

Crown Pastoral Land Tenure Review

**Lease name : KAWARAU STATION
and MT DIFFICULTY**

Lease number : PC 234/PO 353

Substantive Proposal Part 1

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

Nov

14

Execution
Copy.

**PROPOSAL FOR REVIEW OF CROWN LAND
MT DIFFICULTY AND KAWARAU STATION PASTORAL LEASES**

Date: 12 JUNE 2014

Parties :

Commissioner of Crown Lands:

C/- OPUS International Consultants Limited
197 Rattray Street, PO Box 1913, Dunedin 9054
Attention: Dave Payton

And

Holder:

Kawarau Station Limited
Level 1, ICL Limited, 69 Tarbert Street, Alexandra 9320
as lessee under the Mt Difficulty Lease and as lessee under the Kawarau Station
Lease

The Land

Lease: Mt Difficulty Lease No P 353
Legal Description: Part Section 51 Block II, Cromwell SD and
Section 3 SO 23831
Area: 5281.1156 hectares more or less
Certificate of Title/Unique Identifier: OT13A/632

The Land

Lease: Kawarau Station Lease No P 234
Legal Description: Part Run 330A
Area: 4812.7440 hectares more or less
Certificate of Title/Unique Identifier: OTA2/1218

Summary of Designations

Under this Proposal, the Land in relation to each lease is designated as follows:

- (a) The Crown Land (shown marked in pink on the Plan) is to be restored to, or retained by, the Crown as set out in Schedules One and Two; and
- (b) The Freehold Land (shown marked in green on the Plan) is to be disposed by freehold disposal to the Holder as set out in Schedule Three.

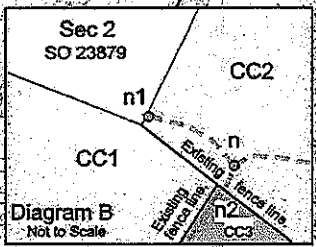
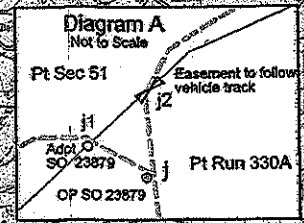
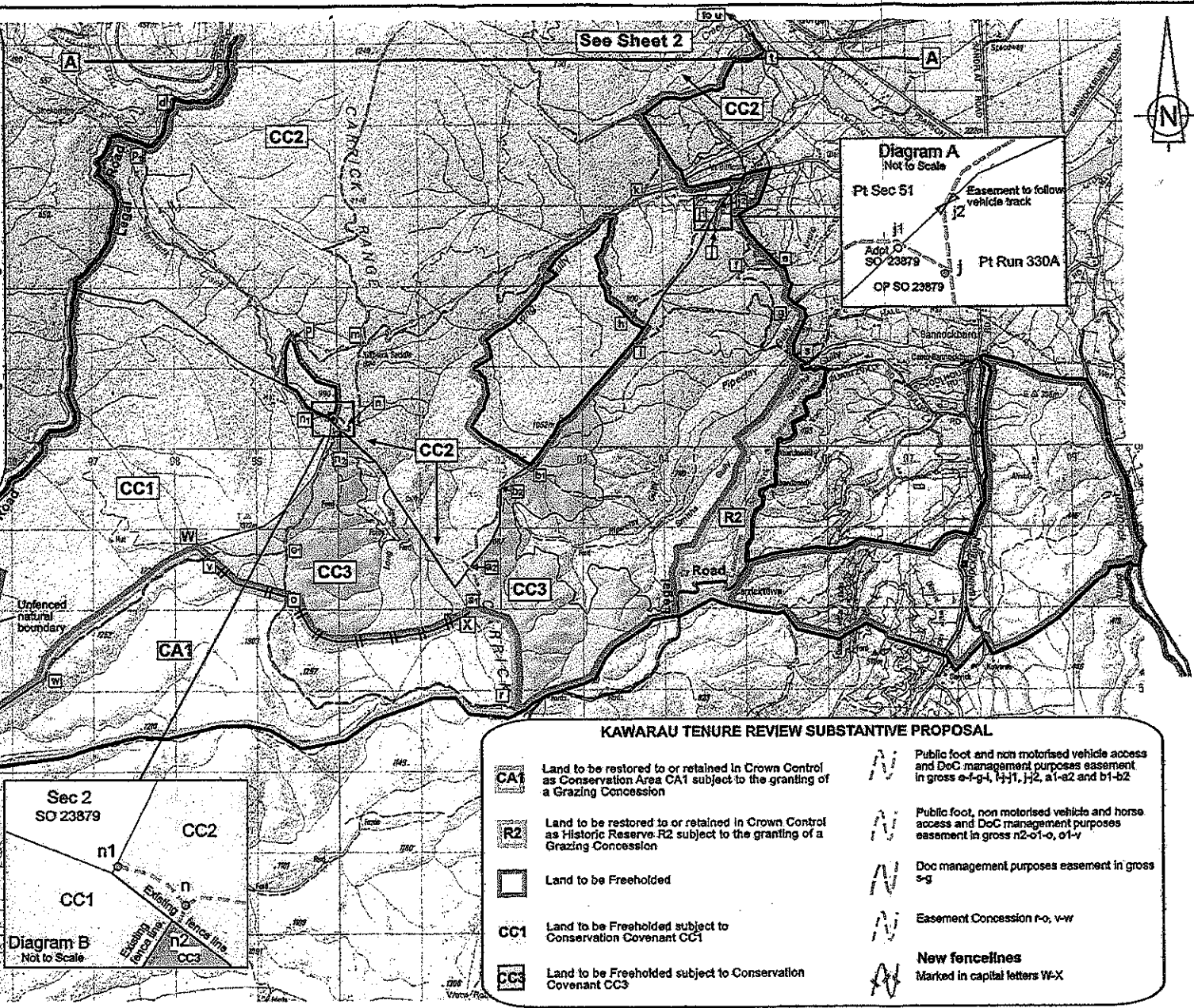
1 The Designation Plans for the Kwarau Station and Mt Difficulty Pastoral Leases

**MT DIFFICULTY TENURE REVIEW
SUBSTANTIVE PROPOSAL**

- CL** Land to be restored to or retained in Crown Control under the Land Act 1948 subject to the granting of a Special Lease
- R1** Land to be restored to or retained in full Crown Ownership and Control as Historic Reserve R1
- Land to be Freeholded
- CC2** Land to be Freeholded subject to Conservation Covenant CC2
- N** Public foot and non motorised vehicle access and DoC management purposes easement in gross, easement routes a-b, b-c and b-d are where the route is outside of the unformed legal road, plus j1-h, j2-k, p-p1, n-n1, a2-b2 and x-b
- N** Public foot, non motorised vehicle and horse access and DoC management purposes easement in gross k-x-m-n-n2, k-m-p
- N** DoC management purposes easement in gross where the existing track formation is within the land to be freeholded l-u
- N** Easement being a right to convey water for management purposes C-D

MT DIFFICULTY FENCELINES

- ☆** New fencelines
Marked in capital letters S-T
- N** Fence upgrade
Marked as Way Points wp88-wp90, wp68-wp91



The boundaries on this plan are for illustrative purposes in showing the recommended designations

KAWARAU TENURE REVIEW SUBSTANTIVE PROPOSAL

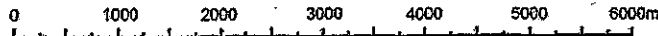
- CA1** Land to be restored to or retained in Crown Control as Conservation Area CA1 subject to the granting of a Grazing Concession **N** Public foot and non motorised vehicle access and DoC management purposes easement in gross e-f-g-l, h-j1, j2, a1-a2 and b1-b2
- R2** Land to be restored to or retained in Crown Control as Historic Reserve R2 subject to the granting of a Grazing Concession **N** Public foot, non motorised vehicle and horse access and DoC management purposes easement in gross n2-o1-o, o1-v
- Land to be Freeholded **N** DoC management purposes easement in gross s-g
- CC1** Land to be Freeholded subject to Conservation Covenant CC1 **N** Easement Concession r-o, v-w
- CC3** Land to be Freeholded subject to Conservation Covenant CC3 **☆** New fencelines
Marked in capital letters W-X



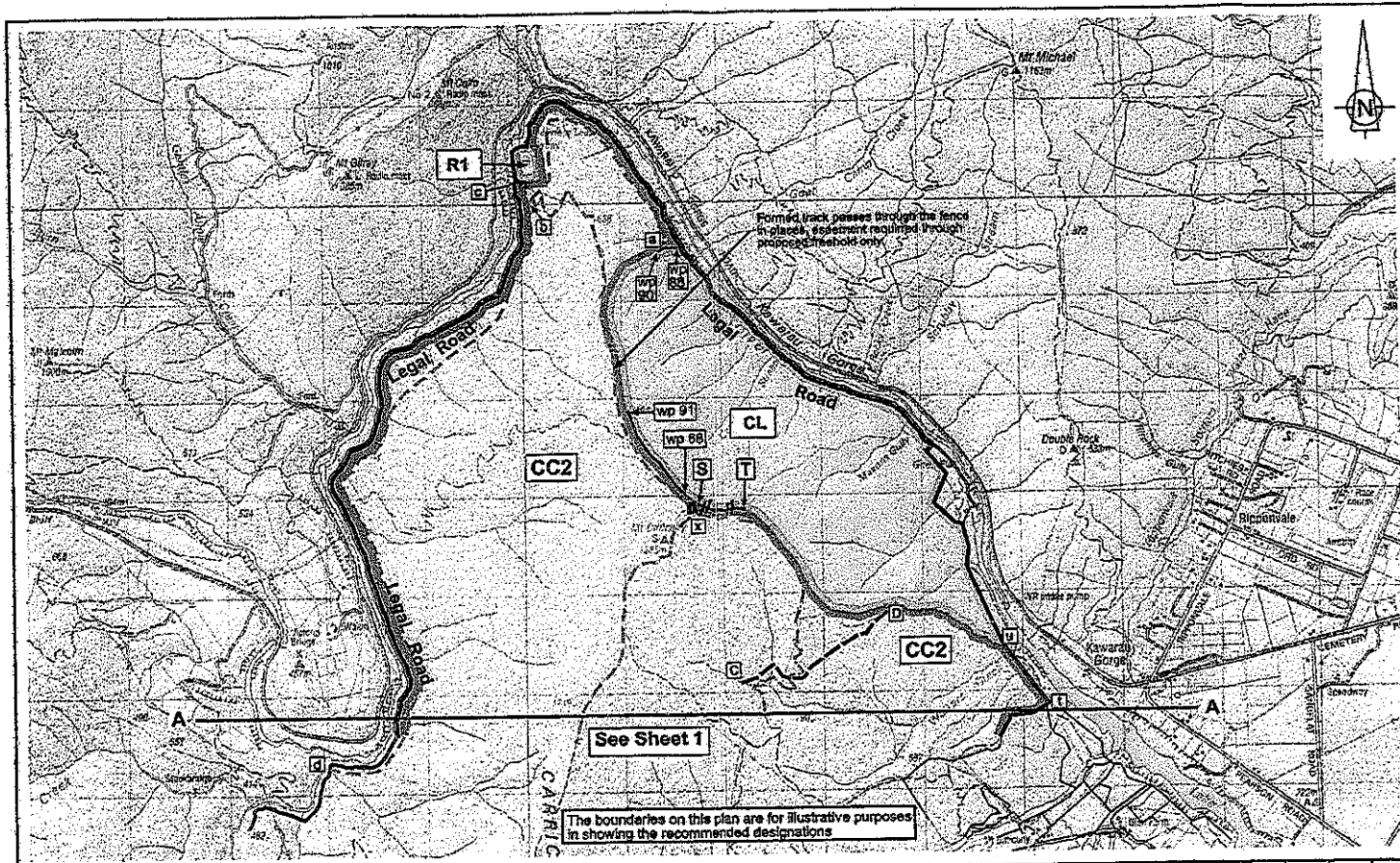
Certified a true copy of the original status check plan.

Mt Difficulty & Kawarau

Scale 1 : 50000

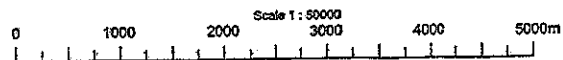


Version	1	2	3	4	5
Otago Land District	Sheet 1 of 2				
NZMS 260 F41 & F42	Date 29/10/1999				



OPUS INTERNATIONAL CONSULTANTS
 Certified a true copy of the original status check plan.

Mt Difficulty & Kawarau



Version	1	2	3	4	5
Otago Land District	Sheet 2 of 2				
NZMS 260 F.41	Date 29/10/1999				

TR 062.1 Mt Difficulty & TR 062.2 Kawarau 9_3.2 desgrnplan 06052014

Graphics by:
 OPI/S Consultants DUNEDIN

2 Conditions

- 2.1 This Proposal is put to each Holder and any agreement arising therefrom, is subject to the conditions contained in Schedule Four of the relevant Lease schedule.

3 Settlement

- 3.1 Unless otherwise agreed by the parties, the Settlement Date for the disposal of the Freehold Land to the Holder by freehold disposal will be the day that is TEN (10) working days following the day on which Land Information New Zealand notifies the Commissioner that the Final Plan and a copy of this Proposal are registered in accordance with the Act.

- 3.2 The Freehold Land will be disposed of to each Holder under the Land Act 1948.

- 3.3 Notwithstanding anything to the contrary, if, as at the Settlement Date (as determined pursuant to clause 3.1), the rent payable under any Lease is subject to a Rent Review, then in respect of settlement with the Holder of that Lease the Commissioner may elect to:

(a) settle on the Settlement Date on the basis that the Commissioner may retain from the Commissioner's Payment an amount which the Commissioner, acting reasonably, estimates will be payable by the Holder to the Commissioner following agreement or determination of the Rent Review ("the Retention"). The Retention shall be held by the Crown Law Office in an on-call, interest-bearing trust account in the joint names of the parties for their respective rights and interests. Upon agreement or determination of the Rent Review, the Commissioner shall calculate the rent shortfall payable by the Holder to the Commissioner in respect of the period from the effective date of the Rent Review to the Settlement Date, both dates inclusive ("the Shortfall"). If:

(i) the Shortfall is less than the Retention and the net interest earned thereon, the balance shall be paid by the Commissioner to the Holder within TEN (10) working days; or

(ii) the Shortfall is more than the Retention and the net interest earned thereon, the balance shall be paid by the Holder to the Commissioner within TEN (10) working days;

or

(b) defer the Settlement Date until TEN (10) working days after the rent payable as a consequence of the Rent Review:

(i) has been agreed or determined; and

(ii) is not and will not be subject to any appeal, rehearing or other proceedings.

4 Holder's Payment

- 4.1 By 3.00 p.m. on the Settlement Date, the Holder must pay its Holder's Payment and all other money payable to the Commissioner or the duly appointed agent of the Commissioner by bank cheque without set-off or deduction of any kind in accordance with the settlement requirements of the Commissioner.
- 4.2 If the Holder fails to pay its Holder's Payment or any part of it or any other money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date clause 19 will apply.

