Cr
Shepherds Creek	0.33	9.3	F42: 023-538	Section 3 Block III Bannockburn SD	WR1731Cr
Shepherds Creek	0.33	9.3	F42: 028-550	Section 3 Block III Bannockburn SD	WR1731Cr
Shepherds Creek	0.33	9.3	F42: 028-554	Section 3 Block III Bannockburn SD	WR1731Cr
Smiths Gully retakes (west side)	1	28.3	F41: 053-603	Part Run 330A Block II Bannockburn SD	WR1731Cr
Smiths Gully (Eastside)	1	28.3	F41: 054-603		Easement to use water race registered on WR3460Cr
Smiths Gully (westside take)	0.5	14	F41: 053-603	Part Run 330A Block II Bannockburn SD	WR7831/97
Smiths Gully (Eastside take)	0.5	14	F41: 054-603		Easement to use water race registered on WR3460Cr

This document is a deemed permit within the meaning of Sections 413 - 417 of the Resource Management Act 1991. It is a replacement permit for the following water race licences:

- (a) WR3937Cr which was granted in the Cromwell Wardens Court on the 15 of September 1920;
- (b) WR1731Cr which was granted in the Cromwell Wardens Court in exchange for licence No. 7832 having a priority date of 9 July 1883;
- (c) WR7831Cr which was granted in the Cromwell Wardens Court in exchange for Licence No.7391 having a priority date of 11 July 1866;

Conditions

- 1. That the abstraction authorised by this permit shall not exceed the volumes of the individual takes of water as listed in the table above.
- 2. That the combined take in the East side and West side races from Smiths Gully is no more than 28.3 litres per second of the natural flow in the Gully plus the amount that is discharged from the main race into the top of the Gully and no more than a total of 85 litres per second.
- 3. Appended is a schedule of provisions from the former Water and Soil Conservation Amendment Act 1971 that may apply to this deemed permit.

Note:

- 1. Priorities:

Deemed Permits which can exercise priority over WR3937Cr: Nil

Deemed Permits over which WR3937Cr can exercise priority: Nil

- 2. Deemed Permits which can exercise priority over WR1731Cr takes in Xmas Creek, Long Gully and Barn Creek : Nil

Deemed Permits which WR1731Cr can exercise priority over in Xmas Creek, Long Gully and Barn Creek : Nil

- 3. Deemed Permits which can exercise priority over WR1731Cr in Shepherds Creek;

Water Race Licence No.	Priority Date	Volume (litres/hour)	Location	Registered Holders
Part WR1914Cr	10.07.1883	75,000	Shepherds Creek	D W & M I Clark

Deemed Permits over which WR1731Cr can exercise priority in Shepherds Creek:

Water Race Licence No.	Priority Date	Volume (litres/hour)	Location	Registered Holders
Part WR1914Cr	10.07.1883	325,000	Shepherds Creek	D W & M I Clark
WR4932Cr	15.02.1928	100,000	Shepherds Ck	Anderson R J & Co.

4. Deemed Permits which can exercise priority over WR7831Cr in Smiths Gully:
Nil

Deemed Permits over which WR1731Cr can exercise priority in Smiths Gully:

Water Race No.	Priority Date	Location	Volume (litres/hour)	Registered Shareholder
WR3460Cr	30.09.1914	Smiths Creek	50,000	R J Anderson

2. Also appended is a diagram of the relative locations of the permits.
3. That all single domestic and stock water users have a right to water before any other user, including mining privilege holders.

Issued at Dunedin this 20th day of September 2002

Marian Weaver
Manager Consents
J. e. g:\st11\currick\irrigation1.doc

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Appendix 8: Form of Grazing Concession One over "R" to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

DONALD WILLIAM CLARK and MARION ISOBEL CLARK
("the Concessionaire")

GRAZING CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

THIS LICENCE is made this day of

PARTIES:

1. MINISTER OF CONSERVATION, ("the Grantor")
2. DONALD WILLIAM CLARK and MARION ISOBEL CLARK
("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1 as a Conservation Area or Reserve.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant a Concession for a Concession Activity in a Conservation Area and a Reserve under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).
- C. The Concessionaire wishes to carry out the Concession Activity on the Land subject to the terms and conditions of this Document.