5 Commissioner's Payment

- 5.1 The Commissioner shall pay the Commissioner's Payment to each Holder of each relevant Lease on the Settlement Date.
- 5.2 No interest shall be payable to any Holder by the Commissioner in respect of the Commissioner's Payment, including (without limitation) for the period from the Vesting Date to the Settlement Date.

6 Vesting of Crown Land

- 6.1 The Crown Land will vest in the Crown on the Vesting Date.

7 Issue of Certificate of Title

- 7.1 Notwithstanding any other provision in this Proposal, the Commissioner will not request that the Surveyor-General issue certificates to the Registrar pursuant to section 116 of the Land Act 1948 (to enable certificates of title to issue for the Freehold Land to each Holder) unless and until:
- (a) the Commissioner has received each Holder's Payment from that Holder under clause 4, and all other money payable by that Holder under this Proposal and the Notice;
 - (b) that Holder has provided to the Commissioner duplicate copies of the certificate of title relating to the Lease (if any) and/or the Lease if requested by the Commissioner;
 - (c) that Holder has signed and returned to the Commissioner all documents required by the Commissioner to be signed by that Holder to give effect to this Proposal (including, without limitation, any permit, covenant, easement and/or any other document); and
 - (d) that Holder has procured a registrable discharge of any Mortgage and provided this to the Commissioner together with any new mortgage documents to be registered against the Freehold Land.

8 Registration of Documents

- 8.1 Subject to clause 7, the Commissioner will lodge all documents necessary to give effect to this Proposal (including, without limitation any easement, covenant, discharge of mortgage, and/or duplicate copy of the relevant Lease) and any new mortgage documents to be registered against the certificates of title to be issued for the Freehold Land so that the certificates of title for the Freehold Land will issue subject to the encumbrances provided in this Proposal. Any new mortgage documents will be registered after any other encumbrances such as any easements and/or covenants are registered.

9 Consents

- 9.1 Each Holder must obtain the written consent to each Holder's acceptance of this Proposal from all persons having an interest in that Holder's Land (other than that Holder), including, but not limited to:
- (a) any Mortgagee(s);
 - (b) any party entitled to the benefit of a land improvement agreement registered against the relevant Lease and/or the Holder's Land; and
 - (c) any other person that the Commissioner reasonably believes has an interest in that Holder's Land or who that Holder reasonably believes has an interest in that Holder's Land, whether registered or not.
- 9.2 The consents required under clause 9.1 must be in a form acceptable to the Commissioner in all respects and be returned to the Commissioner with this Proposal on its acceptance by each Holder. Examples of the form of consents required under clause 9.1 are set out in Appendix 1.
- 9.3 Each Holder must also obtain, and provide to the Commissioner if requested, all consents necessary for that Holder to accept this Proposal including (without limitation) any:
- (a) corporate and/or trustee consents; and

- (b) consent required under the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005.

- 9.4 Each Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, that Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered as set out in clause 8.
- 9.5 If required by the Mortgagee, the Commissioner will provide an undertaking that, subject to the provisions of clause 7 being satisfied, the Commissioner will register the discharge of the Mortgage and register any new mortgage against the relevant certificates of title for the Freehold Land at the same time as the certificates of title for the relevant Freehold Land issue.

10 Continuation of Lease

- 10.1 Each relevant Lease will remain in full force and effect until certificates of title issue for the Freehold Land. Notwithstanding when Settlement Date occurs, until certificates of title issue for the Freehold Land each Holder will duly and punctually comply with all obligations on its part under the relevant Lease (other than as set out at clause 12.1 (b)) and that Lease will remain in full force and effect.
- 10.2 From the date that certificates of title issue for the Freehold Land the relevant Lease is deemed to be surrendered and, subject to clause 10.3, the Commissioner releases and discharges each Holder from the performance and observance of all covenants, conditions and obligations under the relevant Lease.
- 10.3 The release and discharge in clause 10.2 is without prejudice to:
 - (a) the rights, remedies and powers of the Commissioner contained in each Lease (except as varied in accordance with clause 12.1(b)); and
 - (b) will not release or discharge that Holder from any liability under each Lease, arising prior to the date that certificates of title for the Freehold Land issue, under any statute or by any reason where such liability is due to the fault of that Holder.
- 10.4 As from the Vesting Date, each Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Crown Land (subject to the provisions of any permit, easement, concession, other encumbrance or document provided under this Proposal). Each Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Crown Land as at the Vesting Date.

11 Fencing and Construction Works

- 11.1 If all of the Holders have accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, subject to clauses 11.2 and 14.4, erect at the Commissioner's cost new fencing:
 - (a) approximately along the line marked "New fencelines" on the Plan; and
 - (b) to the specifications in Appendix 3;("the Fencing").
- 11.2 If the Fencing requires a resource consent or any other consent from any local or territorial authority ("the Fencing Consent"), the following provisions shall apply:
 - (a) The Commissioner shall use reasonable endeavours to obtain the Fencing Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Fencing Consent:
 - (i) is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;

the Commissioner may, acting reasonably, elect to do any one or more of the following:

- (iii) erect the Fencing in a position different from that shown on the Plan;
- (iv) erect the Fencing over a shorter distance than that shown on the Plan; or
- (v) erect the Fencing to specifications different from those in Appendix 3.

- 11.3 If the Commissioner has not completed the Fencing by the Settlement Date, the Holders agree that the Commissioner may register a covenant, on terms entirely satisfactory to the Commissioner (in the Commissioner's sole discretion), over the Freehold Land to enable the Commissioner to complete the Fencing. Each Holder will do all things necessary (including signing any document) to enable the Commissioner to register such a covenant.
- 11.4 The ongoing maintenance of the Fencing referred to in clauses 11.1 and 11.2 will be subject to the terms of the Fencing Act 1978.
- 11.5 If all of the Holders have accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, subject to clause 11.6, undertake the construction works set out in Appendix 3 on the terms and conditions set out in Appendix 3 ("the Construction Works").
- 11.6 If any Construction Works for which the Commissioner is liable, or jointly liable with any Holder, require a resource consent or any other consent from any local or territorial authority ("the Works Consent"), the following provisions shall apply:
- (a) The Commissioner shall use reasonable endeavours to obtain the Works Consent within 6 months of this Proposal taking effect pursuant to the Act.
 - (b) If the Works Consent:
 - (i) is not obtained within 6 months of this Proposal taking effect pursuant to the Act; and/or
 - (ii) is obtained on terms which are not satisfactory to the Commissioner in all respects;
- the Commissioner may, acting reasonably, elect to vary the extent of the Construction Works in question and/or the terms and conditions upon which they are carried out.

12 Apportionments

- 12.1 Rent payable under each Lease in respect of the Freehold Land shall be apportioned as follows:
- (a) Rent paid or payable will be apportioned on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.
 - (b) Notwithstanding that the relevant Lease continues in effect until certificates of title issue for the Freehold Land, the Holder shall not be required to pay any rent under its relevant Lease for the Freehold Land from the Settlement Date.
- 12.2 Rent paid or payable under each Lease for the Crown Land will be apportioned (on a pro rata basis in respect of the Land if they cannot be separately assessed) on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle for each Lease.
- 12.3 All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Freehold Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the Settlement Date in relation to each Lease.

- 12.4 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.5 Following the date that certificates of title issue for the Freehold Land, the Commissioner will undertake a final apportionment and either the Commissioner will pay to each Holder, or each Holder will pay to the Commissioner, any additional amounts due because of any payments made or received by one of the parties on behalf of the other for the period from the Settlement Date to the date on which new certificates of title issue for the Freehold Land.

13 Risk

- 13.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Freehold Land will pass from the Commissioner to each Holder. For the avoidance of doubt, each Holder's current risk in respect of matters arising under the relevant Lease, including, without limitation, each Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with each Holder until the relevant Lease is deemed to be surrendered under clause 10.2.
- 13.2 Each Holder will be required to comply with its settlement obligations under this Proposal irrespective of any damage to, or destruction of, the Freehold Land prior to the Settlement Date.

14 Survey

- 14.1 All areas of the Land forming part of this Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plans. The measurements of the areas may therefore alter on the Final Plans.
- 14.2 No error, misdescription or amendment of any part of the Land will annul, vary, or derogate from this Proposal, or each Holder's acceptance of this Proposal.
- 14.3 For the avoidance of doubt, none of the Holders will be entitled to cancel or withdraw its acceptance of this Proposal, nor will any Holder, or any successor in title of any Holder or any party with an interest in the Land, be entitled to payment of any compensation, should any area of the Land on the Final Plan have a different measurement to the area specified in this Proposal.
- 14.4 The Commissioner does not warrant that any existing fence is erected on, or that any new fence to be erected will be on, any boundaries of the Land or any part of the Land as outlined on the Plan or the Final Plan.

15 Holder's Acknowledgments

- 15.1 If each Holder accepts this Proposal and that acceptance takes effect under the Act, each Holder acknowledges that:
- (a) it is obtaining the freehold interest in the land specified in Schedule Three as being freeholded to that Holder:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
 - (b) each Holder has carried out all inspections of the land specified in Schedule Three as being freeholded to that Holder which each Holder considers necessary to satisfy itself as to all matters relating to the Freehold Land;
 - (c) each Holder, at its cost, is entirely responsible for all work to ensure that the land specified in Schedule Three as being freeholded to that Holder complies with all applicable laws including (without limitation):
 - (i) the Resource Management Act 1991 and the Resource Management Amendment Act 2005; and

- (ii) any rule in any plan, resource consent or other requirement issued under the Resource Management Act 1991, and
- (iii) the Building Act 2004 and the Building Amendment Act 2009; and

each Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which each Holder is liable under this clause 15;

- (d) nothing in this Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the relevant Land; and
- (e) each Holder has no claim (and will not have any claim) whatsoever against the Crown and/or Commissioner in relation to the Tenure Review and/or this Proposal, including (without limitation) any claim for any misrepresentation or for any loss or damage suffered whether in contract, tort (including negligence) or otherwise.

16 No Representations or Warranties by the Commissioner

- 16.1 The Commissioner gives no representations or warranties of any nature in respect of the Freehold Land. Without limitation, the Commissioner does not warrant:
- (a) the accuracy of any matter in the Notice for the relevant Lease or this Proposal or in any notice, or any correspondence or other information provided to each Holder by the Commissioner or by any agent, contractor or employee of the Commissioner; or
 - (b) that the Freehold Land is or will remain suitable for each Holder's use; or
 - (c) that the Freehold Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Freehold Land.

17 Acceptance

- 17.1 Subject to s60(3) and (4) of the Crown Pastoral Land Act 1998 each Holder's acceptance of this Proposal is irrevocable and constitutes a binding agreement between the Commissioner and each Holder.
- 17.2 If the Commissioner does not receive an acceptance to this Proposal signed by each Holder, including the written consents of all persons referred to in clause 9, within three (3) months of putting it (in its substantive form) to each Holder, each Holder is deemed to have rejected this Proposal.

18 Solicitors Certificate

- 18.1 Each Holder must instruct its solicitor to provide the Commissioner with a solicitor's certificate (in a form satisfactory to the Commissioner, in its reasonable opinion) relating to such matters as each Holder's execution of this Proposal and each Holder's execution of any documents required to give effect to this Proposal (including, without limitation any easement, protective mechanism and/or concession). An example of the form of solicitors certificate required is set out at Appendix 2.
- 18.2 Each Holder must return the completed solicitor's certificate to the Commissioner with this Proposal on its acceptance by that Holder.

19 Default

- 19.1 If from any cause whatever (except the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by that Holder to the Commissioner is not paid on the due date that Holder will pay to the Commissioner interest at the Default Rate on the part of that Holder's Payment or any other money payable by that Holder to the Commissioner so unpaid from the due date until the date of actual payment in full.
- 19.2 The Commissioner's rights under this clause 19 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

20 Goods and Services Tax

- 20.1 Unless the context otherwise requires, words and phrases used in this clause have the same meaning as in the GST Act.
- 20.2 If the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are taxable supplies under the GST Act, then:
- (a) the Commissioner and each Holder warrant to each other that they are registered for GST purposes as at such Holder's acceptance of this Proposal and that they will be so registered on the Settlement Date;
 - (b) the Commissioner and each Holder confirm that as at the Settlement Date:
 - (i) each is acquiring the goods supplied with the intention of using the goods for making taxable supplies; and
 - (ii) the Commissioner and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Crown Land and each Holder and any associated person in terms of section 2A(1)(c) of the GST Act do not intend to use the Freehold Land as a principal place of residence; and
 - (c) the Commissioner and each Holder agree that the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration are to be zero-rated for GST purposes under section 11(1)(mb) of the GST Act.
- 20.3 If any of the circumstances set out in clause 20.2 change between the date of the Holder's acceptance of this Proposal and the Settlement Date, then the relevant party will notify the others of the changed circumstances as soon as practicable and in any event not later than 2 working days before the Settlement Date and such party shall warrant that the changed circumstances are correct as at the Settlement Date. If the GST treatment of the supplies evidenced by the Holder's Consideration and the Commissioner's Consideration changes as a result of the changed circumstances and a party has already provided the other with a GST invoice, then that party will issue a debit note or credit note, as the case may be, for GST purposes.
- 20.4 On the 10th working day following the Unconditional Date, the Commissioner will provide to each Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 20.5 The Holder will pay GST (if any) on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 20.6 On the 10th working day following the Unconditional Date, each Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration.
- 20.7 The Commissioner will pay GST (if any) on the Commissioner's Consideration to each Holder on the Commissioner's GST Date, time being of the essence.
- 20.8 Where any GST is not paid to the Commissioner or to any Holder (as the case may be) in accordance with this clause 20, such Holder will pay to the Commissioner, or the Commissioner will pay to such Holder (as the case may be), upon demand and together with the unpaid GST:
- (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date until the date of payment of the unpaid GST; and
 - (b) any Default GST.

21 Lowest price

- 21.1 Each Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the land specified in Schedule Three as being freeholded to that Holder under section EW 32(3) of the Income Tax Act 2007 is equal to that Holder's Consideration.

- 21.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Crown Land under section EW 32(3) of the Income Tax Act 2007 is equal to the Commissioner's Consideration.

22 Costs

- 22.1 The Commissioner will meet the costs of the survey (if any) of the Land, including all designation areas, the Final Plans and for certificates of title to issue for the Freehold Land.
- 22.2 Each Holder is responsible for all costs that Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, each Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Proposal), and all professional advice provided to or sought by each Holder.

23 No nomination or assignment

- 23.1 Each Holder is currently the lessee under one of the relevant Leases.
- 23.2 Each Holder is not entitled to, and is expressly prohibited from, nominating another person to perform its obligations under this Proposal or assigning to another person that Holder's interest (or any part) under this Proposal.

24 Recreation Permit

- 24.1 Immediately on the registration of the Final Plan in relation to the relevant Lease and a copy of the Proposal to which it relates over the Land and pursuant to s64 of the Act, any recreation permit granted over the Land shall be determined.

25 Consents for Activities

- 25.1 If the Holder has been granted a consent by the Commissioner to do an activity on the land under sections 15 or 16 of the Act, and the area over which the consent is exercised is designated in this Proposal as Crown Land, then the Holder agrees to act in good faith whilst exercising such consent and not damage or destroy the Crown Land or anything thereon.

26 General

- 26.1 This Proposal and the Notice:
- (a) constitute the entire understanding and agreement between the Commissioner, the Crown and each Holder in relation to the Tenure Review; and
 - (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and each Holder relating to the Tenure Review.
- 26.2 Each provision of this Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 26.3 Each Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Proposal.
- 26.4 The Commissioner and each Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Proposal.
- 26.5 This Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and each Holder irrevocably submits to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.
- 26.6 The illegality, invalidity or unenforceability of any provision in this Proposal will not affect the legality, validity or enforceability of any other provision.
- 26.7 In relation to notices and other communications under this Proposal:
- (a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. Other than the address to which

each Holder is to send its acceptance of this Proposal (which the Commissioner will specifically notify each Holder of) the address, person or office holder (if any) for each party is shown on the front page of this Proposal;

- (b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:
- (i) in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a non-working day, on the next working day after the date of dispatch;
 - (ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), on the working day on which it is delivered, or if delivery is not made on a working day, on the next working day after the date of delivery; and
 - (iii) in the case of a letter, on the fifth working day after mailing (postage paid).

27 Interpretation

27.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

Commissioner means the Commissioner of Crown Lands appointed under section 24AA of the Land Act 1948;

Commissioner's Consideration means the amount payable by the Commissioner to each Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Crown Land, as specified in the Notice;

Commissioner's GST Date means the earlier of Settlement Date or the fifth working day before the day on which the Commissioner is due to pay to the Inland Revenue Department all GST payable by the Commissioner in respect of the supply made under this Proposal;

Commissioner's Payment means the balance of the Commissioner's Consideration payable by the Commissioner to each Holder by equality of exchange for the Crown Land, as specified in the Notice (if any);

Crown Land means the land (including any improvements) set out in Schedule One and the land (including any improvements) set out in Schedule Two (if any);

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or each Holder under the Goods and Services Tax Act 1985 or the Tax Administration Act 1994 by reason of either the Commissioner or any Holder failing to pay GST as required by this Proposal. It does not include any sum levied against the Commissioner or any Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by any Holder or by reason of a default by that Holder after payment of GST to that Holder by the Commissioner;

Default Rate means the rate of 11 per cent per annum;

Fencing means any stock-proof farm fence;

Fencing Consent means any and all consents for fencing required under the Resource Management Act 1991

Final Plan means the final plan for the Land prepared and submitted by the Commissioner to the Surveyor-General under sections 62(4)(c) and (d) of the Act;

Freehold Land means the land specified in Schedule Three as being freehold to the Holder.

GST means all goods and services tax payable by the Commissioner or the Holder under the Goods and Services Tax Act 1985 in respect of their respective supplies evidenced by this Proposal;

GST Act means the Goods and Services Tax Act 1985;

Holder means each holder shown on the front page of this Proposal (being the lessee under the relevant Lease);

Holder's Consideration means the amount payable by each Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice;

Holder's Payment means the balance of each Holder's Consideration payable by each Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice (if any);

Land means the land subject to the Tenure Review identified on the front page of this Proposal;

Lease means those leases known as the:

Mount Difficulty Lease;

Kawarau Station Limited Lease; and

each of these leases being identified on the front page of this Proposal;

Mortgage means any mortgage (registered or unregistered) over the Land;

Mortgagee means the mortgage-holder of any Mortgage;

Notice means the notice to each Holder setting out:

- (a) that Holder's Consideration;
- (b) the Commissioner's Consideration; and
- (c) that Holder's Payment or the Commissioner's Payment (as the case may be);

which includes amounts proposed to be paid by way of equality of exchange and accompanies this Proposal, but is not part of this Proposal;

Plan means the plan of the Land showing all designations, covenant areas, easement routes, indicative fence lines as attached and shown on page 2 of this Proposal;

Registrar means the Registrar-General of Lands appointed pursuant to section 4 of the Land Transfer Act 1952;

Rent Review means the process for the determination of the rent payable under any Lease as set out in sections 6 to 8 of the Act;

Relevant Land means the land in the relevant Lease described on the front page of this Proposal.

Relevant Lease means the Lease described on the front page of the Proposal

Settlement Date means the settlement date defined in clause 3.1;

Surveyor-General means the Surveyor-General appointed under section 5 of the Cadastral Survey Act 2002;

Tenure Review means the tenure review of the Land being undertaken by the Commissioner under the Act;

Unconditional Date means the date that the Commissioner receives from each Holder an executed copy of this Proposal signed by each Holder containing the signed consents of all persons having an interest in the Land to each Holder's acceptance of this Proposal which results in the acceptance taking effect under the Act;

Vesting Date means the date on which the Crown Land vests in the Crown pursuant to the Act;

Working day means a day that is not a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, or a day during the period commencing on any Christmas Day and ending with the 15th day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed;

Works Consent means any and all consents required under the Resource Management Act 1991 and the Resource Management Amendment Act 2005; and/or the Building Act 2004.

27.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;
- (b) words importing a gender include all genders;
- (c) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute and to all regulations relating to that statute;
- (d) words in the singular include the plural and vice versa;
- (e) reference to a month means a calendar month;
- (f) reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust or a state or agency of a state (in each case, whether or not having separate legal personality);
- (g) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Proposal and form part of this Proposal;
- (h) headings are included for ease of reference only and will not affect the construction or interpretation of this Proposal;
- (i) all monetary amounts are expressed in New Zealand currency;
- (j) references to obligations includes reference to covenants, undertakings, warranties and, generally, obligations or liabilities of any nature properly arising whether directly or indirectly, under or in respect of the relevant contract, agreement or arrangement;
- (k) all references to times are references to times in New Zealand;
- (l) if a Holder comprises more than one person, each of those persons' obligations as Holder shall be joint and several.

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

- 1.1 Under this Proposal the land shown marked in pink and labelled "R1" on the Plan, being 4 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as Historic Reserve.

2 Schedule One Improvements

Not applicable

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

- 1.1 Under this Proposal the land shown outlined in pink and labelled "CA1" on the Plan, being 1,047.7440 hectares (approximately) is designated as land to be restored to or retained in Crown control as Conservation Area subject to:
- (a) the granting of a grazing concession (shown on the Plan in pink, labelled CA1) substantially as set out in Appendix 4;
 - (b) the granting of an easement concession (shown on the Plan as a dashed blue line, labelled r-o and v-w) substantially as set out in Appendix 5;
- 1.2 Under this Proposal the land shown marked in pink and labelled "R2" on the Plan, being 145 hectares (approximately) is designated as land to be restored to or retained in Crown control as Historic Reserve subject to:
- (a) the granting of grazing concession (shown on the Plan in pink, labelled R2) substantially as set out in Appendix 6;
 - (b) the continuation in force of an easement in gross in favour of The Carrick Irrigation Company Limited, embodied in Historic Computer Interest Register OT17A/15 (no. 885715).
- 1.3 Under this Proposal the land shown marked in pink and labelled "CL" on the Plan, being 732.1156 hectares (approximately) is designated as land to be restored to or retained in Crown control under the Land Act 1948 subject to:
- (a) the granting of the Special Lease (shown on the Plan in pink, labelled CL) substantially as set out in Appendix 9.

2 Existing Interests

- 2.1 The following interests are held over the land and will continue to be held by the parties indicated after completion of the tenure review in respect to the land outlined under designation 1.1 above (CA1):
- (a) a registered Mineral Exploration Permit, No 40536 in favour of Prophecy Mining Limited, registered as instrument No. 5273979.1.
- 2.2 The following interests are held over the land and will continue to be held by the parties indicated after completion of the tenure review in respect to the land outlined under designation 1.2 above (R2):
- (a) a registered Mineral Exploration Permit, No 40536 in favour of Prophecy Mining Limited, registered as instrument No. 5273979.1;
 - (b) an unregistered Deemed Permit pursuant to Section 413-417 of the Resource Management Act 1991 in favour of Kawarau Station Limited, consent Number 97670, substantially as set out in Appendix 7;

- (c) an unregistered Deemed Permit pursuant to section 413-417 of the Resource Management Act 1991 in favour of Carrick Irrigation Company Ltd, consent Number 2002.448, substantially as set out in Appendix 8.

2.3 The following interests are held over the land and will continue to be held by the parties indicated after completion of the tenure review in respect to the land outlined under designation 1.3 above (CL):

- (a) an unregistered Discharge Permit pursuant to Section 105 of the Resource Management Act 1991 in favour of The Department of Conservation under consent Number 97041, substantially as set out in Appendix 10.
- (b) an unregistered Water Permit pursuant to Section 105 of the Resource Management Act 1991 in favour of The Department of Conservation under consent Number 97042, substantially as set out in Appendix 11.
- (c) an unregistered Discharge Permit pursuant to Section 105 of the Resource Management Act 1991 in favour of The Department of Conservation under consent Number 97043, substantially as set out in Appendix 12.

3 Information Concerning Proposed Concession

3.1 Grazing Concession over CA1

[Explanatory note: This information is required in the event that the CCL accepts the recommendation of the Director-General to designate land as land to be restored to or retained in Crown control subject to the granting of a concession or over which a concession is to be granted. This information must be provided for each concession if more than one is proposed.]

1. Description of proposed activity(s) [s.39(a)]:

Grazing of up to 1500 wethers from 1 February to 30 April each year. The concession also allows for the use of dogs on the land for mustering purposes.

2. Description of place(s) where proposed activity to be carried out and proposed status [s.39(b)]:

The area comprises some 1047 ha of finely grained tussocklands and is part of a spectacular rugged gorge. Vegetation patterns include such diverse communities as substantial remnants of Chionochloa rigida tussocklands, fescue tussocklands including both hard and silver tussock, excellent examples of sub-alpine finger bogs and rock tor and bluff communities. At lower altitudes, dense matagouri-Coprosma-Olearia-Carmichaelia shrublands flank stream channels.

Proposed status for the area is conservation area for the purpose of protection of the historic and natural resources to be managed by the Department of Conservation.

3. Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect, [s.39(c)] noting the requirements of s.51(3)(a) and s.51(2)(d) CPLA:

The concession is a continuation of an activity that has been carried out on this land for many years. The grazing is phase out only to allow the proposed concessionaire reasonable time to adjust his farming practice. There is no foreseeable reason why grazing over the proposed term will result in adverse effects.

4. Details of the proposed type of concession:

Grazing concession under Section 17Q Conservation Act 1987 or Section 59A of the Reserves Act 1977.

5. Proposed duration of concession and reasons for proposed duration [s.39(e)]:

Proposed duration:

10 years.

Reasons for proposed duration]:

The concession essentially caters for a continuation of existing grazing use of the area by the proposed concessionaire.

6. Relevant information about the proposed grantee including information relevant to the grantee's ability to carry out the proposed activity [s.39(f)]:

Proposed grantee:

Kawarau Station Limited

Relevant information:

The proposed concessionaire currently grazes the area which is part of Kawarau pastoral lease. DOC currently has a good working relationship with the Andersons over a variety of issues including maintenance of shared boundary fencing and pest control.

N.B. The preparation of this information is not intended to imply consent under s.41 CPLA.

3.2 Easement Concession r-o and v-w

[Explanatory note: This information is required in the event that the CCL accepts the recommendation of the Director – General to designate land as land to be restored to or retained in Crown control subject to the granting of a concession or over which a concession is to be granted. This information must be provided for each concession if more than one is proposed.]

1. Description of proposed activity(s) [s.39(a)]:

The easement (concession) permits stock access , the use of farm dogs, motor vehicles, machinery and implements associated with farming the land to which it provides access.

2. Description of place(s) where proposed activity to be carried out and proposed status [s.39(b).]:

The proposed easement lies along an existing 4WD track which traverses for approximately 5.5 km through proposed conservation land on the Carrick Range. This track links lands proposed for freeholding in the Nevis and Bannockburn catchments, which are bisected by the proposed conservation area.

Proposed status: The area to be subject to the easement is currently held under pastoral lease. Proposed status is a conservation area.

3. Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect [s.39 (c)] noting the requirements of s.51(3) (a) and s.51 (2) (d) CPLA:

The driving of stock along the easement may lead to some minor grazing of native vegetation on the periphery of the track; however it is considered that the easement terms contain sufficient controls to avoid, mitigate or remedy any adverse effects. The easement contains clauses dealing with protection of the environment, interference with natural features, storage of noxious substances and obstruction of the public enjoyment of the area.

DOC staff will periodically visit the proposed conservation land for a range of activities including surveillance and control of wild animals and weeds and will therefore be aware if the concession activity is having any negative effects.

4. Details of the proposed type of concession:

Concession (easement) under Section 17Q Conservation Act 1987 or section 59A of the Reserves Act 1977.

5. Proposed duration of concession and reasons for proposed duration [s.39 (e)]:
Proposed duration:

The easement shall be forever appurtenant to the land of the transferee to which it provides access. A perpetual term is required.

Reasons for proposed duration:

The land in the Nevis catchment to which the easement provides access is separated from the balance of proposed freehold land in the Bannockburn catchment, the proposed easement represents the only practical access between these two areas which form part of the one farming operation.

6. Relevant information about the proposed grantee including information relevant to the grantee's ability to carry out the proposed activity [s.39 (f)]:

Proposed grantee:

Kawarau Station Ltd.

Relevant information:

The proposed concessionaire currently own and use the track over which the easement is proposed. No negative effects associated with the current use of the track have been noted. DOC currently has a good working relationship with the holder over a variety of issues including fencing on a common boundary and wild animal control (rabbits and goats).

N.B. *The preparation of this information is not intended to imply consent under s.41 CPLA.*

3.3 Grazing Concession over R2

[Explanatory note: This information is required in the event that the CCL accepts the recommendation of the Director-General to designate land as land to be restored to or retained in Crown control subject to the granting of a concession or over which a concession is to be granted. This information must be provided for each concession if more than one is proposed.]

1. Description of proposed activity(s) [s.39(a)]:

Grazing of 300 sheep on an annual basis, (in practice more sheep will be run for a lesser period eg. 1200 sheep for 3 months). The concession also allows for the use of dogs on the land for mustering purposes.

2. Description of place(s) where proposed activity to be carried out and proposed status [s.39(b):

The area comprises some 110 ha of rough hill slopes vegetated in exotic grasses and herbs and a mixture of introduced and native shrubs. The area contains the Carrick Quartz mines and associated settlement, which are of high historic significance. Proposed status for the area is a reserve for the purpose of protection of historic resources to be managed by the Department of Conservation.

3. Description of potential effects of proposed activity and any actions proposed to avoid, mitigate or remedy any adverse effect, [s.39(c)] noting the requirements of s.51(3)(a) and s.51(2)(d) CPLA:

Provided that a cattle proof fence is erected around unfenced boundaries, effects are projected to be of a positive nature as sheep grazing will continue to repress growth of vigorous exotic species which can swamp historic sites and in summer months can contribute to a heightened fire risk.

4. Details of the proposed type of concession:

Grazing concession under Section 17Q Conservation Act 1987 or Section 59A of the Reserves Act 1977.

5. Proposed duration of concession and reasons for proposed duration [s.39(e)]:

Proposed duration:

30 years.