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Document, unless the context otherwise requires:

"Access" means the right, in common with others, to pass and repass over the Land and any roads of the Grantor for ingress to and egress from the Land as is reasonably necessary for the Concessionaire to exercise its rights under this Licence.

"Administration Fee" means the amount specified in Item 6(b) of Schedule 1 and is the annual fee for administering the Concession imposed by the Grantor under section 60D of the Conservation Act 1987. It includes any variation in that amount following a Concession Fee Review.

"Background" means the matters referred to under the heading "Background" on page 1 of this Document.

"Concession" means a concession as defined in section 2 of the Conservation Act 1987.

"Concessionaire" includes the Concessionaire's successors, assigns, executors, and administrators.

"Concession Activity" means the use of the Land for purposes of the activity carried out by the Concessionaire and specified in Item 2 of Schedule 1.

"Concession Fee" means the amount specified in Item 6(a) of Schedule 1 and charged by the Grantor for the Concessionaire's right to carry out the Concession Activity on the Land. It includes any variation in that amount following a Concession Fee Review. It also includes, where relevant, the amount which the parties agree to be the new Concession Fee on a renewal of the Document.

"Concession Fee Payment Date" means the date specified in Item 7 of Schedule 1 on which the Concession Fee falls due for payment.

"Concession Fee Review" means a review of the Concession Fee determined in accordance with clause 6 of this Document.

"**Concession Fee Review Date**" means the date specified in Item 9 of Schedule 1 on which the Concession Fee Review occurs being at 3 year intervals calculated from the date of commencement of the term of this Document; and includes any additional dates inserted into Item 9 of Schedule 1 following a renewal of this Document.

"**Conservation Area**" has the same meaning as "Conservation area" in section 2 of the Conservation Act 1987.

"**Director-General**" means the Director-General of Conservation.

"**Document**" means this Licence and any subsequent amendments and all schedules, annexures, and plans attached to it.

"**Final Expiry Date**" means the date specified in Item 5 of Schedule 1.

"**Land**" means a Conservation Area or a Reserve (whichever is relevant in the circumstances) being the area more particularly described in Item 1 of Schedule 1.

"**Licence**" for purposes of this Document is the Licence granted under this Document by the Grantor to the Concessionaire under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances).

"**Penalty Interest Rate**" means the rate specified in Item 8 of Schedule 1.

"**Renewal Date**" means the date specified in Item 4(a) of Schedule 1.

"**Renewal Period**" means the period specified in Item 4(b) of the Schedule 1.

"**Reserve**" has the same meaning as "reserve" in section 2 of the Reserves Act 1977.

"**Structure**" includes a bridge, a culvert, and a fence.

"**Term**" means the period of time specified in Item 3 of Schedule 1 during which this Document operates. It includes, where relevant, any period of renewal of the Term.

"**Working Day**" means the period between any one midnight and the next excluding Saturdays, Sundays and Statutory holidays in the place where the Concession Activity is being carried out.

1.2 In this Document unless the context otherwise requires:

- (a) a reference to a party is a reference to a party to this Document;
- (b) schedules and annexures form part of this Document and have effect accordingly;
- (c) words appearing in this Document which also appear in Schedule 1 mean and include the details appearing after them in that Schedule;
- (d) a provision of this Document to be performed by two or more persons binds those persons jointly and severally;
- (e) words in a singular number include the plural and vice versa;
- (f) words importing a gender include other genders;
- (g) references to a statute or statutory provision, or order or regulation made under it, include that statute, provision, or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the date of this Document;
- (h) where the Grantor's consent or approval is expressly required under a provision of this Document, the Concessionaire must seek the consent or approval of the Grantor for each separate occasion it is required notwithstanding that the Grantor has granted consent or approval for a like purpose on a prior occasion.