Reasons for proposed duration:

The concession essentially caters for a continuation of existing grazing use of the area by the proposed concessionaire. There is no foreseeable reason why grazing over the proposed term will result in adverse effects.

In 30 years the appropriateness of the grazing regime will be reassessed. If for some unforeseen reason sheep grazing is having a negative effect on historic values or public enjoyment of the area the concession can be terminated or modified.

6. Relevant information about the proposed grantee including information relevant to the grantee's ability to carry out the proposed activity [s.39(f):

Proposed grantee:

Kawarau Station Limited

Relevant information:

The proposed concessionaires currently graze the area, which is part of Kawarau pastoral lease. Over the period of their tenure on the property the Andersons have respected the value of historic sites on the property. DOC currently has a good working relationship with the Andersons over a variety of issues including maintenance of shared boundary fencing and pest control.

N.B. *The preparation of this information is not intended to imply consent under s.41 CPLA.*

Schedule Three: Provisions relating to the Schedule Three Land

1 Details of designation

1.1 Mt Difficulty Lease Po 353

Under this Proposal the land shown marked in green on the Plan, being 4,545 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:

- (a) Part IVA of the Conservation Act 1987;
- (b) Section 11 of the Crown Minerals Act 1991;
- (c) the conservation covenant for the purpose of preserving the outstanding natural landscape and land above 900 metres in yellow wash and labelled CC2 on the Plan and substantially as set out in Appendix 14;
- (e) the easement for public foot and non motorised vehicle access and management purposes access marked with a dashed orange line and labelled a-b, b-c, b-d, j1-h, j2-k, p-p1, n-n1, a2-b2, x-b, and the easement for public foot, non motorised vehicle and horse access, and management purposes marked with a dashed orange line and labelled k-x-m-n-n2, k-m-p and the easement for management purposes marked with a dashed red line and labelled t-u on the Plan and substantially as set out in Appendix 15;
- (f) the creation of an easement in gross in favour of The Department of Conservation, shown with a dashed purple line labelled C-D on the Plan and substantially as set out in Appendix 16;
- (g) the continuation in force of an easement in favour of Mt Difficulty Station Ltd, Richard John Anderson and the Trustees Executors and Agency Company of New Zealand, registered as 841092.3, and in favour of Robert Mark Cotton, registered as 841092.4;
- (h) the continuation in force of an easement in gross in favour of Telecom Mobile Communications Limited, registered as 910601.3;
- (i) the continuation in force of an appurtenant right of way in favour of Kowarau Station Limited, created by deed of easement, register as 5808886.1 and embodied in Computer Interest Register 126969;
- (j) the continuation in force of an easement in gross in favour of Her Majesty The Queen for the purposes of the New Zealand Walkways Act 1990 registered as Transfer 841092.1 (for the section of easement within Mt Difficulty Pastoral Lease.

1.2 Kowarau Station Lease Po 234

Under this Proposal the land shown marked in green on the Plan, being 3,620 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:

- (a) Part IVA of the Conservation Act 1987;
- (b) Section 11 of the Crown Minerals Act 1991;

- (c) the conservation covenant for the purpose of preserving the natural environment and landscape amenity values in yellow wash and labelled CC1 on the Plan and substantially as set out in Appendix 13;
- (d) the conservation covenant for the purpose of preserving the outstanding natural landscape and land above 900 metres in yellow wash and labelled CC3 on the Plan and substantially as set out in Appendix 14;
- (e) the easement for public foot and non motorised vehicle access and management purposes marked with a dashed orange line and labelled e-f-g-i, f-j-j1, j-j2, a1-a2, b1-b2 and the easement for public foot, non motorised vehicle and horse access, and management purposes marked with a dashed orange line and labelled n2-o1-o, o1-v, and the easement for management purposes marked with a dashed red line and labelled s-g on the Plan and substantially as set out in Appendix 15;
- (f) the continuation in force of an easement in gross in favour of the Bannockburn Irrigation Society Incorporated, registered as 6317765.1 and embodied in Computer Interest Register 203040;
- (g) the continuation in force of an easement in gross in favour of the Carrick Irrigation Company Limited, embodied in Historic Computer Interest Register OT17A/15 (no. 885715);
- (h) the continuation in force of an easement in favour of Mt Difficulty Station Ltd, Richard John Anderson and the Trustees Executors and Agency Company of New Zealand, registered as 841092.3, and in favour of Robert Mark Cotton, registered as 841092.4;
- (i) the continuation in force of an easement in gross in favour of Her Majesty The Queen for the purposes of the New Zealand Walkways Act 1990 registered as Transfer 864329.2 (for the section within Kawarau Pastoral Lease).

2 Unregistered Existing Consents and Permits

2.1 Mt Difficulty Lease Po 353

The following interests are held over the land and will continue to be held by the parties indicated after completion of the tenure review:

- (a) two unregistered Water Permits pursuant to section 105 of the Resource Management Act 1991 in favour of The Department of Conservation, in consents 97039 and 97040, substantially as set out in Appendix 17;
- (b) an unregistered Deemed Permit pursuant to section 413-417 of the Resource Management Act 1991 in favour of N K & J M Barker, N M Kershaw & J R D Leslie, S D M MacLachlan & others as Trustees of the Lora Family Trust, Paradise Vineyard Ltd, W R & S M Macalister, Clyde Orchards (1990) Ltd, Lytefoot Investments Ltd, Felton Road Holdings Ltd, Wanaka Road Wines Ltd, Mt Difficulty Wines Ltd, Trustees of the Olssen Family Trust, R H M Dicey, M L Dicey & A B McKay being trustees of the R H M Dicey & M L Dicey Family Trust, and Legend Terrace Ltd, in consent 2000.173, substantially as set out in Appendix 18;
- (c) An unregistered Deed of Easement in favour of Vodafone New Zealand Limited, substantially as set out in Appendix 24.

2.2 Kawarau Station Lease Po 234

The following interests are held over the land and will continue to be held by the parties indicated after completion of the tenure review:

- (a) a registered Mineral Exploration Permit, No 40536 in favour of Prophecy Mining Limited, registered as instrument No. 5273979.1;
- (b) an unregistered Deemed Permit pursuant to section 413-417 of the Resource Management Act 1991 in favour of Carrick Irrigation Company Ltd, consent Number 2002.448, substantially as set out in Appendix 8.
- (c) a registered Certificate pursuant to section 417 of the Resource Management Act 1991 in favour of Kawarau Station, for water race No. BR3330, registered as 5030234.1;
- (d) a registered Certificate pursuant to section 417 of the Resource Management Act 1991 in favour of Maurice Desmond Turner, Shirley Allison Turner, Peter Stewart Preston and Jane Margaret Preston, for water races No. 3000 and 4931, registered as 904235;
- (e) an unregistered Deemed Permit pursuant to section 413-417 of the Resource Management Act 1991 in favour of M J & M J Little being trustees of the Little Orchard Trust, in consent 2002.450, substantially as set out in Appendix 19;
- (f) an unregistered Water Permit pursuant to section 104(C) of the Resource Management Act 1991 in favour of The Carrick Irrigation Company Ltd, in consent 2004.117, substantially as set out in Appendix 20;
- (g) an unregistered Water Permit pursuant to section 104(C) of the Resource Management Act 1991 in favour of A G Merrilees A G & S L Parker being trustees of the Rae Family Trust, P S & J M Preston, M D & S A Turner, and G C & D L Hamilton, in consent 2004.283, substantially as set out in Appendix 21;
- (h) an unregistered Discharge Permit pursuant to section 105 of the Resource Management Act 1991 in favour of The Bannockburn Irrigation Society Incorporated, in consent 96370, substantially as set out in Appendix 22;
- (i) an unregistered Deemed Water Permit pursuant to section 413-417 of the Resource Management Act 1991 in favour of Kawarau Station Limited, in consent 95881, substantially as set out in Appendix 23;

Schedule Four: Conditions

Nil

Appendix 1: Consents – Example of Mortgagee Consent

[] as Mortgagee under Mortgage [] ("the Mortgage"), hereby:

- (a) consents to acceptance of the Proposal dated [] ("the Proposal") by [the Holder] ("the Holder") pursuant to the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the documents affecting the Freehold Land referenced in the Proposal prior to the registration of any new mortgage to be granted in its favour over the Freehold Land ; and
- (b) agrees to sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by that Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Freehold Land.

Dated:

SIGNED by [])
in the presence of: [])

Witness Signature:

Witness Name:
Occupation:
Address:

Appendix 1: Consents (continued) - Example of "Other" Consent

[], being the party entitled to the benefit of [] registered against Lease [], hereby consents to the acceptance of the Proposal dated [] by [the Holder] pursuant to the Crown Pastoral Land Act 1998.

Dated:

SIGNED for and on behalf of)
[])
in the presence of:)

Witness Signature:

Witness Name:
Occupation:
Address:

Appendix 2: Example of Solicitors Certificate

Certifications

I [] hereby certify as follows:

1. [[insert name of Holder] ("the Holder") is a duly incorporated company under the Companies Act 1993. The Holder's entry into and performance of its obligations under the Proposal dated [] ("the Proposal") have been duly authorised by the directors and, if required, by the shareholders of the Holder. The Holder has executed the Proposal in accordance with its constitution.] **OR**

The entry into the Proposal dated [] ("the Proposal") by [insert name of Holder] ("the Holder") and performance of the Holder's obligations under the Proposal have been duly authorised by the trustees of the [insert name of trust] in accordance with its trust deed **OR**

[[insert name of Holder] ("the Holder") has delegated responsibility for signing the Proposal on its behalf to an attorney in accordance with its constitution. The attorney of the Holder has properly executed the Proposal in accordance with this power of attorney and in accordance with the Holder's constitution and a certificate of non-revocation is enclosed.]

2. The consent of each person that has an interest (registered or unregistered) in the Land (as that term is defined in the Proposal), to the Holder's acceptance of the Proposal has been obtained and included in the copy of the Proposal, signed by the Holder, that has been provided to the Commissioner.
3. [No consent, licence, approval or authorisation by any court, regulatory authority or governmental agency is required to enable the Holder to accept the Proposal, perform the Holder's obligations under the Proposal and to acquire the freehold interest in the Land (as defined in the Proposal).] **OR**

[All necessary consents, licences, approvals and authorisations required to enable the Holder to accept the Proposal, perform its obligations under it and to acquire the freehold interest in the Land (as defined in the Proposal) have been obtained. Evidence of the consents, licences, approvals and authorisations are attached to this letter.]

Yours faithfully
[signed by principal of law firm]

Appendix 3: Indicative Fencing and Construction Requirements

1. New Fence Specification

1.1 Section W-X shown on the Plan

Length 4600m approximately

New 7 Wire Post & Y Post

- 1.5m Y post standards @ 3m max spacing 1.94kg/m min weight
- 1.8m x 125mm treated timber posts @21m max spacing
- 1.65m T irons in lieu of intermediate posts and intermediate strainers acceptable in rocky terrain where the drilling of holes is necessary
- 2.1m x 175mm treated timber strainers
- 2.4m x 125mm treated timber stays
- All strainers footed or tied down
- 1 x 4mm bottom wire
- 6 x 3.15mm wires with top wire securely laced on with 3.55mm wire.
- Strains not to exceed 250m, with all wires securely and neatly tied off and strained with permanent type wire strainers to manufacturers recommendations.
- 50 x 4mm staples barbed and driven well in but to allow wire to run through
- Tie-backs on intermediate strainers permitted on both sides of the fence.
- Fencing to be completed in a workman like professional manner using standard fencing practices.
- No mechanical earthworks or mechanical vegetation clearance is permitted. Some minor line clearing of vegetation by hand tools, benching by hand tools and blasting for posts holes permitted.
- 4.2m heavy duty steel gates at WPT's 39, 44, 50, 55 and in existing fence on south side of WPT 59 (shown on Map 5 below). All gates to be swung to close firmly against strainer and open fully secured closed with wrap around chain.
- Tie backs and tie downs must use 4.00mm wire and tiebacks to have a minimum of 2 anchor points in rocky sections where the drilling of holes is necessary for the placement of Y posts back to back. Y-posts securely laced together is acceptable in lieu of intermediate posts.

1.2 Fence Realignment Section S-T shown on the Plan

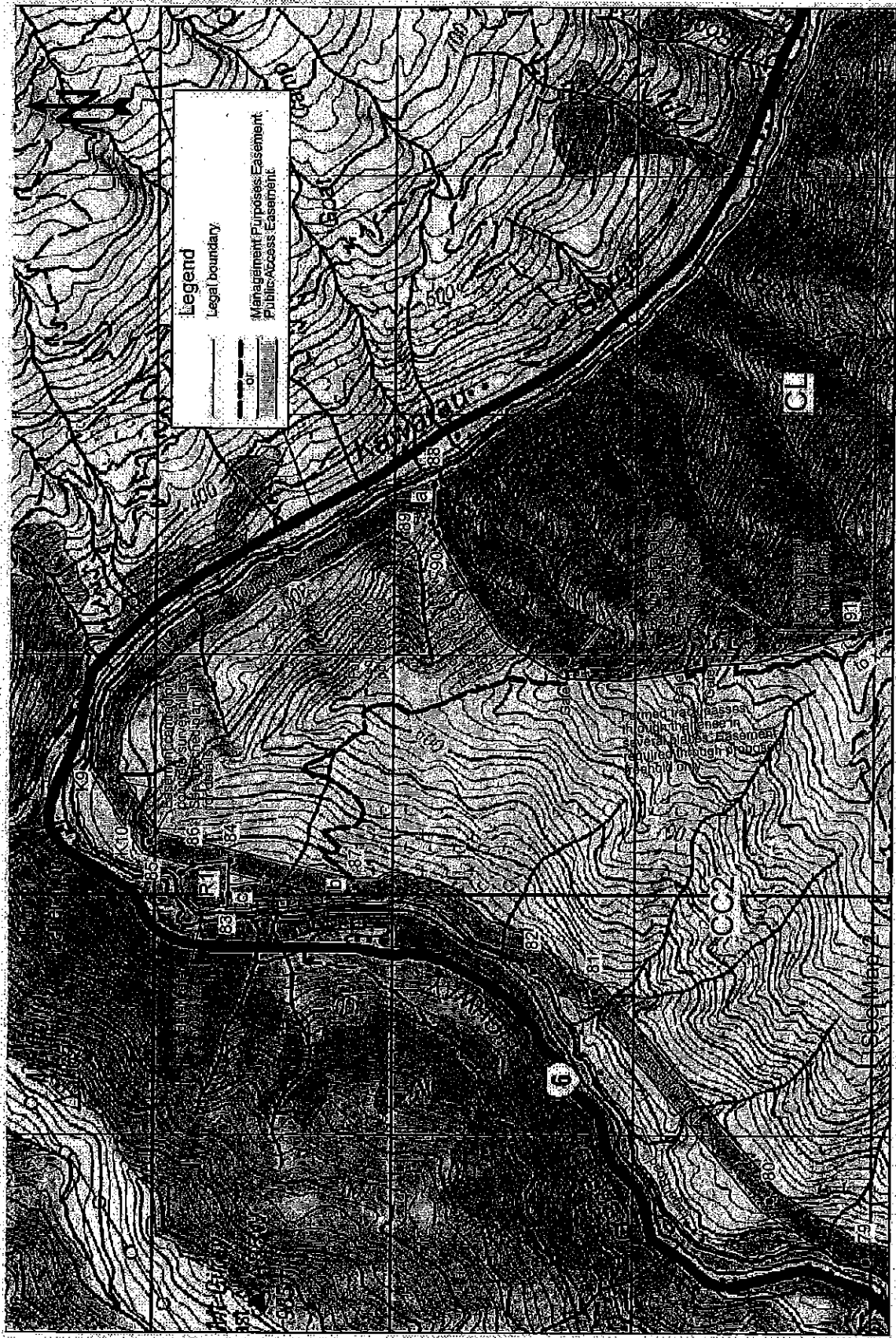
Length – 220 metres approximately

- 7 wire "All Steel" type fence
- 1.5m Y posts @ 3m max spacing
- Fence constructed using specs for fenceline W-X
- Use existing strainer posts at WPT 63 (shown on Map 2 included below)
- T-iron intermediate strainer at WPT 64 (shown on Map 2 included below)
- Existing T-iron at WPT 65 (shown on Map 2 below)
- Fence can be constructed using "all steel" back to back Y posts in lieu of intermediate posts
- T irons tied back with 4.00mm wire and 2 anchor points minimum
- 6 x 3.15mm wires with bottom wire 4.00mm
- Top wire securely laced on 3.15mm.
- Existing fence line between WPT's 63 and 65 (shown on Map 2 below) to be pulled down and removed from site.