1.3 Words used in the Background to this Document have the same meaning given to them in clause 1.1.

- 4 -

6.0 CONCESSION FEE AND ADMINISTRATION FEE REVIEW

- 6.1 The Grantor will review the Concession Fee and the Administration Fee on the Concession Fee Review Dates.
- 6.2 The Grantor will commence the review not earlier than 3 months before a Concession Fee Review Date and no later than 9 months following the Concession Fee Review Date by giving written notice to the Concessionaire.
- 6.3 The notice must specify the Concession Fee which the Grantor considers to be the market value for the Concession Activity as at the Concession Fee Review Date having regard to the matters specified in section 17Y(2) of the Conservation Act 1987. The Notice must also specify the Administration Fee which the Grantor intends to impose until the next Concession Fee Review Date.
- 6.4 If, within 28 days of receipt of the Grantor's notice, the Concessionaire gives written notice to the Grantor that the Concessionaire disputes the proposed new Concession Fee the new Concession Fee is to be determined in accordance with clause 18.
- 6.5 Until determination of the new Concession Fee, the Concession Fee payable by the Concessionaire from the Concession Fee Review Date is to be the Concession Fee payable immediately before the Concession Fee Review Date. On determination of the new Concession Fee an adjustment is to be made and paid, either by the Grantor or by the Concessionaire, whichever is applicable notwithstanding anything in this clause, the new Administration Fee will be payable by the Grantor upon receipt of the Notice referred to in clause 6.3.
- 6.6 If the Concessionaire does not give notice to the Grantor under clause 6.4 the Concessionaire will be deemed to have accepted the Concession Fee specified in the Grantor's notice.

7.0 CONCESSION ACTIVITY

- 7.1 The Concessionaire is not to use the Land for any purpose other than the Concession Activity.

8.0 COMPLIANCE

- 8.1 The Concessionaire will comply where relevant:
- (a) with the provisions of any conservation management strategy or conservation management plan under Part IIIA of the Conservation Act 1987 together with any amendment or review of the strategy or plan whether approved before, on, or after the date on which this Document takes effect; and
 - (b) with the Conservation Act 1987, the Reserves Act 1977, the Health and Safety in Employment Act 1992, the Resource Management Act 1991, and any other statute, ordinance, regulation, bylaw, or other enactment affecting or relating to the Land, or affecting or relating to the Concession Activity.

9.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

- 9.1 The Concessionaire must not erect or bring on to the Land any Structure, install any facility, or alter the Land in any way without the prior written consent of the Grantor.
- 9.2 The Concessionaire must keep and maintain at the Concessionaire's cost any Structures, facilities and alterations to the Land in good repair.
- 9.3 On expiry or early termination of this Document either as to the whole or any part of the Land, the Concessionaire will not be entitled to compensation for any improvements (including pasture) and any Structures or facilities remaining on the Land are to become the property of the Grantor.
- 9.4 If requested by the Grantor, the Concessionaire must, within such time as the Grantor determines, remove all Structures, facilities or other improvements erected or installed by the Concessionaire and make good at

the Concessionaire's own expense all damage done by the removal and must leave the Land in a clean and tidy condition to the satisfaction of the Grantor.

10.0 PROTECTION OF THE ENVIRONMENT

10.1 Except as approved in writing by the Grantor the Concessionaire will not, whether by act or omission:

- (a) interfere with, remove, damage, or endanger the natural features, indigenous animals and plants, or historic resources on the Land; or
- (b) bring any plants, or animals (other than farm stock described in Item 2 of Schedule 1, farm dogs and horses for purposes of the Concession Activity) on to the Land; or
- (c) deposit on the Land debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Land; or
- (d) pile or store materials in any place on the Land where they may obstruct the public or create a nuisance; or
- (e) conduct any noxious, noisome, dangerous or offensive activity on the Land; or
- (f) top-dress, burn, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Land; or
- (g) disturb or allow stock to disturb any stream or watercourse on the Land; or
- (h) light any fire on the Land.

10.2 The Concessionaire, must at the Concessionaire's expense:

- (a)(i) if required by the Grantor take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Land or any Structure or facility on the Land;
- (a)(ii) if considered necessary by the Grantor, engage a pest exterminator approved by the Grantor; and
- (b) comply strictly with the provisions of the Biosecurity Act 1993.

10.3 The Concessionaire must ensure that the Concessionaire's employees, agents, contractors, licensees and invitees comply with the obligations imposed on the Concessionaire under clause 10.

10.4 The Concessionaire may bring firearms on to the Land for use in connection with the Concession Activity and pest control operations.

10.5 The Concessionaire for purposes of the Concession Activity may take onto or use farm vehicles on the Land on existing formed access tracks only.

11.0 HEALTH AND SAFETY

11.1 The Concessionaire is to carry out the Concession Activity on the Land in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations.

11.2 The Concessionaire must notify the Grantor of any natural events or activities on the Land or the surrounding area which may endanger the public or the environment.

12.0 TEMPORARY SUSPENSION

12.1 The Grantor may suspend this Document:

Concessionaire is made subject to a writ of sale or charging order; or the Concessionaire cease to function or operate.

14.2 If the Grantor terminates the Document under this clause 14 all rights of the Concessionaire are to cease absolutely; but the Concessionaire is not to be released from any liability to pay the Concession Fee or Administration Fee or other monies up to the date of termination or for any breach of any term up to the date of termination.

14.3 The Grantor may exercise the Grantor's right under this clause to terminate the Concession notwithstanding any prior waiver or failure to take action by the Grantor or any indulgence granted by the Grantor for any matter or default.

15.0 INDEMNITIES AND INSURANCE

15.1 The Concessionaire will indemnify and keep indemnified the Grantor against all claims made by any person in respect of any injury, loss, or damage, including fire, caused or suffered as a result of or arising out of any acts or omissions of the Concessionaire, its employees, contractors, or invitees or otherwise caused as a result of its use of the Land or the Concessionaire's carrying out of the Concession Activity on the Land.

15.2 This indemnity is to continue after the expiry or other determination of this Document in respect of those acts or omissions occurring or arising before its expiry or determination.

15.3 Without prejudice to or in any way limiting its liability under clause 15.1 the Concessionaire must take out and keep in force during the Term if required by the Grantor:

(a) a policy of public liability insurance against liability for loss, damage or injury from any one single accident or event arising out of its conduct of the Concession Activity on the Land and covering:

(i) general indemnity for a sum not less than the amount specified in Item 10 of Schedule 1; and

(ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 11 of Schedule 1; and

(b) statutory liability insurance for the amount specified in Item 12 of Schedule 1; and

(c) such other policy or policies of insurance against any other liability and for such other sums which the Grantor specifies in Item 13 of Schedule 1.

15.4 With respect to clause 15.3 the Concessionaire must, before commencing the Concession Activity and on each renewal of insurance provide the Grantor with certificates of insurance issued by the Concessionaire's insurer confirming the nature, amount and duration of cover.

20.0 RELATIONSHIP OF PARTIES

20.1 Nothing expressed or implied in this Document shall be construed as:

- (a) conferring on the Concessionaire any right of exclusive occupation or use of the Land;
- (b) derogating from the rights of the Grantor and the public to have access across the Land;
- (c) preventing the Grantor from granting other concessions (except a grazing licence) to other persons.

21.0 OFFENCES

21.1 Where any breach of this Concession by the Concessionaire also constitutes an offence under the Conservation Act 1987 or any of the Acts listed in the First Schedule to that Act:

- (a) no waiver or failure to act by the Grantor under this Document is to preclude the Grantor from prosecuting the Concessionaire; and
- (b) no failure by the Grantor to prosecute the Concessionaire is to preclude the Grantor from exercising the Grantor's remedies under this Document; and
- (c) any action of the Grantor in prosecuting the Concessionaire is not to preclude the Grantor from exercising the Grantor's remedies under this Document.