2 Fence Upgrade

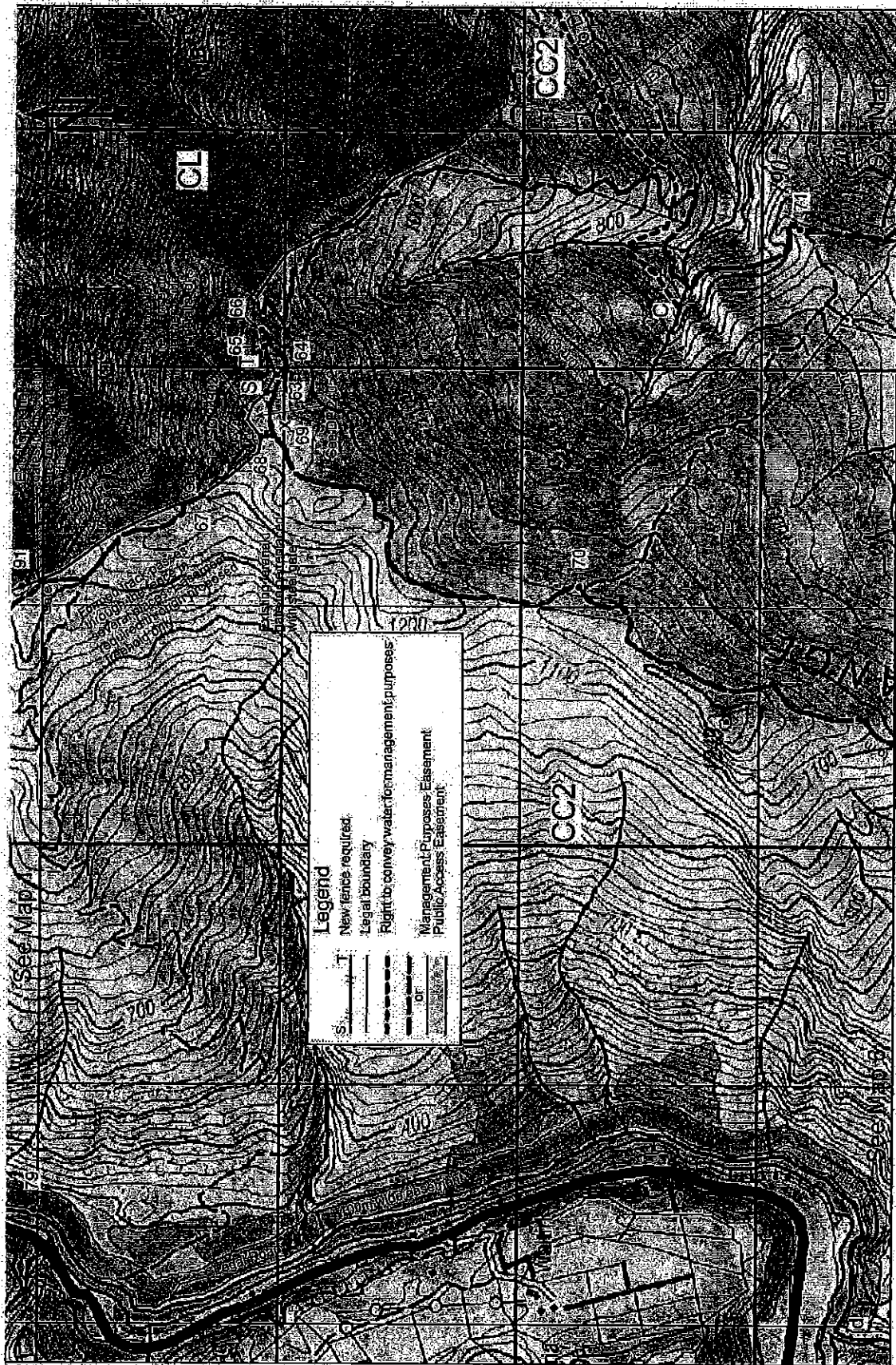
Length – 1500 metres approximately

- Existing fence between WPT 68 and 91 being approximately 1200m (shown on Map 2 below) and also 88 and 90 being approximately 300m (shown on Map 1 below) to be upgraded using existing material to form a sound fence and stock proof barrier.
- Currently a 6 wire fence consisting 3.55mm wire and flat standards @ 2.5m spacings
- A steel Y post is to be driven down the back of every 2nd standard i.e. every 5m, securely laced to standard and a 3.55mm wire firmly laced to the top of Y post to form a 7 wire fence approximately 180mm higher than present.
- Prior to the driving of the Y posts, the existing standards require straightening and existing wires tensioned and rejoined where broken.
- Intermediate pull round T-irons realigned with fence and associated tie backs replaced as required.
- Fence requires tying down in areas.
- It is intended to upgrade this fence in a workmanlike manner using best fencing practices to render this fence stock proof with an expected lifespan of at least 20 years.
- At each of the 6 points where the vehicle access track down the ridge passes through the fence line (shown on Maps 1 and 2 included below) a 4.2m heavy duty steel gate to be swung across the vehicle access track to replace the existing taranaki gates at those points in the fence line.



Mt Difficulty & Kawarau MAP 1

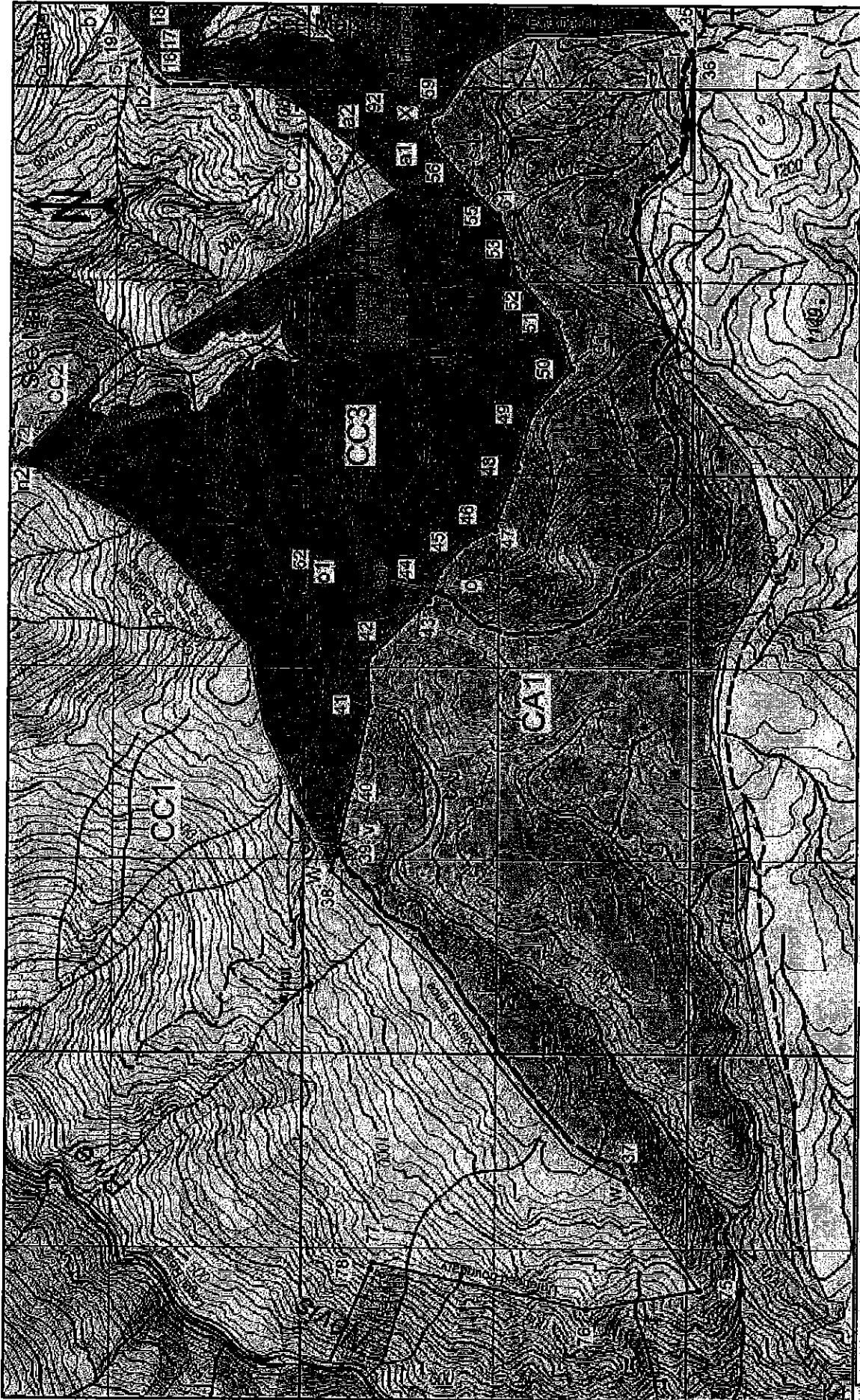
0 1000 2000
Scale 1:20000 @A4



MAP 2

Mt Difficulty & Kawarau

0 1000 2000
Scale: 1:20000 @A4



Mt Difficulty & Kawarau

MAP 5

Legend

- W. - New fences required
- Legal boundary
- Management Purpose Easement
- Public Access Easement
- Easement Cross-section



Appendix 4: Form of Grazing Concession over "CA1" to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

KAWARAU STATION LIMITED
("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. **KAWARAU STATION LIMITED** ("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant, under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances), a Concession for a Concession Activity to be carried out on the Land.
- 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.

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

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.
- 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) if required by the Grantor:
 - (i) 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;
 - (ii) 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:

- (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) the Concessionaire breaches any terms of this Document; and
 - (i) the Grantor has notified the Concessionaire in writing of the breach; and
 - (ii) 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 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.

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 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 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 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

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.

20.2 The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard.

21.0 COSTS

21.1 The Concessionaire must pay the Grantor's legal costs and expenses associated with preparing and signing this Document or any extension or variation to it.

21.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and the fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession including the right to recover outstanding money owed to the Grantor.

22.0 OFFENCES

22.1 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.

23.0 SPECIAL CONDITIONS

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

23.2 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 _____

SCHEDULE 1

1. **Land:** shown outlined in pink and labeled CA1 on the designations plan (*see definition of Land in clause 1.1*)
2. **Concession Activity:** grazing of up to 1500 wethers from 1 February to 30 April each year.
(*see definition of Concession Activity in clause 1.1*)
3. **Term:** To be completed upon execution (*see clause 3*)
4. (a) **Renewal Date:** N/A (*see clause 3.2*)
(b) **Renewal Period:** N/A (*see clause 3.2*)
5. **Final Expiry Date:** (*see clause 3.2*)
6. (a) **Concession Fee:** The Concession Fee is to be calculated on the basis of \$6/SU/annum + GST (one wether being 0.7SU), for the stock run on the Land for that year. In order that the concession 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 of \$1575 + GST will be charged assuming the maximum stock numbers had been run.
(*see clause 4*)
(b) **Administration Fee:** \$200 per annum + GST. The Administration Fee will not increase by more than the total aggregated increase in the annual rate of inflation which has occurred since the most recent Concession Fee Review.
(*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:** On the date 3 years after the commencement date set out in item 3 above, and the corresponding date every 3 years thereafter until the expiry of the term. (*see clause 6*)
10. **Public Liability General Indemnity Cover:** (*see clause 15.3*)
for \$1,000,000
11. **Public Liability Forest & Rural Fire Extension:** (*see clause 15.3*)
for \$500,000
12. **Statutory Liability Insurance:** (*see clause 15.3*)
Amount N/A
13. **Other Types of Insurance:** N/A (*see clause 15.3*)
Amounts Insured for Other Types of Insurances: (*see clause 15.3*)
Amount N/A
14. **Environmental Monitoring Contribution:** \$_N/A (*see clause 16*)

SCHEDULE 2

Special Conditions

1. Clause 21.1 is deleted and replaced with the following;
 - 21.1 The Concessionaire and the Grantor are responsible for their own costs associated with preparing and signing this Document. However, the Concessionaire must pay the Grantor's legal costs and expenses associated with preparing and signing any extension or variation to this Document.

Appendix 5: Form of Easement Concession "r-o and v-w" to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

KAWARAU STATION LIMITED
("the Concessionaire")

EASEMENT CONCESSION
UNDER CROWN PASTORAL LAND ACT 1998



Department of Conservation
Te Papa Atawhai

THIS DOCUMENT is made this day of

PARTIES:

1. **MINISTER OF CONSERVATION**, ("the Grantor")
2. **KAWARAU STATION LIMITED** ("the Concessionaire")

BACKGROUND

- A. The land described in Item 1 of Schedule 1 as the Servient Land is a Conservation Area or a Reserve under the management of the Grantor.
- B. The land described in Item 2 of Schedule 1 as the Dominant Land is freehold land of the Concessionaire.
- C. 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).
- D. The Concessionaire wishes to carry out the Concession Activity on the Easement Area subject to the terms and conditions of this Document.
- E. The Grantor has agreed to grant the Concessionaire an Easement appurtenant to the Dominant Land over that part of the Servient Land specified as the Easement Area.

OPERATIVE PARTS

TERMS AND CONDITIONS

1.0 DEFINITIONS AND INTERPRETATION

1.1 In this Document, unless the context otherwise requires:

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

"**Compensation**" means the amount specified in Item 6 of Schedule 1 and required by the Grantor under section 53 of the Crown Pastoral Land Act 1988 and section 17X of the Conservation Act 1987 for the adverse effects of the Concession Activity on the Crown's or public's interest in the Easement Area.

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

"**Concessionaire**" means the registered proprietor for the time being of the Dominant Land and includes the Concessionaire's successors, assigns, executors, and administrators.

"**Concession Activity**" means the use of the Easement Area by the Concessionaire for purposes specified in Item 4 of Schedule 1.

"**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 document and any subsequent amendments and all schedules, annexures, and plans attached to it.

"**Dominant Land**" means the land specified in Item 2 of Schedule 1.

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

"**Easement Area**" means that part of the Servient Land specified in Item 3 of Schedule 1.

"**Reserve**" has the same meaning as "reserve" in section 59A of the Reserves Act 1977.

"**Servient Land**" means a Conservation Area being the area more particularly described in Item 1 of Schedule 1.

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

"**Term**" means the period of time specified in Item 5 of Schedule 1 during which this Document operates.

"**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.

2.0 GRANT OF APPURTENANT EASEMENT

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 an **EASEMENT APPURTENANT** to the Dominant Land 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 Easement Area subject to the terms and conditions contained in this Document.

3.0 TERM

3.1 The Easement is for the Term specified in Item 5 of Schedule 1.

4.0 COMPENSATION

4.1 The Concessionaire must pay to the Grantor in the manner specified by the Grantor the Compensation specified in Item 6 of Schedule 1.

5.0 OTHER CHARGES

5.1 In addition to Compensation, the Concessionaire must pay all rates, levies, taxes, duties, assessments, charges, and other outgoings which may be charged, levied, or reasonably assessed, or which may become payable in relation to the Easement Area and which are attributable to the Concessionaire's use of or activity on the Easement Area.

6.0 CONCESSION ACTIVITY

6.1 The Concessionaire is not to use the Easement Area for any purpose other than the Concession Activity.

7.0 COMPLIANCE

7.1 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 any 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 Resource Management Act 1991 and the Health and Safety in Employment Act 1992 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Easement Area or affecting or relating to the Concession Activity.

8.0 CONCESSIONAIRE'S STRUCTURES, FACILITIES AND LAND ALTERATIONS

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

8.2 The Concessionaire must keep and maintain any Structures, and facilities on and alterations to the Easement Area in good repair.

8.3 On expiry or early termination of this Document either as to the whole or any part of the Easement Area, the Concessionaire will not be entitled to compensation for any improvements and any Structure or facilities remaining on the Easement Area are to become the property of the Grantor.

8.4 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 Easement Area in a clean and tidy condition to the satisfaction of the Grantor.

9.0 PROTECTION OF THE ENVIRONMENT

9.1 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 Easement Area; or
- (b) bring any plants, or animals (except those stipulated in Item 4 of Schedule 1) on to the Easement Area; or
- (c) deposit on the Easement Area debris, rubbish or other dangerous or unsightly matter, or contaminate any water body on the Easement Area; or

- (d) pile or store materials in any place on the Easement Area where they may obstruct the public or create a nuisance; or
- (e) conduct any noxious, noisome, dangerous or offensive activity on the Easement Area; or
- (f) top-dress, burn, sow seed, or carry out earthworks (including tracking, drainage or ditching) on the Easement Area; or
- (g) disturb or allow stock to disturb any stream or watercourse on the Easement Area; or
- (h) light any fire on the Easement Area.

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

- (a) if required by the Grantor take all steps necessary to control any pest, insect, or rodent infestation occurring on or emanating from the Easement Area or any Structure or facility on the Easement Area;
- (b) comply strictly with the provisions of the Biosecurity Act 1993.

9.3 The Concessionaire must ensure that the Concessionaire's employees, agents, contractors, licensees and invitees comply with the obligations imposed on the Concessionaire under clause 9

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

9.5 The Concessionaire may for purposes of the Concession Activity take onto or use vehicles on the Easement Area on existing formed access tracks only.

10. TEMPORARY SUSPENSION

10.1 The Grantor may, at any time in exercise of the Grantor's powers, close all or part of the Easement Area for such period as she/he considers necessary.

11.0 TERMINATION

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

- (a) the Concessionaire breaches any terms of this Document; and
- (b) the Grantor has notified the Concessionaire in writing of the breach; and
- (c) the Concessionaire does not rectify the breach within 28 days of receiving notification.

11.2 Immediately on termination the Concessionaire must execute a surrender of this Document if the Grantor so requires it.

12.0 INDEMNITIES AND INSURANCE

12.1 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, agents, contractors, licensees or invitees or otherwise caused as a result of its use of the Easement Area or the Concessionaire's carrying out of the Concession Activity on the Easement Area.

12.2 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.

- 12.3 Without prejudice to or in any way limiting its liability under clause 12.1 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 Easement Area and covering:
 - (i) general indemnity for a sum not less than the amount specified in Item 7 of Schedule 1; and
 - (ii) Forest and Rural Fires Act 1977 extension for a sum not less than the amount specified in Item 8 of Schedule 1; and
 - (b) statutory liability insurance for the amount specified in Item 9 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 10 of Schedule 1.
- 12.4 With respect to clause 12.3 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.

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 DISPUTE RESOLUTION AND ARBITRATION

- 14.1 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.
- 14.2 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 the Disputes Tribunal, where relevant, or to mediation with a mediator agreed between the parties.
- 14.3 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 Easement Area is situated is to appoint the mediator.
- 14.4 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.
- 14.5 Notwithstanding any provision 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 Easement Area

is located is to appoint the arbitrator. The arbitrator must not be a person who has participated in an informal dispute resolution procedure in respect of the dispute.

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

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

15.0 NOTICES

15.1 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 11 of Schedule 1.

15.2 A notice given in accordance with clause 15.1 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.

16.0 RELATIONSHIP OF PARTIES

16.1 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 Easement Area;
- (b) preventing the Grantor from granting similar concessions to other persons;
- (c) derogating from the rights of the Grantor and the public to have access across the Easement Area.

17.0 SPECIAL CONDITIONS

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

17.2 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 :

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as Concessionaire
in the presence of :

Witness :

Occupation :

Address :

SCHEDULE 1

1. **Servient Land:** shown outlined in pink and labelled CA1 on the designations plan(*see definition of Servient Land in clause 1.1*)
2. **Dominant Land:** shown outlined in green on the designations plan
(*see definition of Dominant Land in clause 1.1*)
3. **Easement Area:** marked r-o and v-w on the designations plan, being 20 metres wide.
(*see definition of Easement Area in clause 1.1*)
4. **Concession Activity:** access for motor vehicles, machinery, implements, farm dogs, guns and farm stock for farm management purposes
(*see definition of Concession Activity in clause 1.1*)
5. **Term:** in perpetuity (*see clause 3.1*)
6. **Compensation:** A one-off fee has (in effect) been accounted for on behalf of the Grantor as part of the substantive proposal put the Commissioner of Crown Lands and accepted by the Concessionaire n [date] and for which an approved plan has been registered pursuant to section 70 of the Crown Pastoral Land Act 1998.

(payable on date of execution of this Document) (*see clause 4.1*)
7. **Public Liability General Indemnity Cover:** (*see clause 12.3*)
for \$1,000,000
8. **Public Liability Forest & Rural Fire Act Extension:** (*see clause 12.3*)
for \$500,000
9. **Statutory Liability Insurance** (*see clause 12.3*)
for \$N/A
10. **Other Types of Insurance:** (*see clauses 12.3*)
for \$N/A
11. **Address for Notices (including facsimile number):** (*see clause 15*)
 - (a) Grantor C/-Box 5244
77 Stuart Street
DUNEDIN
(03) 477 8626
 - (b) Concessionaire C/- Kawarau Station Ltd
RD 2
Cromwell 9384

SCHEDULE 2

Special Conditions

1. That in exercising the right liberty and privilege the Transferee shall take all reasonable care to avoid damage to the soil and vegetation of the Easement Area and in particular will avoid passing over the Easement Area when conditions such as softening during frost thaw render the Easement Area particularly vulnerable to damage.

Appendix 6: Form of Grazing Concession over "R2" to be Created

Concession number: _____

DATED _____

Between

MINISTER OF CONSERVATION
("the Grantor")

and

KAWARAU STATION LIMITED
("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. **KAWARAU STATION LIMITED** ("the Concessionaire")

BACKGROUND

- A. The Grantor manages the Land described in Schedule 1.
- B. Sections 66 and 68 of the Crown Pastoral Land Act 1998 authorise the Grantor to grant, under section 17Q(1) of the Conservation Act 1987 or section 59A of the Reserves Act 1977 (whichever is relevant in the circumstances), a Concession for a Concession Activity to be carried out on the Land.
- 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.

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

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.
- 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) if required by the Grantor:
 - (i) 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;
 - (ii) 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:

- (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) the Concessionaire breaches any terms of this Document; and
 - (i) the Grantor has notified the Concessionaire in writing of the breach; and
 - (ii) 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 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.

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 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

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.

20.2 The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard.

21.0 COSTS

21.1 The Concessionaire must pay the Grantor's legal costs and expenses associated with preparing and signing this Document or any extension or variation to it.

21.2 The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and the fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession including the right to recover outstanding money owed to the Grantor.

22.0 OFFENCES

22.1 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.

23.0 SPECIAL CONDITIONS

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

23.2 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 _____

SCHEDULE 1

1. **Land:** Shown pink and labelled R2 on the designations plan (see definition of Land in clause 1.1)
2. **Concession Activity:** Grazing 300 sheep (ewe equivalents) on an annual basis
(see definition of Concession Activity in clause 1.1)
3. **Term:** 30 years commencing on _ _ _ _ _ (see clause 3)
4. (a) **Renewal Date:** (see clause 3.2)
- (b) **Renewal Period:** (see clause 3.2)
5. **Final Expiry Date:** (see clause 3.2)
6. (a) **Concession Fee:** \$5 per ewe per annum + GST (see clause 4)
- (b) **Administration Fee:** \$200 per annum + GST. The Administration Fee will not increase by more than the total aggregated increase in the annual rate of inflation which has occurred since the most recent Concession Fee Review. (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:** On the date 3 years after the commencement date set out in item 3 above, and the corresponding date every 3 years thereafter until the expiry of the term. (see clause 6)
10. **Public Liability General Indemnity Cover:** (see clause 15.3)
for \$1,000,000
11. **Public Liability Forest & Rural Fire Extension:** (see clause 15.3)
for \$500,000
12. **Statutory Liability Insurance:** (see clause 15.3)
Amount N/A
13. **Other Types of Insurance:** (see clause 15.3)
Amounts Insured for Other Types of Insurances: (see clause 15.3)
Amount N/A
14. **Environmental Monitoring Contribution:** N/A (see clause 16)
15. **Address for Notices (including facsimile number):** (see clause 19)
 - (a) Grantor
C/-Box 5244
77 Stuart Street
DUNEDIN 9058
(03) 477 8626

- 11 -

(b) Concessionaire

C/- Kawarau Station Ltd
RD 2
Cromwell 9384

SCHEDULE 2

Special Conditions

Land Management

1. (a) The Concessionaire must not break up or crop any part of the Land or burn any woody vegetation on it without the prior written consent of the Grantor.
- (b) The Concessionaire shall not oversow or topdress the land without the Grantor's consent.

Fencing

2. The Grantor is not to be called upon at any time to contribute to the costs of "work on a fence" as that term is defined in the Fencing Act 1978 between the Land and any adjoining land, except the Grantor will, on a one-off basis following the commencement of the Concession, contribute a quarter share of the cost of erecting a replacement fence between the Land and any adjoining land which is owned by neither the Grantor nor the Concessionaire.
3. Other than for the one-off replacement fence referred to in special condition 2 above, the Concessionaire must keep and maintain at the Concessionaire's costs any fences or gates in good repair.

Hunting

4. The Grantor reserves the right to authorise hunters who hold a valid hunting permit issued by the Director General of Conservation to hunt on the Land. Authorised hunters are required to give prior notification to the Concessionaire prior to entering the Land.

Inspection

5. The Grantor reserves the right for the Grantor's employees or agents to enter on the Land at any time for the purpose of inspecting the Land.

Management Prescription

6. The parties will comply with the management prescription document attached as schedule 3.

Restriction of Public Access

7. The Grantor may at any time prohibit or restrict public access to the Land during what he considers to be major pest poison operations on the Land.

Termination

8. In addition to the powers to terminate this Document contained in clause 14.0 and following above, the Grantor may terminate this Document by notice in writing to the Concessionaire if the Concessionaire is convicted of an offence related to the Land under the Historic Places Act 1993, and clause 14.0 shall apply to any such termination as if it had been made pursuant to that clause.

Costs

9. Clause 21.1 is deleted and replaced with the following:
 - 21.1 The Concessionaire and the Grantor are responsible for their own costs associated with preparing and signing this Document. However, the Concessionaire must pay the Grantor's legal costs and expenses associated with preparing and signing any extension or variation to this Document.

SCHEDULE 3

MANAGEMENT PRESCRIPTION DOCUMENT FOR CARRICKTOWN HISTORIC RESERVE SHEEP GRAZING CONCESSION

As this concession is for a term exceeding 10 years a management prescription document is required. A management prescription in the concession conditions provides, over the full term:

1. The specific goals of management of the land consistent with the nature of the concession activity (covering vegetation, landscape, historic, public recreation, soil and water).
2. A description of how the goals are to be met.
3. A detailed description of the type and condition of historic resources at the commencement of the concession.
4. A description of the monitoring programme (of activity effects) to be carried out (for vegetation and historic features).
5. A specification concerning grazing systems, including identification of vegetation trends and how that will affect the grazing systems.

This management prescription document shall apply until it is reviewed ten years from the date of commencement of the concession and every ten years thereafter.

1. **The goal of the concession is to achieve the protection of historic sites, landscape values, vegetation, soil and water values and recreational opportunities whilst allowing for limited sheep grazing.**

(a) **Vegetation**

To manage the vegetation within the reserve (concession area) to maintain or enhance the cover of exotic and introduced grass and herb species whilst minimising the risk of invasion by exotic woody weeds and trees.

(b) **Landscape**

To manage the reserve (concession area) in a manner which retains and enhances the open landscape character and maintains and enhances the physical presence of visible historic features which include water-races, outlines of stone cottages, sluiced faces, and vertical shafts.

(c) **Recreation**

To facilitate public foot access within the reserve whilst recognising that there is a formed legal track which traverses the entire northern boundary which is a popular four wheel drive, mountain biking and horse trekking route. Appropriate interpretative information and sign posting will be erected where required.

(d) **Soil and Water**

To manage the concession in a manner which prevents soil loss and maintains high water quality.

2. **These goals are to be met through regular monitoring (including general inspections), liaison with the Concessionaire and revision of grazing limits prior to the preparation of management prescription documents.**

(a) Grazing levels and management will be adjusted should that be necessary following analysis of photo point monitoring and field observations by the Grantor or Concessionaire.

(b) Boundary sign posting indicating the status of the land and conditions pertaining to public use will be erected.

- (c) The concession document requires the Concessionaire to comply with the legal obligations of the Biosecurity Act. The Concessionaire may also wish to carry out a programme of woody weed and tree control beyond any obligations under this act. In order to prevent adverse effects to conservation features present, some accepted methods of control suitable for agricultural purposes may need to be restricted.