22.0 SPECIAL CONDITIONS

22.1 Special conditions relating to this Document are set out in Schedule 2.

22.2 The standard conditions contained in this Document must be read subject to any special conditions.

Signed by :

for and on behalf of
the Minister of Conservation
pursuant to a written delegation (or designation as the case may be)
in the presence of :

Witness _____

Occupation _____

Address _____

Signed by :

as Concessionaire
in the presence of :

Witness _____

Occupation _____

Address _____

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SCHEDULE 1

1. **Land:** The land is shown on Designations plan as "R". The Land is fenced into and included in farm blocks known as "Water Wheel" and "Forks" Blocks. *(see definition of Land in clause 1.1)*
2. **Concession Activity:** Grazing of sheep only is permitted on the Land which is part of Water Wheel block. Sheep and cattle grazing is permitted on the Land within the Forks Block. *(see definition of Concession Activity in clause 1.1)*
3. **Term:** 30 years commencing on date of surrender of pastoral lease P357 Carrick. *(see clause 3)*
4. (a) **Renewal Date:** Nil. *(see clause 3.2)*
(b) **Renewal Period:** Not applicable.
5. **Final Expiry Date:** The 30th anniversary of the date of surrender of pastoral lease p357 Carrick *(see clause 3.2)*
6. (a) **Concession Fee:** The concession fee is to be \$50/annum plus GST. *(see clause 4)*
(b) **Administration Fee:** \$100 per annum plus GST *(see clause 4)*
7. **Concession Fee Payment Date:** *(see clause 4)*
On or before the date specified on the invoice generated by the Grantor
8. **Penalty Interest Rate:** *(see clause 4.2)*
Double the Grantor's bank's current highest 90 day bank bill buy rate
9. **Concession Fee Review Date:** Every three year anniversary from the date of commencement for the term of the Concession. *(see clause 6)*
10. **Public Liability General Indemnity Cover:** *(see clause 15.3)*
for \$1,000,000.00
11. **Public Liability Forest & Rural Fire Extension:** *(see clause 15.3)*
for \$500,000.00
12. **Statutory Liability Insurance:** *(see clause 15.3)*
NA
13. **Other Types of Insurance:** *(see clause 15.3)*
Amounts Insured for Other Types of Insurances: *(see clause 15.3)*
Amount NA
14. **Environmental Monitoring Contribution:** \$ NA *(see clause 16)*
15. **Address for Notices (including facsimile number):** *(see clause 19)*
(a) Grantor: C/- PO Box 5244, Dunedin. (03) 4778 626
(b) Concessionaire: Donald W. Clark, Bannockburn Road, RD2, Cromwell Fax (03) 445 0917

SCHEDULE 2

Special Conditions

The Land is unfenced from the adjoining land. Grazing is considered beneficial to maintaining the visibility of the historic features within the Land. The indicative stock carrying capacity of the concession area is 35 SU.

1. The Concessionaire will take care not to overstock the Land and will ensure that grazing is not having an adverse impact on the historic resources within the Land.
2. The Concessionaire will keep rabbits to low levels (below Modified Mclean scale 4) on the Land.
3. The Concessionaire will be responsible for keeping the land free of goats.
4. The reference to topdressing in 10:1 (f) is deleted.
5. Photopoint monitoring will be undertaken by the Minister to ensure that any stock damage to the historic features on the Land can be identified and mitigated. Mitigation may include fencing of specific historic features.
6. Monitoring frequency is to be every 5 years or otherwise as agreed between the parties.
7. The Minister may modify, temporarily suspend or terminate the concession or any part of it if grazing impacts cannot be adequately mitigated on the land.
8. Upon surrender of PL 357, the Minister will give consideration to amalgamating this concession with grazing concession PAC 13 01 252 (Concession No. SP423), under which the Concessionaire Donald William Clark currently grazes stock on the adjoining Young Australian Historic Reserve