Methods of woody weed control practices are to be limited to:

- (i) hand cutting and poison treatment of stumps; or
- (ii) hand-held spraying, eg. from a vehicle mounted operation, with hand cutting of dead branches; or
- (iii) prill treatment with hand cutting of dead branches; or
- (iv) targeted aerial spot spraying.

A weed control programme will be jointly agreed to by the Concessionaire and the Area Manager Department of Conservation, Alexandra which will determine what method(s) are to be used and where.

Given that these method(s) are likely to be more expensive than those practised for normal agricultural purposes, the cost of weed control will be apportioned on the basis that the Concessionaire meets those costs to meet his/her legal obligations and the Grantor will meet the difference in costs of the above accepted methods (if any) in order to safeguard the conservation features.

Under the terms of the concession the Concessionaire has the responsibility for pest control. The Concessionaire shall maintain the eastern boundary fence in a rabbit proof condition.

3. Description and condition of historic resources present.

The boundaries of the historic reserve (concession area) cover the core of the Carrick quartz mining field. At the southern end of the reserve are the remains of a large water reservoir (GR 042 - 581).

Further north where the Carrick road crosses Battery Creek (around grid reference 048 583) is the heart of the proposed reserve. In this location are the remains of the Elizabeth, Heart of Oak and Star of the East mines and the associated stamping battery. It is also the location of the settlement of Carricktown. The sites of about 16 buildings are still visible - many as stone ruins.

Towards the northern end of the reserve are the remains of the Day Dawn battery (GR 051 594). Also in this area are the mine workings associated with the New Find, Caledonia and New Caledonia reefs.

4. Description of a monitoring programme to be established for historic sites, vegetation condition and soil and water values

Up to 10 photo points are to be established and located at selected historic sites which are considered vulnerable to stock damage, woody weed invasion or other factors such as slope instability. Of primary concern are stacked stone structures which can be vulnerable to physical damage.

Additional photo points will be established which will provide a general record of vegetation cover, composition and condition.

5. Number of stock and duration permitted to be run on the concession area within the current term of the management prescription document.

300 sheep (ewe equivalents) on an annual basis (in practice more sheep will be run for a lesser period (e.g. 1200 ewe equivalents for 3 months).

Appendix 7: Copy of an unregistered Deemed Permit pursuant to Section 413-417 of the Resource Management Act 1991 in favour of Kwarau Station Limited, consent No. 97670

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Our Reference: A520229

Consent No: 97670

Deemed Permit

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

Name: ~~[Richard John Anderson]~~ *Transferred 21 March 2013*

Address: ~~[C/o Macalister Todd Phillips Bodkins, P O Box 268, Alexandra]~~

Name: Kawarau Station Limited

Address: Level 1, 69 Tarbert Street, Alexandra

To take 50,000 litres per hour from Smiths Gully

For the purpose of irrigation

For a term expiring on 1 October 2021.

Location: Smiths Gully approximately 500 metre from the top end of Quartzville Road, Bannockburn.

Legal description of land adjacent to consent location: Pt Run 330 A

Map reference NZTM 2000 E1295216 N4998533

This document is a deemed permit within the meaning of Section 413-417 of the Resource Management Act 1991. It is a renewal of permit 3293 which was granted February 1988 which in turn was granted in substitution of water race licence WR3460 Cr originally granted in the Wardens Court at Cromwell on 30 September 1914.

Conditions

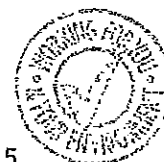
1. Priorities

Permits which can exercise priority over this permit:

2002.448 (WR7831/97Cr), Smiths Gully. 1 head, Priority date: 24.11.1864, Crown

Permits over which this permit can exercise priority:

Nil

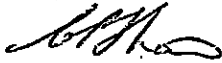


APPENDIX

- 2 Appended is a schedule of provisions from the former Water and Soil Conservation Amendment Act 1971 that may apply to this deemed permit.

Issued at Dunedin this 18th Day of March 1998

Reissued at Dunedin this 5th day of June 2013 to reflect the transfer of holder from Richard John Anderson to Kawarau Station Limited and to update map reference and priority information



Christopher P Shaw
Manager Consents

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Water and Soil Conservation Act Amendment 1971

In this context "current mining privilege" means:

- (a) *Any mining privilege in respect of water which was subsisting or in force immediately before 1 April 1973 and which was granted under the Mining Act 1926 after 9 September 1966, and*
- (b) *Any mining privilege in respect of water which was so subsisting or in force and which was granted under the Mining Act 1926 or any former Mining Act on or before 9 September 1966 to the extent that it has been authorised under S 21(2) of the WSCA 1967 (as amended by WSCA and 1969).*

S4 *Water Race Licence – Every current mining privilege that is a water race licence shall during its currency entitle the holder of the privilege to cut, construct, and maintain a water race, or to use as a water race any natural channel, on the land specified in and in accordance with the conditions of the licence; and also, by means of the race, to divert and use the quantity of water specified in the licence from any watercourse on or running through or adjoining the land in order to continue to supply, sell or dispose of the water for any of the purposes specified in the licence:*

provided that where any such licence was granted before 10 September 1966 the diversion and use of water shall be restricted to the extent that it has been authorised under S 21(2) WSCA 1967 (as amended by WSCA and 1969).

S5 *Dam Licence – Every current mining privilege that is a dam licence shall, during its currency, entitle the holder of the privilege to excavate, construct, maintain and use a dam in accordance with conditions of the licence for the storage of water for any of the purposes specified in the licence:*

provided that where any such licence was granted before 10 September 1966 the volume of water stored shall not exceed that authorised under S 21(2) WSCA 1967 (as amended by WSCA and 1969).

S6 *Drainage Area Licence – Every current mining privilege that is a drainage area licence shall during its currency, entitle the holder of the privilege to the exclusive right to collect and store the water that naturally lies within, or falls upon or percolates through the area of land specified in the licence:*

provided that where any such licence was granted before 10 September 1966 the collection and storage of water shall be restricted to the extent that it has been authorised under S 21(2) WSCA 1967 (as amended by WSCA and 1969).

S7 *Tail-Race Licence – Every current mining privilege that is a tail race licence shall during its currency entitle the holder of the privilege to cut, construct, and use as a race in order to carry off water tailings, sludge, and other refuse or waste from mining operations within the meaning of the Mining Act 1971, or to serve as a ground sluice or race for saving gold:*

provided that the holder of the privilege shall not be entitled to treat any portion of the tail race as a ground sluice or race for saving gold:

provided that where any such licence was granted before 10 September 1966 the carrying off of the water, tailings, sludge and other refuse or waste shall be restricted to the extent that it has been authorised under S 21(2) WSCA 1967 (as amended by WSCA and 1969).

S8 *Main Tail-Race Licence – Every current mining privilege that is a main tail race licence shall during its currency entitle the holder of the privilege to cut, construct, and maintain a race in order to carry*

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off from such claims or tail races as are specified in the licence any water, tailings, sludge, and other refuse or waste from mining operations within the meaning of the Mining Act 1971:

provided that where any such licence was granted before 10 September 1966 the carrying off of the water, tailings, sludge and other refuse or waste shall be restricted to the extent that it has been authorised under S 21(2) WSCA 1967 (as amended by WSCA and 1969).

S9 Mining Debris, etc, not to enter public water supply –

(a) *It shall not be lawful to allow the water in any water race, or any watercourse with which any such race is connected or by which it is fed, to be used for the carrying off of any tailings, mining debris, or waste water from mining operations within the meaning of the Mining Act 1971, if the race is held and used by a local authority for the purpose of supplying water to the public:*

(b) *(a) above shall not apply in the case of any watercourse duly proclaimed under the Mining Act 1926 or any former Mining Act as a watercourse into which tailings, mining debris, or waste water may be discharged, nor in the case of any tail race lawfully discharging into any watercourse below the point at which any water race is connected with or fed by the watercourse and the discharge of the tail race does not, except in unforeseeable circumstances, back up and enter any water race with which it is connected.*

S10 Occupation of land for construction, etc of race or dam. *For the purposes of the construction, maintenance and improvement of any race or dam for which a current mining privilege has been granted, and for the deposit of soil and other matter removed from the race or dam, the privilege shall, during the currency thereof, entitle the holder of the privilege to occupy the land forming the course of the race or, as the case may be, the site of the dam, and also such other land as is specified in that behalf in the privilege.*

S11 Retention of right of priority – *Every holder of a current mining privilege who holds a right that was conferred by the Mining Act 1926 or any former Mining Act, and was in force at April 1973 entitling him to exercise the privilege with priority over any other user of water shall retain that right of priority during the currency of the privilege and of any right granted to him under the WSCAA 1967 in substitution for the privilege on its expiry, until he agrees in writing to a lower order or priority in respect of the privilege and the agreement is notified in writing to the consent authority.*

S12 (1) *On the application in writing of a holder of a current mining privilege, the consent authority shall supply the holder with a certificate in writing as to the order of priority, as disclosed by its records, of the privilege in relation to any other current mining privilege or right granted under the principle Act.*

(2) *Every certificate given under this section shall be admitted by all Courts as sufficient evidence of the order of priority specified therein in the absence of proof to the contrary.*

S13 Exercise of priority – *In any case where the water flowing in any watercourse is insufficient to supply fully all the races lawfully connected therewith, the holder of any right granted or authorised under WSCA 1967 or the holder of any current mining privilege in respect of the watercourse shall, on receipt of a notice in writing from the holder of a superior privilege stating that the supply of water in respect of the superior privilege is less than he is entitled to, forthwith cease to use the water or so much thereof is required to make up the full supply in respect of the superior mining privilege; and, if he fails or neglects to do so, he shall be deemed to be wrongfully using the water, in which case the holder of the superior privilege shall be entitled, in any Court of competent jurisdiction, to recover damages for loss of water, and also to restrain by injunction the holder from wrongfully using the same.*

S14 Obligations of holders of current mining privileges –

(1) *Except as otherwise provided in the WSCA 1967 or as authorised by a current mining privilege, the holder of any such privilege shall, as such holder:*

- (a) *Not alter the intake of the water, or use for diverting the water any race other than the race authorised by the privilege:*
- (b) *Not exercise the privilege except for the purpose authorised thereby:*
- (c) *Not exercise the privilege in such a manner as to injure directly any structure, building, bridge, or public road:*
- (d) *Take such action as the consent authority may direct to prevent any water that he may lawfully divert from running to waste:*
- (e) *Not have any right or remedy whatsoever against any person in respect of the discharge of tailings, debris, refuse, or waste water into any watercourse by that person in the lawful carrying on of mining operations within the meaning of the Mining Act 1971:*
- (f) *Comply fully with all conditions and restrictions attaching to the privilege, except to the extent that any may be dispensed with in writing by the consent authority for such period as the consent authority may specify:*
- (g) *Maintain in good repair, order, and condition, to the satisfaction of the consent authority, all bridges and culverts permitting public or private access over water races which have been constructed to enable the privilege to be exercised:*
- (h) *Record in such manner, and furnish to the consent authority such information in respect of the exercise of the privilege as the consent authority may from time to time require.*
- (2) *On the application of any person or local authority likely to suffer damage or injury from unfitness, disrepair, or weakness of any dam (other than a dam owned by the Crown), the Board may order the dam to be inspected by any duly qualified engineer, and, after hearing the holder of the licence in respect of the dam and all interested parties, and after consultation with an Inspector of Mines, the Board may give such directions for the repair or strengthening of the dam or otherwise, and upon such terms as to costs and otherwise (including the expenses of the engineer), as it thinks fit.*
- (3) *In this section, "dam" means a natural or artificial barrier that retains water.*
- S16 (1) *No current mining privilege shall confer any right to the use of natural water as against any person requiring a reasonable quantity for his own domestic needs or for the needs of animals for which he has any responsibility or for or in connection with fire-fighting purposes.*
- (2) *In the event of any dispute arising as to what constitutes a reasonable quantity of water for the purposes of subsection (1) of this section, the consent authority, after hearing the parties to the dispute, shall determine the matter; and the consent authority, after hearing the parties to the dispute, shall determine the matter; and the consent authority's decision shall be final and conclusive.*
- S19(1) *The Governor-General may take, purchase or acquire any current mining privilege as for a public work under the Public Works Act 1981 as otherwise, and hold, sell or lease or otherwise dispose of the privilege to any person in the same manner in as respects as if he were a private person.*
- S19(4) *A current mining privilege held by or on behalf of the Crown shall not be determinable by the effluxion of time, but shall notwithstanding anything in this Act, continue in force until surrendered by the Crown by notice in writing to the consent authority.*
- S19(5) *The Crown or any duly authorised person on the Crown's behalf may use or authorise the use of any current mining privilege held by the Crown for any purpose in connection with a public work or for any purpose for which it was being used at the commencement of this Part of this Act.*
- S23(1) *Incidents attaching to a current mining privilege held by a local authority-*
- (1) *A current mining privilege held by a local authority -*

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- (a) *Shall confer on the local authority the same rights, powers, and remedies, and impose upon it the same liabilities, as in the case of a private person;*
and
- (b) *A current mining privilege held by a local authority shall not be determinable by the effluxion of time, but shall continue in force notwithstanding the expiry of the term for which it was granted, until it is surrendered by the local authority by notice in writing to the consent authority.*
- (2) *A local authority shall have authority and control over the entire length of any water race held by it under a current mining privilege, notwithstanding that the race may extend beyond the limits of the district within which the local authority has jurisdiction.*
- S30 (1) *The consent authority shall, on payment of the prescribed fee, furnish to any person applying for it, a certified copy of any current mining privilege held by the consent authority under this Part of this Act.*
- (2) *Every such certified copy shall be received in evidence for all purposes for which the original privilege might be put in evidence.*
- S31 *Produced privileges to be open for search – Any person may, for the purpose of inspection, without fee, have access to any current mining privilege filed with the District Land Registrar under this Part of this Act, during the hours and on the days appointed by any regulations for the time being in force under the Land Transfer Act 1952.*
- S32 (1) *On the receipt by the District Land Registrar of:*
- (a) *A surrender under the principal Act of all or part of a current mining privilege;*
or
- (b) *A copy of an order of the Court cancelling the current mining privilege – he shall note the particulars on his record copy of the privilege affected.*
- (2) *If a current mining privilege has been wholly surrendered, or has been cancelled by the Court, and notice of the existence of the privilege appears on a certificate of title, lease, licence to occupy, provisional register, or other instrument of title under the Land Transfer Act 1952, the District Land Registrar shall, on receipt of notice of the surrender or cancellation from the consent authority, note the certificate of title, lease, licence to occupy, provisional register, or other instrument, to the effect that the privilege has been surrendered or cancelled, as the case may be.*
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Appendix 8: Copy of an unregistered Deemed Permit pursuant to Section 413-417 of the Resource Management Act 1991 in favour of Carrick Irrigation Company Ltd, consent 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 Easement to use water race registered on WR3460Cr
Smiths Gully (Eastside)	1	28.3	F41: 054-603		
Smiths Gully (westside take)	0.5	14	F41: 053-603	Part Run 330A Block II Bannockburn SD	WR7831/97 Easement to use water race registered on WR3460Cr
Smiths Gully (Eastside take)	0.5	14	F41: 054-603		

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:\11\jearrick\irigation1.doc

Appendix 9: Form of Special Lease over "CL" to be Created under the Land Act 1948

Concession Number: _____

Concession Document for (Grazing Lease)

THIS CONCESSION is made this day of

PARTIES:

- 1. Her Majesty the Queen acting by and through
The Commissioner of Crown Lands (the Grantor)
- 2. Kawarau Station Limited (the Concessionaire)

BACKGROUND

- A The Grantor has agreed to grant and the Concessionaire has agreed to accept a lease of the Land pursuant to section 67(2) of the Land Act 1948 ("the Act").
- B The Grantor and the Concessionaire acknowledge that the purposes of this lease include to:
 - a. promote the management of the Land in a way that is ecologically sustainable; and
 - b. recognise that the Land contains significant inherent values, as that term is defined in section 2 of the Crown Pastoral Land Act 1998, and is also capable of economic use subject to some restrictions.

OPERATIVE PARTS

- 1.1 In exercise of the Grantor's powers under section 67(2) of the Land Act 1948 the Grantor **GRANTS** to the Concessionaire a lease to carry out the Concession Activity on the Land subject to the terms and conditions contained in this Document and its Schedules.

SIGNED on behalf of the Commissioner of Crown Lands by
 [insert name and title of delegate]
 acting under delegated authority:

Signature

in the presence of:

Witness Signature: _____

Witness Name: _____

Witness Occupation: _____

Witness Address: _____

SIGNED by Kawarau Station Limited by:

_____ Director

_____ Director

	<p>Hazards (clauses 20 and 21)</p>	<p>(ii) Known hazards on the Land - Nil</p> <p>(iii) Details of any staff of the Department or other people in the vicinity of the Land where there is potential for some contact between the Concessionaire and such people: - Nil</p> <p>(iv) Details of any other services being carried out by such people, which might affect the Concessionaire or the Activity: - Nil</p>
<p>13.</p>	<p>Insurance (to be obtained by Concessionaire) (clauses 18 and 19)</p>	<p>A. <u>Types and amounts:</u></p> <p>(i) Public Liability Insurance for:</p> <p>(a) general indemnity for an amount no less than \$1,000,000; and</p> <p>(b) Forest and Rural Fires Act extension for an amount no less than \$1,000,000; and</p> <p>(ii) third party vehicle liability is not required.</p> <p>B. <u>Other Policies and amounts:</u> Not required.</p> <p>C. <u>Details of all policies:</u></p> <p>(i) Insurance Company:</p> <p>(ii) Policy number(s):</p> <p>(iii) Date insurance effected:</p> <p>(iv) Date insurance expires:</p> <p>Certificates of Insurance Received: yes/no</p> <p>The levels of insurance required are subject to review pursuant to clause 19 in Schedule 2.</p>
<p>14.</p>	<p>Addresses for Notices (clause 25)</p>	<p>The Grantor's address is:</p> <p>C/- 77 Stuart Street</p> <p>DUNEDIN 9016</p> <p>Phone: 03 477 0677</p> <p>Email: permissionsdunedin@doc.govt.nz</p>
		<p>The Concessionaire's address in New Zealand is:</p> <p>Kawarau Station _____</p> <p>Bannockburn Road _____</p> <p>Bannockburn _____</p> <p>Phone / Fax: 03 445 0089</p> <p>Email: ksl@xtra.co.nz</p>
<p>15.</p>	<p>Special Conditions (clause 34)</p>	<p>See Schedule 3</p>

Note: The clause references are to the Standard Terms and Conditions set out in Schedule 2

- (b) the remaining portion of the Concession Fee will be the market value of the grazing activity carried out on the Land having regard to the stock limit allowed at the time of such review plus 50% of the anticipated annual cost of the soil and vegetation monitoring required to be undertaken by the Concessionaire as specified within item 12 of Schedule 2 and otherwise on the same terms and conditions of this Concession.
- (c) Both parties are to agree on the total new Concession Fee within 30 working days of the Grantor giving the Concessionaire written notice of the fee review. If the parties cannot so agree then each party is to appoint a Registered Valuer who must meet and agree on the new fee. If the Registered Valuers fail to reach agreement the new fee is to be determined by an umpire appointed by the two Registered Valuers. Each party is to bear that party's own costs and half the costs of the umpire (if any).

Other Charges

- 7. The Concessionaire will pay all levies rates and other charges, including utility charges payable in respect of the Land or the services provided to the Land. Where the Grantor has paid such levies, rates or other charges the Concessionaire will on receipt of an invoice from the Grantor pay such sum to the Grantor within 14 days of receiving the invoice. If payment is not made within the 14 days then the Concessionaire is to pay interest on the unpaid sum from the date payment was due until the date of payment at the Penalty Interest Rate specified in Item 10 of Schedule 1.

Assignment

- 8. (a) The Concessionaire shall not transfer, sub licence, assign, mortgage or otherwise dispose of the Concessionaire's interest under this Document or any part of it (which includes the Concessionaire entering into a contract whereby the Concession Activity would be carried out by a person other than the Concessionaire) without the prior written consent of the Grantor, which consent shall not be unreasonably withheld.
- (b) [Deleted].
- (c) 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, sub licensee, or assignee a covenant to be bound by the terms and conditions of this Document.
- (d) The Concessionaire must pay the costs reasonably incurred by the Grantor incidental to any application for consent, whether or not such consent is granted.
- (e) Any change in the shareholding of the Concessionaire altering the effective control of the Concessionaire, other than transfers of shares to immediate family members or to trusts established to benefit family members of then current shareholders, will be deemed to be an assignment and will require the consent of the Grantor.
- (f) If the Concessionaire should sell, transfer or otherwise assign its interest under this lease, the Concessionaire shall first obtain from the purchaser, transferee or assignee an acknowledgement, by deed or otherwise to the satisfaction of the Grantor, to comply with and perform the Monitoring Agreement as further described in Schedule 5.

17. The Concessionaire will keep the Grantor indemnified against all claims, actions, losses and expenses of any nature which the Grantor may suffer or incur or for which the Grantor may become liable in respect of:-
- (a) the neglect or careless use or misuse by the Concessionaire or persons under the control of the Concessionaire of the Land or arising out of any faulty fixture or fitting of the Concessionaire;
 - (b) any accident or damage to property or any person arising from any occurrence in or near the Land wholly or in part by reason of any act or omission by the Concessionaire or persons under the control of the Concessionaire.
18. Without prejudice to or in any way limiting its liability under clause 17 the Concessionaire at the Concessionaire's expense must effect and keep current in respect of the Land and the Concessionaire's use of the Land a policy of public risk insurance; and a public liability forest and rural fire insurance; and any other insurance specified in Item 13 of Schedule 1 with a substantial and reputable insurer.
19. The Concessionaire shall initially hold the required insurances at the levels specified in Item 13 of Schedule 1. On the Concession Fee review date, such levels may be reviewed by the Grantor, and the Grantor may require the Concessionaire to increase its level of insurance for the succeeding five year period, provided that any such increase in the required levels of insurance shall be no more than 10% of the levels of insurance at the time of the Concession Fee Review or the total aggregated increase in the annual rate of inflation (Consumer Price Index) which has occurred since the most recent Concession Fee Review, whichever is the lesser.

Health and Safety

20. The Concessionaire will exercise the rights granted by this Concession in a safe and reliable manner and must comply with the Health and Safety in Employment Act 1992 and its regulations and all other provisions or requirements of any competent authority relating to the exercise of this Concession.
21. Before commencing the Concession Activity the Concessionaire must, if required by Item 12 of Schedule 1 prepare a safety plan and supply the Grantor with a copy of the safety plan. If the concessionaire amends or replaces the safety plan then within 5 working days of the amendment or replacement plan taking effect the Concessionaire must supply the Grantor with a copy of any amendment to the safety plan or any replacement safety plan. Receipt of the safety plan by the Grantor does not in any way limit the obligations of the Concessionaire under Clause 20 and is not to be construed as implying any responsibility or liability on the part of the Grantor. The Concessionaire must comply with the safety plan and any authorised amendments to it.

Termination

22. If the Concessionaire breaches any of the terms and conditions of this Concession, or if the whole or any portion of the Land is required for use by the Grantor, the Grantor may terminate this Concession at any time in respect of the whole or any portion of the Land upon the Grantor giving to the Concessionaire one calendar month's notice in writing or such other time period as the sole opinion of the Grantor appears reasonable and necessary of the Grantor's intention so to terminate this Concession. If this Concession is terminated then the Grantor may adjust the Concession Fee payable or refund any Concession fee paid in advance at the Grantor's sole discretion.

Notices

25. Any notice to be given under this document is to be in writing and made by personal delivery, email or by pre paid post to the receiving party at the address or email address specified in Item 14 of Schedule 1. Any such notice will be deemed to have been received:
- (a) in the case of personal delivery, on the date of delivery;
 - (b) in the case of email, on the date of dispatch if prior to 5pm, otherwise on the next working day;
 - (c) in the case of post, on the 3rd working day after posting.

Costs

26. Each party will be responsible for bearing its own legal costs and expenses incidental to preparing and signing any extension or variation of this Concession.
27. The Concessionaire must pay in full immediately and on demand all costs and fees (including solicitor's costs and fees of debt collecting agencies engaged by the Grantor) arising out of and associated with steps taken by the Grantor to enforce or attempt to enforce the Grantor's rights and powers under this Concession including the right to recover outstanding money owed to the Grantor.

Consent

28. Where the Grantor's consent or approval is expressly required under this Concession then the Concessionaire must seek that approval or consent each separate time it is required even though the Grantor may have given approval or consent for a like purpose on a prior occasion. Any such consent or approval may be made on such conditions as the Grantor considers appropriate.

Public Access and Closure

29. The Concessionaire acknowledges that the Land is open to the public for access and that the Grantor may close public access during periods of high fire hazard or for reasons of public safety or emergency.

Compliance

30. The Concessionaire will comply where relevant:
- (a) with the provisions of any conservation management strategy or conservation management plan under the Conservation Act 1987 or Part 2A of the Reserves Act 1997, or any general policy statement made under the Conservation Act 1987, or any general policy statement made under the Conservation Act 1987; Reserves Act 1977, National Parks Act 1980, or Wildlife Act 1953, or management plan under section 45 of the National Parks Act 1980, whichever is appropriate to the Land, together with any amendment or review of any policy, strategy or plan whether approved before, on, or after the Commencement Date; and
 - (b) with the Conservation Act 1987, the Reserves Act 1977, the National Parks Act 1980 and any other statute, ordinance, regulation, bylaw, or other enactment (collectively the "Legislation") affecting or relating to the Land or affecting or relating to the Concession Activity, including any regulations made under the Conservation Act 1987 or bylaws made under the Reserves Act 1977 or the National Parks Act 1980; and

SCHEDULE 3

- A. Notwithstanding anything to the contrary, for so long as the Land is administered by the Commissioner of Crown Lands pursuant to the Land Act 1948, the occupation of the Land by the Concessionaire and the terms and conditions of this document shall be governed by the provisions of the Land Act 1948 and the Crown Pastoral Land Act 1998 and not the Conservation Act 1987 and if there is any conflict or inconsistency between the terms and conditions of this Concession and the Land Act 1948 or the Crown Pastoral Land Act 1998, then the provisions of the Land Act 1948 and the Crown Pastoral Land Act 1998 shall prevail.
- B. The Concessionaire acknowledges that it is the intention of the Commissioner of Crown Lands to transfer the administration of the Land to the Department of Conservation and the Concessionaire agrees that thereupon the occupation of the Land by the Concessionaire and the terms and conditions of this Concession shall immediately become governed by the Conservation Act 1987 and the provisions of this Concession referring to that Act shall have thereupon full force and effect and all references to the Grantor or the Commissioner of Crown Lands shall thereupon be read as if they are and always have been references to the Director-General of Conservation.

1.	Type of stock	The Concessionaire may graze the following types of stock: Merino wethers.
2.	Stock Limitations	<p>2.1 The Concessionaire may graze a maximum of up to 1200 wethers on the Land during the period between 1 May to 31 December inclusive in any year, provided that stock numbers and the duration of grazing may be adjusted so the level of grazing is no more than 0.4 stock units per hectare per annum each year and only between 1 May and 31 December inclusive.</p> <p>2.2 Notwithstanding special condition 2.1 above, the Concessionaire may, with the prior written consent of the Grantor having regard to the programme of soil and vegetation monitoring to be undertaken pursuant to clause 12 of Schedule 2 and the Monitoring Agreement in Schedule 5, carry such additional number of stock on the Land on such terms and conditions as may be specified in the Grantor's consent and subject to the Grantor's right to revoke or vary such consent at any time.</p> <p>2.3 Notwithstanding special conditions 2.1 or 2.2 above, the Grantor may, having regard to the programme of soil and vegetation monitoring to be undertaken pursuant to clause 12 of Schedule 2 and the Monitoring Agreement in Schedule 5, by notice in writing reduce the number of stock allowed on the Land on such terms and conditions as may be specified in the Grantor's notice and subject to the Grantor's right to revoke or vary such notice at any time. In exercising the Grantor's rights under this special condition it is agreed that the following trends in vegetation as determined by the programme of soil and vegetation monitoring constitute adverse effects and will result in reductions in stocking as outlined below. Adjustments in stocking rate will be effective from the start of each successive 5 yearly monitoring period.</p> <p>The maximum stocking rate may be reduced by 8% in light of the following trends:</p>

SCHEDULE 4

Insert map or plan

A 50cm by 50cm quadrat will be placed every two metres along each transect and the following information recorded:

Ground Cover (expressed as a percentage to the nearest 5%, to total 100%), using the following classes:

- Rock and Rubble
- Bare Ground
- Litter
- Dead Vegetation
- Live Vegetation

Species Present:

All species found in each quadrat will be recorded as present. The frequency of occurrence is the % of quadrats in which the species is present.

Cover Classes:

Each Species present in each quadrat is given a cover class between 1-6 where:

- 1 = <1%
- 2 = 1-5%
- 3 = 6-25%
- 4 = 26-50%
- 5 = 51-75%
- 6 = 76-100%

Photos:

On each transect, photos will be taken looking up and down the line. These photos are in addition to the photopoints mentioned in (c)(i)

Photographs should be taken with a digital camera using a range of view approximately equivalent to a 55mm lens. The camera should be mounted on a tripod 1 metre above the ground. Repeat photographs should replicate the orientation and range of view of the original image.

The tape should be visible in the centre of the photo, and persons should not obstruct the image.

Location:

Transects should run directly upslope/downslope, with 0 metres being at the bottom of the transect.

The bottom and top of each transect should be permanently marked with 1 metre steel or fibreglass stakes, with a permanent label attached to the bottom stake.

The transect should also be pegged at 5 metre intervals with short aluminium rods, protruding approximately 5cm above ground, to aid relocation.

The location of the bottom and top poles should be recorded by GPS, and with a brief written location description.

Appendix 10: Copy of an unregistered Discharge Permit pursuant to Section 105 of the Resource Management Act 1991 in favour of The Department of Conservation, consent No. 97041
